4.1 **Introduction**

Inclusive Growth, as a term, is more restrictive than Sustainable Development and much different from Sustainable Governance, as it focuses on social cohesion. It mainly refers to issues of income inequality, inequality of opportunity, and social mobility.

When we adopt Inclusive Growth, poverty and income inequality are affecting the access to opportunities, as well as the ability for social mobility, having an impact on social organization and personal promotion. Inequality and poverty also affect the prospects for social convergence between regions, generations, and families belonging to different socio-economic groups.

Increased income inequality is associated with reduced intergenerational and social mobility. In other words, the children of poor families tend to remain poor, while the opposite holds for children of rich families. The same effect is observed with regard to children’s educational performance.

This chapter deals with two key issues. Section 4.2 presents the concept of inclusivity and proposes economic policies for the distribution of income and wealth and the issue of social security. Section 4.3 presents the issue of intergenerational justice, through two key elements that characterize it: intergenerational mobility and debt management, as it is an issue that usually leads to the transfer of debt for repayment to future generations.
4.2 Inclusivity

To date, the middle and upper classes of developing countries, as well as the wealthiest percentage of the world, have enjoyed particularly great benefits from globalization and increased productivity of the world economy. But at the same time, the middle and lower classes of developed countries have been severely affected. International competition has led to a reduction in wages and jobs for unskilled workers who have also been hit by the economic crisis of recent years. At the same time, there has been a decline in the share of national income from labor in many developed countries over the past few decades, which shows that labor productivity is growing faster than its reward, as well as that the share of national income being directed to capital rather than labor increases.

This escalation in economic inequalities within countries, in addition to the possible direct negative effects on growth from an economic point of view, causes a strong concern and sense of injustice among citizens who feel that they are being neglected, sidelined, and not participating in the benefits of the economic development of their countries. At the same time, many parents in the developed world question the prospect of a better future for their children, when experiencing the effects of technological change and automation in the labor markets, parallel with insecure, flexible, and low quality jobs. The discontent of citizens on all these issues is expressed in the political arena, with the radicalization of the population, the political polarization and the social division even in the most developed countries. Increasing support for protectionist and nationalist policies, antisystemic political candidates and fringe ideologies reveal insecurity and a decline in society’s confidence in their political systems. The stagnation or even deterioration of the living conditions of large parts of the population has created the feeling that the political elites are not capable enough to deliver effective solutions.

One of the biggest stakes of the international community for the next few years is to adapt the institutional, systemic and economic organization of societies in a manner that economic development is being realized without exclusions, allowing larger and larger parts of society to participate in the process and the benefits of that development, thereby ensuring security and stability. It has now been understood and accepted by the largest organizations of international cooperation, but also by many governments, that economic development as recorded simply by GDP growth does not necessarily results into sustainable improvements in the
quality of life of citizens. In other words, while economic growth is absolutely necessary, creating the opportunity to improve the living conditions of the whole society, it does not guarantee it. On the contrary, what plays a big role in diffusing the benefits of development in a society is ultimately the effectiveness of the mechanisms and channels for allocating and redistributing income and opportunities that have been set.

The rules for the distribution of income, the availability of economic opportunities, economic security, and quality of life are the main criteria by which a society will judge the effectiveness of the economic policy of each political leadership. This transaction between the economy and society produces political, economic and social results, positive or negative ones, according to the balances established between the two parties. On the one hand, the development of economic prosperity with a broad social base stimulates growth, increasing domestic consumption and demand, investment confidence, entrepreneurship and jobs. On the other hand, undermining the quality of life of citizens can bring a significant reduction in consumer demand, savings and investment, bring stagnation in wages and high unemployment, thereby reducing economic growth. Thus, the issue of inclusive growth is essentially related to maintaining the foundations of economic growth itself.

The well-being of citizens that fuels economic growth is also largely shaped by non-income factors that are essential for the exploitation and creation of economic opportunities. Basic examples are education, health, infrastructure, social engagement, social cohesion, impartial justice, and so on.

Therefore, inclusion in development has to do with increasing access to these goods through the implementation of appropriate policies. In general, each country, depending on its social and economic structures and needs, also sets different priorities in terms of increasing participation in development. For example, in a country there may be a serious problem of inadequate or population-limited education, while in another country there may be low participation of women in the labor market and elsewhere there may be a high level of economic inequality and poverty that impedes social mobility. Each case needs targeted action and for this reason the definitions of inclusive development are not uniform but vary, according to the spatial and temporal prevailing each time.

Below are two issues related to the concept of inclusivity. It is the question of the distribution of wealth and the question of social security.
4.2.1 **Distribution of Income and Wealth**

Greek economy is currently placed as a High-Income country. Its wealth is remarkable but the state of well-being of its citizens worsened after the debt crisis of 2008 and the emergence of the Covid-19 pandemic.

The evolution of the Greek economy—from its birth until today—was gradual through a dependent dependence path, which gives it a chronic weak bargaining power in organizing its position in international economic and political relations with repeated bankruptcies. Since its establishment (1840), its main characteristics have been the development of a grid of extracting institutions and non-market mechanisms of allocation of resources with hierarchical (non-market) type of economic decisions with high transaction costs and rent seeking activities by elites and oligopolistic organizations that “exploited” the small and medium-sized size of its economy (see Chapter 4 in Petrakis & Kostis, 2020).

These characteristics, alongside with its peculiar geostrategic position (in the so-called Eurasia region) have given the economy the additional characteristics of increased systematic risk and non-diversified investment behavior and practice, which on its part increases the systemic risk of the economy (see Chapter 3 in Petrakis & Kostis, 2020).

In all the years of development of the society, the level of material life (wealth) acquired by the Greek economy was mainly the result of income support and loan resources that turned into income inflows after total bankruptcies as a result of foreign capital inflows. Eventually, the accumulation of wealth was the result of irregular inflows with intense peaks and depression periods, which led to behaviors such as “loss aversion”.

A more lasting growth momentum can be gained either when a broad social—political alliance is created which, with long-term persistence, will implement a complex program of structural reforms and development based on the experience and knowledge gained to date, or when a long-term reform program is imposed from the outside, or finally when a combination of the above two situations coincides.

Thus, the crisis of 2008 worsened the economic position of citizens, which was expressed in the further negative shift in the position of the middle class. Figure 4.1 shows the changes seen in the composition of income brackets from 2008 to 2016.

Some 651,756 people belonging to the upper middle class lost income during the crisis, which led them to the middle class. Also, about
Fig. 4.1 Changes in the composition of income brackets from 2008 to 2016 (Note Data present the number of income tax statements and not the quantity of taxpayers. Source Processing data of submission of income tax statement—Independent Authority for Public Revenue [IAPR])
1,247,104 people who belonged mainly to the middle class lost income during the crisis, which led them to the class of the poor.

Similar, but smaller in size (although this is a big change since the crisis of the Covid-19 pandemic is expected to have a short-term duration), the situation at the crisis of the Covid-19 pandemic is also expected. Figure 4.2 shows the changes expected to be seen in the composition of income brackets from 2019 to 2020.

Some 78,211 people belonging to the upper middle class are expected to lose income during the Covid-19 pandemic, being driven into the middle class. Also, about 149,652 people who belong mainly to the middle class are expected to lose income during the Covid-19 pandemic which will lead them to the class of the poor.

From Figs. 4.1 and 4.2 it is evident that there are significant income inequalities in Greek society. Also, from the observation of the indicators S80/S20 (which compares the equivalent disposable income held by 20% of the richest people with that held by 20% of the poorest) and Gini coefficient (as opposed to the income distribution index S80/S20 in income quintiles, it is not affected by extreme values of income distribution), it is obvious that both indicators are over time higher than the average of the EU-28 countries, highlighting that income inequalities in Greece are quite high (see Chapter 7 in Petrakis & Kostis, 2020). In fact, the recent economic crisis of 2008 significantly worsened the two indicators for the Greek economy, as is expected to happen with the crisis of the Covid-19 pandemic.

Redistribution of income is key to reduce income inequality. The redistribution of income is carried out by different mechanisms concentrated mainly on the responsibilities of fiscal policy. More precisely, these mechanisms are divided into (Petrakis, 2011):

1. Transfer payments: unemployment benefits, disability benefits, social security programs, pensions.
2. Progressive taxation, through which higher incomes face higher levels of taxation.
3. Public provision of social services: the main examples of social services in Greece are education and health.
**Fig. 4.2** Changes in the composition of income brackets from 2019 to 2020 (*Note* These are estimates for the number of income tax statements per level of income through proportionate approach based on the estimate for the disposable income of households. Estimates of disposable income result from the Global Economic Model of Oxford Economics. For a detailed presentation of these estimates, see Petrakis and Kostis [2020] [Chapters 11 and 12]. *Source* Author’s calculations based on data from Fig. 4.1 and data from Oxford Economics [Global Economic Model])
Although taxes and social transfers have a direct impact on the distribution of income, public provision of social services is an indirect way of redistribution and has a longer term character.

### 4.2.2 The Social Security Issue

Any change in the social security system is known to affect both today’s and (many) future generations of employees and pensioners. For this reason, any attempt to reform the insurance system requires actuarial studies on the current cost of the system, as well as the trend of its evolution, what we are accustomed to call the “viability” of the system.

The competent Greek Actuarial Authority (National Actuarial Authority, 2018), in cooperation with the European Commission, has conducted a critical relevant study in 2018 on the sustainability of the Greek social security system.

The total public pension expenditure was at 17.3% of GDP in 2016 and is expected to decrease steadily up to 2070, reaching 10.6% in 2070. Regarding the public pension contributions, were at 13.7% of GDP in 2016 and are expected to decrease steadily up to 2070, reaching 10.8% in 2070. Table 4.1 also presents the disaggregation of benefit expenditure and contributions into main and auxiliary pensions and also to means-tested benefits (uninsured benefits and EKAS). It is noted that the total pension expenditure is reduced by 3.9% from 2016 to 2020.

### Table 4.1 Estimates of actuarial studies for 2018 on the level of social security expenditure and contributions (GDP percentage)

|                      | 2016 | 2030 | 2050 | 2070 |
|----------------------|------|------|------|------|
| **Gross public pension expenditure** | 17.3 | 12.0 | 12.5 | 10.6 |
| Main pension expenditure     | 14.7 | 10.5 | 11.0 | 9.2  |
| Auxiliary pension expenditure | 2.1  | 1.4  | 1.4  | 1.4  |
| Uninsured benefits          | 0.1  | 0.1  | 0.1  | 0.0  |
| EKAS                      | 0.4  | 0.0  | 0.0  | 0.0  |
| **Public pension contributions** | 13.7 | 12.3 | 12.2 | 10.8 |
| Main Employer $ Employee   | 5.2  | 6.0  | 6.0  | 6.1  |
| Auxiliary                  | 1.7  | 1.5  | 1.5  | 1.5  |
| State                      | 6.8  | 4.8  | 4.7  | 3.3  |

*Source: National Actuarial Authority (2018)*
Estimates for 2018 place Greece among the top positions in terms of state budget participation in pensions among Eurozone member countries. This performance is due to the decrease of Greek GDP by 18.5% over a three-year period (2010–2013). However, on the basis of the expected de-escalation of the relative costs, over the next 20 years Greece (although it will maintain a higher ratio than the EU average) will be in a more advantageous position against a number of Eurozone countries.

The question, therefore, of the viability of the Greek insurance system, what is on the table is the limitation of the costs allocated to the support of pensions. In other words, limiting the pension burden of the budget and shifting it to employees through an increase in contributions is overlooked. When would a large-scale retirement maintenance problem arise? If deficits were created in the state budget, such that the state was unable to meet its obligations to address the needs of the insurance system. Of course, even then, deficits in the state budget could affect other sectors and not necessarily pensions, e.g., public wages, defense spending, etc.

However, the problem of the insurance system is being created by the very unfavorable development of the “Demographic – old age dependence ratios” (Table 4.2).

The population that is reported in the Table 4.2 is projected by Eurostat and decreases from 10.759 million in 2016 to 7.660 million in 2070. Furthermore, the old-age dependency ratio is at 33.4% in 2016 and is expected to reach 71.0% in 2050 and decrease to 63.1% in 2070. At the same time, the ratio of those over 80 to those over 65 is expected to increase continuously from 30.8% in 2016 to 49.1% in 2070.

Nowadays, on the basis of the current new insurance system, the main pension is derived from the national pension which is fall on the

**Table 4.2** Population and demographic old-age dependency ratios (2016–2070)

|                      | 2016   | 2030  | 2050  | 2070   |
|----------------------|--------|-------|-------|--------|
| Population (thousands) | 10.759 | 9.916 | 8.890 | 7.660  |
| Population growth rate (%) | −0.6   | −0.6  | −0.6  | −0.7   |
| Old-age dependency ratio (pop65/pop15–64) (%) | 33.4   | 44.9  | 71.0  | 63.1   |
| Ageing of the aged (pop80+/pop65+) (%) | 30.8   | 32.1  | 39.4  | 49.1   |

*Source* National Actuarial Authority (2018)
state budget, as well as the contributory pension which will result from the total years of employment of the insured and the level of average pensionable earnings during the entire working life based on replacement rate.\footnote{1}

This system could be replaced by a modern and efficient insurance and pension system. A three-pillar system, drawing on the experience and best practices of other developed countries. As, for example, the Nordic countries which have long been moving toward an effective reform of their own insurance system: the 1st pillar, state, compulsory, but based on the redistributive system. The 2nd pillar is also compulsory, but based on the capitalization system and the insured can choose between a state institution or a private institution (Public & Private Pension Fund Companies). Finally, the 3rd pillar, strictly private, optional and based on the capitalization system.

\section*{4.3 Intergenerational Justice}

The term intergenerational justice refers to justice between generations, with the concept of equality being referred both in time and spatial terms and refers to the rights of future generations to enjoy equally the common human and natural heritage enjoyed by the present generation (Vretou, 2019). Stanford Encyclopedia of Philosophy (2015) following a broad definition of the concept of justice based on Mill (1863) defines the concept of intergenerational justice as the condition under which future or past generations can be considered as holding legitimate claims or rights against present generations, who in turn stand under constructive duties to future or past generations.

The big question to answer is whether present generations owe something to future generations. This is a question that has been bothering people since ancient times (Auerbach, 1995). The only sure thing is that all generations of people have the right to live a life with dignity and prosperity (Vretou, 2019). However, the resources available are not inexhaustible and the need to regulate intergenerational equality arises because of the management that the current generations do to existing resources. These are issues that mainly concern the distribution of resources and savings between generations (Ramsey, 1928).

Below, two issues related to intergenerational justice are presented. It is the issue of intergenerational mobility and the issue of debt management that often leads to debt being passed on to future generations.
4.3.1 Intergenerational Mobility

Intergenerational mobility concerns the extent to which the opportunities open to each citizen are determined by their origin (income, educational level, social class of their parents) (Dianeosis, 2018). The greater the positive correlation of characteristics of a person (such as income, educational level, social class, etc.) with the corresponding characteristics of his parents, the lower the degree of intergenerational mobility. In other words, a society with a high level of intergenerational mobility is one in which a person’s well-being, relative to the rest of the individuals of his generation, depends to a lesser extent on the socio-economic class of his parents (Narayan & der Weide, 2018). The important issue that arises from relevant studies is that the higher the degree of intergenerational mobility, the lower the likelihood that a person who has grown up in a family with low levels of the above characteristics will be able to acquire high levels of these characteristics during his lifetime, and vice versa.

This is an issue that concerns the conduct of economic policy because the extent of this phenomenon is judged by the fairness and economic efficiency of the economic system (Narayan & der Weide, 2018). When the well-being of a large part of a society depends to a large extent on the socio-economical status of their parents, then there is a small level of fairness in that society. At the same time in such cases, it seems that the opportunities of the economic system are offered mainly not to those who deserve them but to those who have the greatest potential due to the status of their parents. And since the waste of human potential is more likely at the bottom of the income distribution, policies promoting higher relative mobility are likely to promote growth that is more inclusive in nature (Narayan & der Weide, 2018; Narayan et al., 2018).

Regarding the issue of intergenerational mobility in Greece, a 2011 study (EU-SILC 2011) showed that 59.5% of people aged 25–59 years old who “find it hard to make ends meet,” in Greece are from families who “found it hard to make ends meet,” while the corresponding figure for the EU was 54.9%. The corresponding percentage for those who “find it easy to make ends meet” while they had grown up in families who “found it hard to make ends meet” was 39.6% for Greece and 30.3% for the EU. Thus, for Greece it is 2.2 times more likely that someone who has grown up in difficult economic conditions will significantly improve their economic situation, while for the EU the corresponding probability is 2.8. For Greece, therefore, the economic situation of parents as a determinant
of a person’s economic distress today is less important than for the EU (Dianeosis, 2018).

A more recent study by Narayan et al. (2018), who compile a Global Database on Intergenerational Mobility for 148 countries, based mainly on intergenerational mobility in terms of educational level and income, provides the same conclusion. Greece is among the countries with the highest degree of intergenerational mobility.

A relevant study by OECD (2018) shows that in Greece, intergenerational mobility is lower at the high levels of wage labor, that mobility is greater among self-employed than among wage earners, that intergenerational mobility is higher among those born in the ’50s, ’60s, and ’70s, that intergenerational mobility is greater at the extremes than in the middle of the distribution of wages, that the intergenerational mobility of wages is higher for daughters than for sons (given the father’s wage level), as well as that in Greece intergenerational mobility is lower based on (family) income than (individual) wages.

Although in Greece the problem is not as large as in other economies, it nevertheless exists and relevant policies should be implemented with a view to greater fairness and economic efficiency. Intergenerational mobility could be increased through well-designed anti-discrimination laws or policies that increase employment competition and lower taxes on the labor market. Also, in Greece a large part of the job placement is carried out through social and family networks and those who have more access to resources and information take advantage of the most opportunities. Therefore, it is appropriate to promote other employment channels (beyond these networks) especially for the most attractive jobs and employers. More broadly, the creation of employment opportunities for all is likely a key to improve intergenerational mobility, and especially policies to improve the conditions of low-skill jobs should be of equal importance.

4.3.2 The Management of Debt

After the onset of the 2008 global financial crisis there was a wave of default on public debt payments and restructurings in both developed and developing economies. At the same time, the Covid-19 pandemic raised new dilemmas for economic policymakers. Most of the world’s economies—Greece included—saw their fiscal positions deteriorate and
their financial costs increase as a result of the policies they implemented to strengthen their societies and economies.

In general, it seems that the Greek economy has three options to facilitate the burden of decreasing and servicing its debt: first, it could ask its creditors to give more time (extending debt maturity) to pay off the debt. Second, it could agree with its creditors to cut interest rates. Third, to reduce total debt (haircut).

The third option is the most dangerous; the one that politicians fear that will lead to a total economic collapse if the heavily indebted country takes unilateral measures. Debt “reprofiling” seems to include a version of the first option. Essentially, the repayment time is extended without reducing the value of the debt. For example, it can include the exchange of two-year bonds with new five-year bonds, thereby changing the “profile” of the yield curve and giving the debtor a longer time to pay off his debt.

However, unlike the other two options, the demand of extra time for debt repayment does not automatically makes the debt viable. All it does is give the heavily indebted country time until it emerges from recession. It also reduces the need for future borrowing to pay off past debt (rollover). In addition, it gives banks more time to acquire capital reserves and absorb losses from a possible future debt haircut. The second option, that is, reducing the cost of servicing debt can lead to real debt relief without creating serious problems in the portfolios of creditors.

The relevant literature on the effect of debt restructuring on the growth rate of economies focuses on specific channels through which restructuring can be beneficial or costly for economic activity. According to the literature, a default or restructuring can create a lack of confidence in investors and cause losses in the product produced (Arellano, 2008; Bulow & Rogoff, 1989; Eaton & Gersovitz, 1981). The above claim is confirmed by empirical results which argue that the reduction (haircut) of public debt may lead to higher spreads and exclusion from the capital markets (Cruces & Trebesch, 2013; Das, Papaioannou & Trebesch, 2012), although other researchers (Krugman, 1998; Obstfeld & Rogoff, 1996; Sachs, 1989) point out that countries with high levels of debt may be benefited from a debt reduction, as future debt repayments decrease.

However, recent research data show that the economic environment and the GDP growth rate can be improved after a debt relief (Reinhart & Trebesch, 2014, 2016). Das et al. (2012), examining 44 cases
of debt restructuring since 1980, find that the average growth rate of GDP increases 4–5% in the three years following the final haircut agreement compared to 1.5% in the three years before an agreement had been reached. Similarly, Trebesch and Zabel (2014) analyze 30 debt default episodes concluding that in the five years following the conclusion of a restructuring agreement countries on average are driven to growth rates of more than 10%. Arslanalp and Henry (2005) conclude that real GDP per capita grew faster in the 5 years after the announcement of a Brady Plan compared to another group of countries (control group). While the size of the haircut does not seem to make any difference to the growth rate for the period after a debt restructuring (Trebesch & Zabel, 2014), there is a difference if the restructuring takes place before default. Asonuma and Trebesch (2016) examine cases of debt restructuring with external private creditors and find that a proactive restructuring results in the faster recovery of economy. Reinhart and Trebesch (2016) conclude that debt restructurings are more beneficial to growth when they provide a debt haircut than when they are in terms of Net Present Value (or interest rate reduction).

Thus, while it is known that policies of debt reduction can have a significant impact on economic growth, according to the literature, only debt restructurings with the provision of nominal haircut seem to arguably increase debtors’ economic prospects: such agreements lead to, an average of 2%, higher GDP growth after two years.

The various proposals that have been developed in the past for the management of Greek debt have one common feature: they are based on the logic of reprofiling, avoiding the possibility of haircut. European lenders have made it clear that the solution for the Greek debt does not include its nominal reduction as (a) such a treaty would create cost (economic and political) for them, and (b) would create a pan-European demand for similar solutions (moral hazard).

As for the increase in debt due to the policies implemented to manage the Covid-19 pandemic, IMF (2020) proposes a number of policies to support economies. Some of these could also be applied in the case of the Greek economy. The options proposed and implemented by the IMF concern emergency financing and concessional financing at zero-interest, grants for debt relief, calls for suspension of debt service, enhancing liquidity, and adjusting existing lending arrangements.
The evolution of the epidemiological crisis and the European monetary and fiscal policies to be implemented, will affect the likelihood of a new fiscal debt crisis in Europe.

**Notes**

1. Let us assume an employee having an average income over the entire pensionable life, of 1,000 euros, who has worked for 22 years and—therefore—he is entitled to the full national pension of 384 euros. In addition, he is entitled to the contributory part of the pension which will be calculated on the basis of the average salary of 1,000 euro and the following methodology. For the first 15 years, the pension replacement rate is 0.77%. For the next 3 years (up to 18 pensionable years) the corresponding rate will be 0.84%. For the next three years (up to 21 years) the rate shall be increased to 0.90%. For the last year, the replacement rate increases to 0.90%. The final ‘cumulative’ replacement rate will be:

\[
15 \text{ years} \times 0.77\% + 3 \text{ years} \times 0.84\% + 3 \text{ years} \times 0.90\% + 1 \text{ year} \times 0.96\% = 17.73\%
\]

This rate, calculated on average earnings of 1,000 euro, yields a contributory pension of 177.3 euro. In combination with the (full) national pension that he is entitled to, the pensioner of our example, will receive 177.3 + 384 = 561.3 euro (or 56% of the through earnings in the employment of the employee). Of course, if the same pensioner had an average income (during the total period of employment) of 2000 euros, the contributory part of the pension would be exactly twice as much (354.6 euros) and his final pension would amount to 738.6 euros (or 37% of the employee’s average earnings through the employment period).

2. See [https://www.emta.org/template.aspx?id=35](https://www.emta.org/template.aspx?id=35). Paris Club is an informal forum, hosted by the French Treasury in Paris, where, since 1956, creditor governments have conducted debt-rescheduling negotiations with sovereign debtors in a coordinated manner.

3. These are the Bruegel proposal (Darvas & Huttl, 2015), the IMF Proposal in February 2017 (IMF 2017a) and in July 2017 (IMF 2017b), the Bank of Greece Proposal (see speech by BoG Commander G. Stournaras “Greece: a comeback to the financial markets. Are we near the finishing line?” 31 May 2017) and the ESM Proposal in June 2017 (according to a document from the German Ministry of Finance sent to German MPs).
References

Arellano, C. (2008). Default risk and income fluctuations in emerging economies. *American Economic Review, 98*(3), 690–712.

Arslanalp, S., & Henry, P. B. (2005). Is debt relief efficient? *Journal of Finance, 60*(2), 1017–1051.

Asonuma, T., & Trebesch, C. (2016). Sovereign debt restructurings: Preemptive and post-default. *Journal of European Economic Association, 14*(1), 175–214.

Auerbach, B. E. (1995). *Unto the thousandth generation: Conceptualizing intergenerational justice.* New York: Peter Lang.

Bulow, J., & Rogoff, K. (1989). Sovereign debt: Is to forgive to forget? *American Economic Review, 79*(1), 43–50.

Cruces, J. J., & Trebesch, C. (2013). Sovereign defaults: The price of haircuts. *American Economic Journal: Macroeconomics, 5*(3), 85–117.

Darvas, Z., & Huttl, R. (2015). How to reduce the Greek debt burden? *Bruegel.* Retrieved from https://www.bruegel.org/2015/01/how-to-reduce-the-greek-debt-burden/.

Das, U. S., Papaioannou, M., & Trebesch, C. (2012). *Sovereign debt restructurings 1950–2010: Literature survey, data, and stylized facts* (IMF Working Paper 12/203). Washington: International Monetary Fund.

Dianeosis. (2018). *Aspects of social mobility in Greece of the crisis.* M. Matsagganis, A. Parma, & A. Kaakitsios (in Greek).

Eaton, J., & Gersovitz, M. (1981). Debt with potential repudiation: Theoretical and Empirical analysis. *Review of Economic Studies, Oxford University Press, 48*(2), 289–309.

EU-SILC. (2011). *Income and living conditions (EU-SILC) / 2011.* Database retrieved from https://www.statistics.gr/en/statistics/-/publication/SFA10/2011.

IMF. (2017a). 2016 *Article IV consultation—Press release; staff report; and statement by the executive director for Greece* (Country Report No. 17/40).

IMF. (2017b). *Request for Stand-by arrangement—Press release; staff report; and statement by the executive director for Greece* (Country Report No. 17/229).

IMF. (2020, May 20). How the IMF can help countries address the economic impact of Coronavirus. Retrieved from https://www.imf.org/en/About/Factsheets/Sheets/2020/02/28/how-the-imf-can-help-countries-address-the-economic-impact-of-coronavirus.

Krugman, P. (1998). Financing vs. forgiving a debt overhang. *Journal of Development Economics, 29*(3), 253–268.

Mill, J. S. (1863). Utilitarianism. In J. M. Robson (Ed.), *Collected Works of John Stuart Mill. Vol. X: Essays on Ethics, Religion and Society.* Toronto: University of Toronto Press.
Narayan, A. & Van der Weide, R. (2018). *Intergenerational mobility across the world: Where socioeconomic status of parents matters the most (and least).* VoxEu.org.

Narayan, A., Van der Weide, R., Cojocaru, A., Lakner, C., Redaelli, S., Mahler, D., et al. (2018). *Fair progress?: Economic mobility across generations around the world, equity and development.* Washington, DC: World Bank.

National Actuarial Authority. (2018). *Greek pension system fiche.* European Commission, Economic Policy Committee, Ageing Working Group, Ageing Projections Exercise 2018.

Obstfeld, M., & Rogoff, K. (1996). *Foundations of international economics.* Cambridge: MIT Press.

OECD. (2018). *A broken social elevator? How to promote social mobility.* Paris: Organisation for Economic Co-operation and Development.

Petrakis, P. E. (2011). *The Greek economy and the crisis: Challenges and responses.* New York and Heidelberg: Springer.

Petrakis P. E., & Kostis, P. C. (2020). *The evolution of the Greek economy: Past challenges and future approaches.* London: Palgrave MacMillan.

Ramsey, F. P. (1928). *A mathematical theory of saving.* Economic Journal, 38(4), 543–559.

Reinhart, C. M. & Trebesch, C. (2014). *A distant mirror of debt, default, and Relief* (NBER Working Paper No. 20577).

Reinhart, C. M., & Trebesch, C. (2016). Sovereign debt relief and its aftermath. *Journal of the European Economic Association, 14*(1), 215–251.

Sachs, J. (1989). The debt of developing countries. In G. A. Calvo, R. Findlay, P. Kouri, & J. Braga de Macedo (Eds.), *Debt stabilization and development: Essays in memory of Carlos Diaz Alejandro.* Oxford, UK: Basil Blackwell.

Stanford Encyclopedia of Philosophy. (2015). *Intergenerational justice. Substantive Revision.*

Stournaras, Y. (2017). *Greece: A comeback to the financial markets? Are we near the finishing line?* Speech by the Governor of the Bank of Greece Yannis Stournaras.

Trebesch, C., & Zabel, M. (2014). *The output costs of hard and soft sovereign default* (unpublished working paper). University of Munich.

Vretou V. (2019). *The basic principles of international environmental law and future generations* (in greek).