

FINANCIAL TIMES

Affluent Greeks fret as they teeter on the edge

Henry Foy in Athens



On a recent evening at the Semiramis hotel in Athens' leafy, affluent northern suburbs, raspberries floated in champagne flutes and men in linen shirts smoked cigars by the pool as the city's elite tried to pretend that the country was not on the [edge of economic collapse](#).

Hours earlier, €1.6bn had fled Greece's banks, prompting Athens to appeal to the European Central Bank for [more emergency funding](#) as a stand-off between international creditors and the country's populist government continued.



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At the poolside birthday, well-heeled businessmen, politicians, academics and socialites gossiped in hushed tones about when the banks might close or limit cash withdrawals. They also unleashed angry barbs at a government they blame for worsening the current crisis and expressed desperate, faltering optimism that eurozone leaders might still come to their rescue.

"The government are incompetent and are ruining the country because they are communists and do not understand reality," said Maria, a banker. "But there has to be a deal. The EU has to save us," she said, fingering her golden necklace. "Right?"

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At least since the country's civil war, Greek society has been riven by deep divisions between left and right. Its financial plight is now reopening old wounds that had healed over the generations.

For the affluent, life without the euro is almost unimaginable. The single currency made it easier for them to send children to study abroad and purchase property and luxury goods elsewhere in Europe.

More than that, it distinguished Greece from its impoverished Balkan neighbours, confirming its place at the centre of a prosperous Europe. But as the crisis has dragged on, other Greeks — particularly supporters of the left-wing premier Alex Tsipras — increasingly equate membership of the currency with crippling public spending cuts and social inequality.

Until now, much of the country's elite had assumed Mr Tsipras's defiance to the country's creditors was a calculated bluff to extract more aid from EU leaders fearful of the ramifications of a Greek exit from the eurozone.

But at the north Athens party, it was dawning on some that many Syriza supporters feel they have nothing to lose, and are therefore willing to take a leap into the unknown with a potential default rather than suffer the ignominy of a climbdown and more cuts to public spending.

"The working class with no money to spend and empty bank accounts . . . has nothing to lose," said Patroklos Koudounis, founder of Adequate, a political risk consultancy. "Hence, they support the government and, as polls clearly show, half of them are in favour of a Grexit."

Mr Koudounis found himself joining a pro-EU protest on Thursday night in central Athens, organised in response to a demonstration the night before by Syriza supporters. It was an act, he admitted, he "never would have ever imagined myself doing".

“Those who have something — or a lot — to lose are becoming quite irritated”

- Patroklos Koudounis, founder of Adequate, a political risk consultancy

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“Those who have something — or a lot — to lose are becoming quite irritated,” he remarked. “They feel that they are under extreme danger and are now ready to get off the comfort of their couches and protest in the streets.”

Fear of what might come this week, including warnings of capital controls for Greek banks if no deal is reached on Monday, has prompted rich Greeks to move the bulk of their personal wealth and business accounts abroad, or hoard piles of cash in their homes.

According to data from the end of April, some €70bn had moved from Greece to other Eurozone countries since the end of November, just before the outbreak of the political crisis that ultimately brought Syriza to power.

In addition, private deposits at Greek lenders have shrunk by more than €30bn between November and

May, as those with savings choose to stuff cash under the mattress instead of trusting the liquidity of bank accounts.

“Everyone has their own plan,” says Dimitris Paraskevas, who runs a family-owned law firm in Athens. “People haven taken their money out of banks, and done something with it . . . I have a friend who is successful, he has bought stock. Other people buy food.”

Mr Paraskevas has already made plans to send his 79-year-old mother to his house in London if things get worse. He has also opened British bank accounts for his business

“If capital controls come in, it really will be a nightmare,” he said. “There will be a lot of misery.”

Back at the party, the dancing had begun and cocktails were flowing. “It is like the last days of Rome, no?” remarked one guest, as plates of ice-cream truffles were whisked through the laughing crowd on the edge of the dance floor.

“But there will be a deal,” he said, assuredly. “I am sure there will be a deal.”