

Shocking scale of tax-dodging bleeds Greece dry: Self-employed failed to pay £22bn in 2009 - a third of the country's then-deficit

By [Hugo Duncan](#)

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The shocking scale of tax dodging in Greece was laid bare yesterday in a report showing that professionals are among the worst offenders.

The study found that self-employed Greeks evaded a staggering £22.4billion of tax in 2009 – almost half the size of the country's deficit in 2008 and a third of the shortfall in 2009.

The chief offenders were doctors, engineers, private tutors, accountants, people in financial services and lawyers, according to the report by economists at Booth School of Business at the University of Chicago.

It came as Greek ministers held talks with the troika of inspectors from the European Commission, the European Central Bank and the International Monetary Fund over its emergency aid.



European Central Bank: Greek ministers held talks with inspectors from the bank over its emergency aid as the scale of tax dodging in the country was revealed

Greece is in its fifth straight year of recession and is struggling to persuade its foreign lenders that it is making the reforms demanded in exchange for crucial aid payments to stave off bankruptcy.

Finance minister Yannis Stournaras said: 'It is a difficult discussion. We are trying to convince them on the soundness of our positions.'

Greece is under pressure to cut government spending and increase the tax take to bolster its battered finances.

But in 2009 it raised just £78billion of tax as the self-employed hid large chunks of their incomes.

The report – entitled Tax Evasion Across Industries: Soft Credit Evidence From Greece – estimated that on average the true income of the self-employed in Greece is 1.92 times higher than their reported income.

Greece was the first country in the eurozone to need an international rescue but Ireland, Portugal and Cyprus have all followed suit.



Strikes against austerity last year: Study found self-employed Greeks evaded £22.4billion of tax in 2009 - almost a third of the country's deficit in 2009

Spain has also requested £80billion to prop up its broken banks and the ECB last week unveiled details of a radical bond-buying plan in a desperate effort to stop the eurozone falling apart.

Billionaire investor George Soros called for Germany to 'lead or leave the euro' and warned that the prospect of a prolonged depression would 'eventually destroy the European Union'.

Official figures showed the Italian economy shrank 0.8 per cent between April and June – worse than the 0.7 per cent slump initially thought – as the recession deepened.

Fears of a return to recession in France mounted after the country's central bank said it expected the economy to shrink by 0.1 per cent in the current third quarter of the year having stagnated for the previous nine months.

French President Francois Hollande said he expected economic growth in France to be 'barely above zero' in 2012.

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In my view, people resent paying taxes when they are perceived as being too high or unfair. There was a chancellor of the exchequer who made huge increases in taxes on cigarettes and alcohol ("for health reasons") and was extremely annoyed when people simply went across the channel for their cigs & booze. What did he do? Raised VAT on power & gas. Governments anywhere will increase taxes rather than curb their lavish lifestyles and expenditure, and now, with the EU laying claim as well, taxes will only go on increasing until the citizens have had enough. Green taxes? don't make me laugh. Just another ploy to squeeze more cash from us.

- [Phil](#) , Hatboro, United States, 12/9/2012 18:09

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The only way to stop all this is VOTE UKIP they will get us out of Europe and let the Greeks stand on their own two feet. If the Greeks want to not pay their taxes so be it, just don't keep dipping into our pockets for a bail out. UKIP is the only solution, all the other parties want more Europe not less.

- [speak as i find](#) , Crawley Down, 12/9/2012 11:30

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Tax escape is not something new in Greece. What's worse is that none of the exhaustive austerity plans since 2009 have dealt with this issue. Instead, government has targeted pensions and public sector salaries, which are anyway impossible to hide. So, we are talking about a ridiculous situation in here! Free-lancers and companies are avoiding a tremendous amount of tax annually, because the state is unable to monitor what really goes into their pockets. I've said to many people around that this can be effectively eliminated by introducing 'online electronic transcation devices' directly at the pay-points and have those connected 24/7 with a monitoring institution. This would immediately 'catch' the one who receives money and does not claim it as income and it would make it difficult to hide. But, as we say here in Greece: " It is not that politicians CAN not do it - it's that they do not WANT to do it! .." (sorry for my long comment)

- [KostasPhD](#) , Greece, Greece, 12/9/2012 09:39

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No different from all the disguised employment tax dodgers over here with their own limited company paying low rate corporation tax.

- [Kelly](#) , Shrewsbury, 12/9/2012 07:25

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The IRS is the USA version of the Gestapo. We cheat, dead meat.

- [Jeff](#) , USA, 11/9/2012 23:34

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So not because the government spent more than they took in then? Thanks for clearing that up then, I believe the Soviet Union said something similar.

- [lan](#) , North Lanarkshire, United Kingdom, 11/9/2012 22:49

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A sure sign a government has lost its mandate to govern is when people refuse to pay their taxes - think poll tax riots

- [tarmit](#) , Northampton, United Kingdom, 11/9/2012 22:45

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Greece & England/UK. You are always TAXED on Everything you buy Food Petrol (VAT) Etc Etc Etc. But most of the Money goes to the Germans/EU now Billions of Tax payers £s each month. Thanks to Mr Cameron & Co who Grovel to the Germans/EU/IMF to keep them happy & pay for the Mickey Mouse euro money. Mr Ed Labour Lid-Dems are just as Bad or hopeless.

- [Dr Spock](#) , london, 11/9/2012 18:40

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IT IS A SPENDING PROBLEM, not a revenue problem, like most other countries in the world.

- [Robert](#) , Atlanta, 11/9/2012 17:52

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lock up the tax dodgers and confiscate all their monies where ever they are, here or in Greece. there actions burden the rest of honest tax payers and should be dealt with in the harshest terms.

- [KS](#) , RDG, United Kingdom, 11/9/2012 17:12

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