

ETUDES HELLENIQUES

HELLENIC STUDIES

**CRISE GRECQUE ET
UNIFICATION EUROPÉENNE**

**THE GREEK CRISIS AND
THE EUROPEAN UNIFICATION**

Edited by / Sous la direction de
Sotiris Ntalis

Contributors / Contributions de

**Christos Baxevanis
Kostas Botopoulos
Nicos Christodoulakis
Theodore M. Mitrakos
Maria Papadaki
Stavros Zografakis**

Littérature Chyprite / Cypriot Literature

Stephanos Constantinides

Maria Herodotou

Yiannis Katsouris

Costas Vassileiou

Poètes Chyprites/Cypriot Poets

Volume 22, No 1, Spring / Printemps 2014

1

European Unification and the Greek Crisis

Sotiris Ntalīs*

“Europe continues to seek its Roosevelt” (the president who brought the United States out of the Great Depression), the Spanish newspaper *El País* reported following the June 2013 European Summit, “but economy and politics seem to be going in different directions.” While the economy is demanding support for the Euro scheme and short-term measures for its support, European leaders seem pleased with the compromising solutions proposed, which frequently lack any ambition.

Given the upcoming European Parliamentary elections (22-25 May 2014), politicians from all 28 member-states felt the need to speak for or against European integration.

However, what does European unification signify today besides upholding peace in the European continent, which suffered so much during the twentieth century? The procedure for the unification of Europe also carries a development model that is unique overall, since it combines (or until recently, used to combine) solidarity politics with the objective of creating development in which we all should become involved.

What would the feedback be today on Robert Schuman’s historic declaration of May 9, 1950, which laid the foundation for the establishment of the European Coal and Steel Community (ECSC) in 1951, the EEC in 1957 and the current EU of the 28 members? Can we imagine Europe without the EU? Had the European Unification not started, Europe’s economic growth would have been at a much slower pace. There would not have been a uniform policy on competition, a common market, or a common currency.

Trade transactions among countries would have been limited and microeconomic instability would have been greater. A significant achievement of the EU is the strengthening of the “welfare state” and “state services”, a State whose aim is to serve its citizens, not to dominate them.

However, what purpose does the European Union serve today and what

* University of the Aegean

does its future hold? What has already been achieved for the well-being of its citizens and what are the current challenges it faces? What innovative changes should the EU promote as it expands? At a time of intense globalization, can the EU compete successfully with the rest of the great economies? Can it play a fundamental role on the global stage? Will it take on the format of the United States of Europe, as Guy Verhofstadt, former prime minister of Belgium and current leader of the Alliance of Liberals and Democrats for Europe Party in the European Parliament aptly put it; or will it continue being a structure of collaboration and competition among different states which simply take part in the same structure.

What are the priorities of the European Union and its member states for the next fifty years? Clearly, one is job creation through the liberalization of the labour market, the modernization of the welfare state, which is mainly a state issue, and investing in new technologies and in the production of new ideas.

As far as the Economic and Monetary Union is concerned, it cannot keep moving forward dependent on just one of two legs, the monetary one—this would be against the essence of the Treaties. Moreover, the absence of close coordination among national economic policies causes growing deficits in development and lack of employment positions, as Jacques Delors often argues, reminding us that social dialogue, which he himself inaugurated in 1985, today has ended up being a routine. It neither generates new assurances nor pressures those in charge of decision-making so as to move towards an evergreen and cooperative growth.

The ‘absence’ of Europe today means the ‘retreat’ of Europe. It is the actual trap that the Old Continent is in risk of setting up against itself.

We left for last the role that Germany plays in the contemporary EU. The German chancellor, contrary to the leaders of France and Great Britain, has understood that in a period of globalization, power is measured in economic terms and is not fond of military adventures. However, is Germany a new world power? If one were to focus on the way in which the Americans and the Chinese confront Berlin, one would see that for Washington and Beijing, Europe is Berlin, especially in business negotiations. Germany gains de facto an important role in the global sphere as soon as the European coherence has as main elements its financial burden and a lack of convincing arguments for it.

The last opinion poll by Pew Institute entitled, “The New Sick Man of

Europe: the European Union”, illustrated some important data on the prospect of the European unification. It mainly showed the accelerating delegalization of the EU and of the European integration scheme.

The key question regards the quest for an operating model for the EU that will allow us to define European interests beyond national divisions while ensuring the necessary means of action. The federal approach towards European Unification will not lead us to the creation of a United States of Europe. However, it will allow us to work on the triangle of European Institutions: the Commission as an expression of European Community interests, the Council of Ministers as an expression of national interests and the European Parliament as an expression of the people. A political unification of Europe is the only thing that will end the need for a hegemonic power in The Old Continent.

In the past few years, European leaders seem to have misheard what European citizens have been trying to voice. Furthermore, as the British historian Timothy Garton Ash has very well stated, European political leaders have failed to narrate the history of the European Union as a history which propagates liberty. The challenge faced by the Union today is whether it will adjust to the challenges of the twenty-first century and draft a new agenda for international politics and transatlantic relations. It seems as if up until today, throughout the European unification process, Europe has demonstrated its weight only when necessary to demonstrate its ability to respond to the challenges of history.

We are now asked to defend historical, social and political bonds against a disgraceful ideology that offends everything Europe achieved following World War II.

Greek Foreign Policy and the European Unification as a Strategic Priority

Greece's participation in the EU has broadened the horizons of Greek foreign policy as well as specific controversial issues in the broader region of South Eastern Europe and the Mediterranean. It is in this direction in which Greece should continue enhancing its relationships with important players of international politics and especially bilateral relationships with allies and partners. Apart from this, expanding relationships with countries, which are

traditionally related to Greece and have common interests in Europe, such as the Russian Federation, as well as Middle Eastern and North African countries, is an essential goal to pursuit. Furthermore, it is important to develop greater relationships with the emerging economies in Asia, Oceania, Latin America and Africa.

While aware of its size and boundaries and following the dynamics of extrovert policies, Greece should start taking initiative in contributing to the resolution and management of regional problems.

Enhancement and Expansion of Greece's International Role

Besides the increased strategic importance that the Eastern Mediterranean Sea has towards a boost in the country's comparative advantages and the broadening of its international role, the development of cooperation on the field of education and research is necessary; as is the campaign for the creation of international centers of knowledge and technology in Greece. Furthermore, the enhancement of commercial shipping, tourism and aviation as factors of international development will prove to be useful for the country. Lastly, the emergence of Greece as a productive country, exporting and transiting its energy wealth will also prove significant.

As far as Greece's relations with Turkey are concerned, in 1999 Greece was a pioneer in opening the European prospect for our neighbour country, because it wholeheartedly believes that this will be advantageous for everyone—for the European Union, for Turkey, for the greater region and for bilateral relations.

The EU can be the catalyst for critical changes in Turkey. However, all candidate countries should prove through action that they are ready to embrace the principles and values on which the European structure is based on and to fully adopt the E.U. ways and means. Today Turkey's European course is a slow process. This is due to three main reasons: the internal processes of the country itself, the disputes expressed by some of the E.U. member-states and the Cyprus Problem.

With Turkey, we have a common presence and share common interests in matters concerning the Middle East, the Balkans, the Black Sea region and the Caucasus. The resources of our region are enormous. But even bigger are the resources we can create together, if we succeed in putting our relations on a new, creative basis of cooperation and mutual respect.

Greece, the Crisis and the Euro Zone

Nicos Christodoulakis has been monitoring in an apt and analytic way the intervention of the EU and the I.M.F. in their handling of the Greek crisis and has shown the defects of the memorandum.

Stavros Zografakis supports the idea that the worsening of social indicators as an aftereffect of the crisis (undergoing its sixth year) is confirmed after serious delays. The dramatic increase in unemployment, the pressure to reduce salaries as a trade for maintaining employment positions have led workers to a point of desperation. The goal of his research is to measure the desperation in households with a rate constructed on a primary data basis from the study "Research on the Labor Supply" conducted by the Greek Statistic Service. This rate depicts, in a timely manner on a quarterly basis, the degree of desperation in households and tests how the financial reform achieved via the reduction of salaries or the loss of jobs can be understood as something that is distributed "fairly" among households.

Theodore Mitrakos' article presents the recent developments and the characteristics of social indicators of inequality and poverty in Greece. At the moment, the distributional effects of the austerity measures implemented during the current economic crisis are being examined. For this reason, the most recent data available on household surveys are being utilized (Household Budget Survey, Income Survey and Living Conditions). The data available from the breaking years of the crisis show that relevant poverty has significantly risen in the period of the current crisis (3 percentage points between 2009 and 2011), while the degree of "absolute" poverty, i.e. when the poverty line, in real terms, remains constant at pre-crisis levels, increased dramatically. The redefinition of the basic parameters for social policy occurs in the occasion of the current crisis. The minimum income guaranteed which will function as a basic mound for social welfare against situations of extreme poverty is still the key issue that remains to be solved.

In his article Kostas Botopoulos talks about the five year experience of the crisis in Greece and the economic political and institutional effects it had. Specifically in the first part, he examines the handling of it, in the second part he examines the characteristics and deficits of the "rescue package" and mainly the infamous Memorandum which was signed by the lenders, in the third part he examines the ultimate overthrow of the party system and the pressures

pushed on society and in the fourth part he examines today's prospects at a time when perhaps, the turning of the page is closer than ever.

Christos Baxevanis and Maria Papadaki argue that among the priorities of the Greek Presidency in the E.U. is the promotion of a unified approach towards immigration and a common European system of asylum, with a just allotment of the burden among member-states. The current founding of the new Asylum Service and the Appeal to Authority Service constitute taking initiatives which overturn the practice of decades in this field and create presuppositions so that the Greek state, having moved towards a groundbreaking reform of the asylum system, can negotiate a series of changes in a European level from a better position. The Greek presidency has the opportunity to set (yet again) on the table, the argument a) reconsidering the forecasts for the applications for asylum from the primary country of entrance and therefore the applicants return to it, if he/she has found refuge in another EU country; b) the practical solidarity towards the states that undergo serious pressures of mixed waves of immigration or are called to accept an extremely high number of applications for asylum; c) while also the redistribution of certified refugees and possible applicants for asylum within the EU in a just and well-proportioned way, or other initiatives towards the allocation of responsibility with the final goal being the unloading of the already burdened member-states.

NOTES

1. See article "Europe continues to seek its Roosevelt", *Ta Nea* (Daily Greek Newspaper), June 29 th 2013.
2. Sylvie Kauffmann: "Trop forte, l'Allemagne!", *Le Monde*, June 19 2013.