

USC Global Leadership Summit – European Financial Crisis
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President

**See page 8 to 10 for Greece
government financial transparency.**

[CLN is introduced by Professor Jacob Soll.]

Thank you, Professor Soll, and good afternoon, everyone.

**On behalf of the entire USC community, I am incredibly proud
to welcome you to this important summit.**

**You have gathered at a pivotal moment in the European
financial crisis and Greek debt issue.**

**Defining times call for defining actions, and our discussions
here would not have been possible without the tireless efforts
of Professor Jacob Soll.**

Professor Soll is a historian who brings the past alive with new understandings of how modern states came to be.

He has also earned our gratitude for organizing this conference to usher in an era of new understanding with each other.

I must confess, when I was asked to speak to you today, I was a little apprehensive. I am an engineer by training – what can I say about accounting and finance?

And then I remembered that my wife, Niki, graduated from a top economics university in Greece, and earned her M.B.A. at Buffalo.

She has worked as a corporate accountant and financial consultant.

So I actually know quite a bit about accounting...

She has taught me well!

(PAUSE)

There has never been a summit like the one we have convened this week. Today, as we are making history, we find ourselves looking to history.

Indeed, the past has repeatedly shown civil societies and nations that transparency and clear accounting are the lynchpins of success and prosperity.

Healthy accounting practices provide a foundation of trust and stability for governments and enterprises to flourish.

Poor accounting practices and the absence of such a foundation have repeatedly led to financial chaos, financial crime, civil unrest, and even war.

Together, transparency and accountability are essential to democracy. When they no longer anchor a society or nation, democracy can collapse and open a door to tyranny.

Ancient Athens provides a fascinating example of their centrality to democracy.

Athens was the birthplace of democracy, as well as a vibrant center for the arts, philosophy, and education.

In his book, *The Reckoning: Financial Accountability and the Rise and Fall of Nations*, Professor Soll notes, “In ancient Athens, accounting was seen as connected to political accountability.”

Consider:

- **The heart of Athens’ democratic government rested on a complex system of bookkeeping and public auditing;**
- **The city-state’s treasury was considered holy, and was guarded by its treasurers in Delos, nearly 200 kilometers away;**

- Ordinary citizens and slaves were trained and employed as bookkeepers, and the accounts of all Athenian public officers were subject to audits;
- And even priests, priestesses, and members of the high court of appeals had to do full accountings of funds.

In other words, virtually *everyone* was accountable.

Such standards enabled Athens to thrive and become the cradle of Western civilization.

Yet corruption would become widespread, and to a certain point, fraud was tolerated. These two forces chipped away at the integrity of Athens, and while they didn't directly cause its demise, they undermined its democracy and prosperity.

Twenty-five hundred years later, transparency and accountability still hold the key to Greece's stability and success.

The spirit of ancient Athens informs and infuses modern Athens, and it reminds us of Greece's great potential.

Greece is a nation of tremendous assets, power, and creativity.

In many ways, it is just like California: a land of great beauty.

The weather and landscape of Greece were truly given by heaven...

...No other country can match its array of enthralling sceneries that lie in such close proximity to one another...

...It is a tapestry of serene alpine lakes, forest mountains, rolling hills, stunning gorges, and racing rivers...

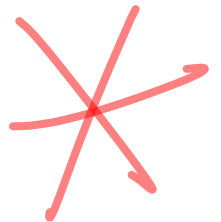
...Greece is a land of living postcards...

So many of you have seen images of Santorini, where white-washed buildings — capped with sky-blue roofs — gaze upon golden sunsets on an infinite sea.

Quite simply, it is a nation whose beauty can open the mind to endless possibilities.

To resolve the current European economic crisis, we are

fortunate that we do not need to explore endless possibilities.



We only need financial transparency – not only in Greece, but also in the International Monetary Fund, the European Central Bank, and the European Commission.

For a benchmark in transparency and accountability, look to the International Public Sector Accounting Standards, better known as IPSAS (ip-sahs).

By providing a common accounting language, these standards provide common ground for increasing transparency and accountability between institutions and between nations.

The IPSAS also promote better management of government resources, thereby increasing efficiency and cost effectiveness.

The adoption and consistent implementation of these standards will ultimately also increase understanding.

Without question, transparency and accountability are difficult to achieve. They are also difficult to maintain. Yet ensuring democracy and the long-term stability of nations is even more difficult without clarity and responsibility.

But they can only be achieved if there is a culture in place to support them.

This culture must nurture an unwavering respect for laws and institutions, the bedrock of any stable society. And this culture must be rooted in democratic values if democracy is to endure.

The cultivation of these ideals should begin early, and one of the best ways to do this is through childhood education.

The curriculum of elementary schools and high schools must emphasize regard for rules and policies.

By fostering this investment in respect for laws and institutions early, we gain great dividends later. We earn transparency and accountability, and we then earn the economic growth and prosperity that come with it.

As President John F. Kennedy once observed, "A child miseducated is a child lost."

But as we have seen too many times, the stakes are far greater on a larger scale: A nation miseducated is a nation lost. This is true of every nation of our world.

So it is only fitting that this conference convenes at an institution of learning.

A university like USC is a place where ideas can be shared freely and constructively.

By its nature, a university is a collaborative environment of scholarship.

This conference alone boasts experts from the fields of accounting, economics, finance, public policy, and history.

Through your broad backgrounds and experiences, you hold vast promise for partnership and progress.

Our university is also the ideal host because, as a non-profit institution, it must be accountable to parents, students, stakeholders, and society.

And as USC's history has shown, a university that is accountable will be transformative *and* sustainable.

(PAUSE)

I would like to close with a final thought.

There are those who live through history, and there are those who make history.

In your discussions today and tomorrow, you will all have a rare opportunity to share each other's perspectives, and hear each other's concerns...

...You will have a chance to give voice to your challenges, and give hope through your solutions.

In no small way, this summit will advance understanding... and where there is greater understanding, there are greater prospects for the future.

In that light, I wish you all an inspiring and productive conference. And I hope to see you all here again one day at USC.

Thank you.