



**GROUPEMENT D'ÉTUDES ET DE RECHERCHES
NOTRE EUROPE**

President: Jacques DELORS

**GREECE, THE EUROPEAN UNION,
AND THE 2003 PRESIDENCY**

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Research and European Issues N°21
December 2002

STUDY AVAILABLE IN FRENCH AND ENGLISH

<http://www.notre-europe.asso.fr/Etud21-fr>

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FOREWORD

I am very grateful to George Pagoulatos for the clarity and perceptiveness with which he has presented the eventful path leading to Greece's integration into the European Union and the lively debates which this has provoked.

This path has been anything but linear. Greece's entry into the European Community on January 1st 1981 was followed in October of the same year by the "historical victory" of PASOK which was opposed to membership and by the creation of the first Papandreou government, which marked the beginning of a period of ruptures in relations with the European 'mainstream' on a number of points. In reminding us that public expenditure as a percentage of Greek GDP increased from 29% in 1975 to 51% in 1990, G. Pagoulatos enables us to assess the extent of this rupture. He also rightly dates the beginning of the 1990s, after a largely peaceful change in political power, as the start of an uninterrupted period of convergence and integration which spectacularly led Greece to the centre of European politics. The fact that the average Greek income per capita relative to the EU average is currently reaching the same level as 1978 (70%) shows dramatically the turbulent character of this historical phase.

From now on, we must forget the stereotypes of Greece's marginalisation in the Union because they are obsolete. I share the author's assessment of the current position of Greece in Europe as a success story, whether this be in terms of its political, economic or administrative evolution, its integration into EMU and the single market or its international stance. I also know the huge role the Prime Minister Kostas Simitis has played in this success, which I feel should be emphasised in this brief foreword. The new centrality of Greece can be seen if we consider that, despite only officially taking over the Presidency of the Union from January 1st 2003, it has in fact already exercised this role since July 1st for questions related to EMU and ESDP due to the Danish opt-out from these two policy areas.

The centrality of the country holding the Presidency is a valuable asset for us all in this crucial period which is now beginning. This presidency will be important for the successful conclusion of the *Treaty of Thessalonica*, which will remain in history as the treaty of reunification of the continent. Furthermore, it will be significant in ensuring a smooth handover to the Italian Presidency which will coincide with the sensitive passage from the Convention to the intergovernmental conference, with the aim of providing the Union with the institutions it needs to make this reunification a success. Moreover, it is important to remember that, in the meantime, it will also have to successfully manage the Spring European Council which governs the economic and social aspects of the Union, as well as many other issues...

In this period where, to a large extent, the future of European political union will be decided, it is with confidence and hope that I see the Presidency passing to the country which invented democracy, and which has in recent times seen public support for membership of the EU at record levels and the highest of all fifteen member states.

Jacques Delors

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INTRODUCTION

Greece assumes the Presidency of the European Union on January 1st 2003, taking over from Denmark¹. With the green light for enlargement already delivered in Copenhagen, the Greek Presidency is one in which the normal “high” and “low” politics of EU policymaking will be mixed with the extraordinary realization of an historical vision for Europe. One year after the equally momentous launch of the Euro, the economic prospects of Europe are clouded by uncertainty, mostly rooted in the global political and economic environment. The new impending reality of an EU-25, combined with questions of institutional reform in the enlarged Union, dominate the current EU debate. The Greek Presidency (the fourth after 1983, 1988 and 1994) will address a number of important issues pertaining to the EU’s “ordinary” agenda. It will also be called to administer “extraordinary” issues, a possible US-led military campaign against Iraq (with all its complex military, diplomatic, economic, humanitarian, and even environmental implications) standing at the top of the potential crises list.

Twenty-two years since its 1981 entry into the European Community, this is, in many ways, a very different Greece. A most impressive transformation involves Greece’s position in the EU. Greece is no more the “reluctant partner”, the “problem case”, the “black sheep” of the Community (to recall just some of the rather uncharitable terms once employed). It has matured to become not just a “normal” country, a “mainstream” EU member, but an ardent and committed European, and (since its 2001 EMU entry) finally a “success story” as well. This graduation from troubled adolescence and marginality to European “normality” and membership to the Eurozone core of Europe not only summarizes the momentous socioeconomic and political transformation of Greece, but it also testifies to the success of the European Union in helping bring about this transformation.

Greece (along with Spain and Portugal) is one of the three post-1974 “new democracies” of Southern Europe, and a market economy that was substantially liberalized since its accession. In that sense, Greece’s experience is of particular value also for the young democracies and new market economies of Central and Eastern Europe, several of which will now be making their first strides as full EU members.

¹ Since July 2002, Greece has already presided in the Eurogroup and over EU foreign and defense policy, given Denmark’s opt-outs.

I - GREEK POLITICAL PARTIES AND EUROPEAN INTEGRATION

1. *From divergence...*

The 1974 transition to a liberal pluralistic democracy (after a 7-year military dictatorship) was the historical juncture that gave birth to the Third Hellenic Republic and Greece's contemporary party system. Since 1974 two political parties have alternated in power. The center-right wing party of ND (New Democracy), founded by Constantine Karamanlis, held power in 1974-81 and again in 1990-93 under Constantine Mitsotakis. And the socialist party of PASOK (Panhellenic Socialist Movement), founded by Andreas Papandreou, has held power in 1981-89 and 1993-96 under Papandreou, and 1996-present under Costas Simitis.²

From the early days of the fragile Republic following the dictatorship's collapse in 1974 over the Cyprus national crisis which brought Greece and Turkey to the brink of war, the Karamanlis government turned to the EC –as it then was–in pursuit of greater political and diplomatic capital. Greece submitted its application for membership in 1975. Negotiations lasted between 1976 and 1979, and on 1 January 1981 Greece became formally a member of the EC, five years ahead of Spain and Portugal. An EC membership was then regarded as providing the higher –though mostly indirect–political guarantees of security and stability. These were much needed in a polity that was making its first strides into real democracy, after 7 years of dictatorship and an entire postwar period of a cachectic, “guided democracy”³ during which civil rights were repressed and the Left was persecuted following its defeat in the 1945-49 civil war.

Prime Minister Karamanlis carried the political campaign for Greece's EC accession against significant foreign reluctance and fervent domestic opposition. The latter originated from PASOK and the orthodox Communist Party of Greece (KKE) (whose electoral influence, until the 1990s, was of some importance hovering around the 10 percent mark). Apart from the ND, pro-accession support came from small centrist parties and the small reformist Euro-

² For a brief period in 1989-90 successive transitional coalition or “ecumenical” governments alternated in power.

³ Nicos Mouzelis, *Politics in the Semi-Periphery*, London, Macmillan, 1986, Elias Nikolakopoulos, *The Cachectic Democracy. Parties and Elections, 1946-1967*, Athens, Patakis, 2001 (in Greek).

communist party. Given that at that early stage the EC was still essentially a Common Market without substantial redistributive policies for the periphery, opposition could be reasonably based on the grounds of the at least short-term adverse effects of market opening. However, on the government's part, political considerations (enhancing stability and binding Greece to a Western European course –“we belong to the West” was a famous motto of Karamanlis) overrode economic concerns.

The rise to government of Andreas Papandreou's PASOK in October 1981 signified the consolidation of the Republic, demonstrating that democracy had indeed become “the only game in town”.⁴ Moreover, PASOK's rise was of historical importance as it meant incorporating the losing side of the civil war, thus healing the entire post-civil war trauma and putting an end to the sense of social disenfranchisement of left-of-center citizens. On the economic side, PASOK's socialist objectives were served predominantly by expansionary and redistributive policies, whose financial cost, however, was bound to rise to unsustainable proportions. Indeed, the 1981 government's professed aim of economic stabilization was soon overrun by a demand stimulus, hailed both as a strategy of recovery and as an instrument for income redistribution. PASOK's initial economic strategy emphasized institutional reforms such as democratic planning and socialization of enterprises, under the theoretical justification of subordinating monetary stability to the goal of industrial and agricultural protection, restructuring and development.⁵ As the socialist government sought to consolidate its political grip by appealing to politically left-wing and socioeconomically marginalized strata, redistribution or plain electorally-induced expansion constituted a main pillar of its political strategy. Consequently, in the 1980s Greece diverged heavily from the EC economic policy standard. Between 1975 and 1990, government spending in Greece rose from about 29 to 51 percent of GDP, compared to an EU-average increase from 42 to 47 percent, and an OECD-average increase from 35 to 39 percent.

PASOK had been elected on an anti-EC agenda, demanding a “special relationship” with the EC (like Norway or Yugoslavia), a position that became milder after the party assumed the government of Greece. Towards the mid-1980s, the attitude of what the *Financial Times* had described as “one foot in, one foot out” was gradually abandoned. However, through most of

⁴ Richard Gunther, Hans-Jürgen Puhle, and Nikiforos Diamandouros, “Introduction” in Gunther, Diamandouros and Puhle (eds) *The Politics of Democratic Consolidation*, Baltimore, Johns Hopkins University Press, 1995, p.5.

⁵ Euclid Tsakalotos, *Alternative Economic Strategies. The Case of Greece*, Aldershot, Avebury, 1991.

the 1980s and (to a lesser extent) in the early 1990s, Greece formed a focus of policy divergence within the Community, and an obstacle to European political cooperation and the deepening of European integration. At that time Greece's "failure to assimilate the European Community into political thinking"⁶ echoed the total and uninhibited prevalence of domestic party political considerations. Such ideational isolation from Europe was repeatedly exemplified not only by Greece's disagreements with its EC partners over important matters of European foreign policy, but also by serious delays in implementing EC legislation on a wide range of issues.⁷ Some branded Greece as "the country of footnotes", for its tendency to dissociate itself from common Council communiqués. Overall, Greece became the odd one out within the EC, to a degree comparable only to that of Thatcherite Britain. Thus during most of the 1980s and in the early 1990s, Greece was broadly considered as the EU's weakest link. Its marginalization inside the EU was taken for granted, its failure to meet the EMU objectives was predicted as certain, and several pundits were even playing with the idea of Greece becoming the first member ever to be ejected from the EU.

One could distinguish three phases during which Greece's relations with the EU became particularly problematic. The first, roughly coinciding with PASOK's first term in government (1981-85) emanated from a political decision to integrate Greece's stance towards the Community into an aggressively ideological, anticapitalist and nationalistic rhetoric. Indicative of early day PASOK's exceptional nature was the fact that it was the only European socialist party in government ostentatiously absent from the Confederation of the Socialist Parties of the European Community and the Socialist International, which PASOK joined as late as 1989.⁸ A charitable interpretation could suggest that the extensive reliance on a *tiers-mondiste* type of socialist rhetoric did have the effect of securing Premier Papandreu enough elbow room with his sizeable left-wing constituency to allow him implement a gradual shift towards the more moderate policies of his second government term. Symbolic politics of defiance to the "directorship" of North European metropolitan countries combined with an intense and vociferous anti-Americanism served to affirm a (long-denied) sense of national/popular sovereignty and pride among Greece's left-of-center citizens. The latter tended to regard the US and NATO as the main culprits in a long chain of foreign

⁶ Susannah Verney, "Panacea or Plague: Greek Political Parties and Accession to the European Community, 1974-1979", PhD diss., Kings College, University of London, 1994.

⁷ Verney, "Panacea or Plague...", *op.cit.*; P.C. Ioakimidis, "The EC and the Greek political system: an overview" in P. Kazakos and P.C. Ioakimidis (eds) *Greece and EC Membership Evaluated*, London, Pinter, 1994.

⁸ Susannah Verney, "The Greek Socialists" in J. Gaffney (ed.) *Political Parties and the European Union*, London, Routledge, 1996.

interventions culminating in the 1967 military junta which collapsed with the Turkish invasion of Cyprus.

The second phase during which it can be argued that Greece's divergence from the EU became again pronounced was during the 1987-89 period, after the 1985-87 economic stabilization program was abandoned. After its second term in government (1985-89) PASOK became a supporter of European integration, accepting the Single European Act, championing the CAP, social cohesion policies, and a larger EU budget, arguing for a Common Foreign and Security Policy, and later accepting the Maastricht Treaty.⁹ Thus, PASOK gradually joined the mainstream of European socialist/social democratic parties, albeit with relatively stronger nationalistic undertones compared to its typical EU political counterparts. However, the economic populism of 1988-89 stood in the way of PASOK's process of "Europeanization". This intensely populist phase was tainted by major domestic financial and political scandals, which exacerbated political conflict, and led to a prolonged electoral period that was debilitating for the economy. During that phase, political discourse revolved around a very divisive PASOK/anti-PASOK polarization, which downgraded economic governance and Greece's European policies as items of lower priority. Thus, while PASOK's political convergence towards the European social democratic mainstream had already begun, the particular political circumstances prevented this convergence from fully materializing.

The third final phase of Greek divergence from the EU was during the early 1990s, under the ND government. Two were the main reasons for that divergence (which occurred despite the ND's impeccable pro-European credentials, and PASOK's graduation into the European social democratic family). First, the dramatic deterioration of the economy appeared to have definitely removed Greece from the nominal convergence prospect, rendering it an unreliable partner in implementing the terms of the EC's successive balance of payments support loans.

⁹ Gerassimos Moschonas, "The path of modernization, PASOK and European integration", *Journal of Southern Europe and the Balkans*, 3(1), 2001, 13 p.

A second reason was Greece's rift with the EU partners resulting from Greece's adoption of a nationalistic line in the dispute over the name of the Former Yugoslav Republic of Macedonia.¹⁰

2. ...to convergence

The 1990s finally resolved the drama of what Panos Kazakos, Professor at the University of Athens, had defined as Greece's "oscillation between integration and marginalization" in the EC.¹¹ The decade of the 1990s was the logical continuation of the prematurely interrupted 1985-87 stabilization program, which had launched Greece's convergence to the EC policy paradigm. The macroeconomic adjustment policy inaugurated in 1990 by the ND government of Constantine Mitsotakis continued with new vigor under the PASOK governments of Andreas Papandreou in 1993 and Costas Simitis in 1996. If the 1980s was overall the decade of policy experimentation, inefficient economic management, and discontinued measures, the 1990s was a decade of stability, consistency and continuity in policy direction, as well as of a gradual build up of economic policy success. This helped Greece to restore its lost credibility vis-à-vis the EU. In turn, the definitive influence that helped bring about and consolidate the "orthodox" policy shift had a lot to do with the EU, which (being on the creditor side) undertook a more active role in helping formulate and monitor the implementation of the terms of economic adjustment. The EMU nominal convergence program in particular supplied the Greek authorities with a set of clear, tangible and compelling policy objectives.¹² Throughout the 1980s, PASOK and ND had been divided and highly polarized over economic and structural policies. By the time the socialists regained power, however, the same economic strategy for satisfying EMU entry requirements was formally shared by both

¹⁰ During the early 1990s, Greece demanded that the neighboring state, which had emerged from the dissolution of Yugoslavia, abstain from using the term "Macedonia" in its official name. Many Greeks feared that the term "Macedonia" could in future become a vehicle of revived nationalism against the Greek region of Macedonia, home to nearly one fourth of Greece's population. This intransigent strategy, rooted in a general climate of Greek insecurity over the outbreak of nationalism and instability in the post-1989 Balkans, became counterproductive, among other reasons because it blocked a mutually fair and viable compromise solution based on a "composite name" containing the term "Macedonia". In the second half of the 1990s Greece's policy changed into one of committed economic and political support to the Former Yugoslav Republic of Macedonia, but a solution of the "name issue" was not reached.

¹¹ Panos Kazakos, *Greece Between Integration and Marginalization. Essays on European and Economic Policy*, Athens, Diatton, 1991 (in Greek).

¹² Kevin Featherstone, "'Europeanization' and the Centre Periphery: The Case of Greece in the 1990s", *South European Society and Politics*, 3(1), 1998, 23-39; George Pagoulatos, "Economic Adjustment and Financial Reform: Greece's Europeanization and the Emergence of a Stabilization State", special issue on "Europeanization and the Southern Periphery", *South European Society and Politics*, 5(2), 2000, 191-214.

parties. By 1998, when Greece entered the ERM, there was a growing sense of attainability of the EMU nominal convergence targets. Greece was officially admitted into the EMU on January 1st, 2001.

Perhaps a most notable though less conspicuous development after 1996 was that Greece finally bridged its confidence gap with the EU. The process of becoming a fully credible and reliable partner began after 1990, but it was partly derailed as precious good will capital was squandered over the “Macedonian issue”. However, during the 1990s the Greek governments exhibited increasing firmness, consistency, and credibility in their overall policies, thus tangibly demonstrating Greece’s commitment to economic and institutional Europeanization.

The importance of the external constraint factor in bringing about this outcome cannot be easily overstated. Very much like other EU countries had done by binding themselves to the Maastricht criteria, the Greek government entered an externally imposed discipline mechanism that forced adjustment by rendering the cost of noncompliance insufferable. Financial and capital liberalization multiplied the costs of any substantial derogation from the pursued healthy economic “fundamentals” and of any serious stain on the government’s policy “credibility”. The March 1998 successful drachma devaluation and entry into the European Exchange Rate Mechanism (ERM) in an environment of free capital movements (fully liberalized after spring 1994) and high interest rate differentials, led to massive inflows of mainly short-term capital. These posed the constant threat of a tantamount outflow (with perilous effects on the external account and the economy at large) at the first signals of a government retreat from its announced policy targets. The imminence and salience of this external constraint exercised a most potent incentive for economic adjustment. The Bank of Greece, the country’s central bank, led during 1994-2002 by Governor Loukas Papademos, navigated with a steady hand through the perilous channels of monetary adjustment.

The convergence process of Greece to qualify for EMU membership was marked by an unusually high degree of sociopolitical consensus, which peaked into the second half of the 1990s, as EMU was elevated from daydream to an increasingly achievable prospect. With the exception of the Communist party (KKE), there was no substantial political force to seriously question the objective of EMU entry. Though the particular austerity policies followed were subject to intense political dispute, from the ranks of both major parties and especially from the Left, the objective as such (as compared to the dire alternative of remaining isolated

outside EMU) was not seriously questioned. For a high-inflation peripheral country with the EU-lowest per capita income, whose currency had consistently declined since 1975, EMU represented the promise-land of monetary stability and sound economic policies, not to mention the purely political benefits of becoming a member of the advanced Eurozone. The widespread gains of EMU entry were so salient and overwhelming that any Eurosceptic argument was *ipso facto* marginalized.

Party-political consensus was also a reflection of converging socioeconomic preferences. It is generally agreed that transnationalized banks and corporations are expected to support the monetary union, aspiring at the efficiency, lower-transactions-costs gains of a single currency, while domestically oriented producers would tend to be indifferent or even hostile.¹³ A distinct issue is the real currency appreciation followed in the transitional period, which is particularly painful for export-oriented sections of manufacture and primary production. These same sections may be opposed to a monetary union since it implies surrender of the possibility of using currency depreciation to enhance competitiveness. However, even that kind of opposition was moderated in Greece in recognition of the very poor results achieved by monetary accommodation and depreciation in the past. On the other hand, labor unions (with the exception of those affiliated to the Communist party) also began progressively to support the EMU objective, though in a far less unambiguous manner given the heavy transitional cost of restrictive economic especially wage policies. Real wages had declined during the 1985-95 period, and price stability, along with the higher regulatory, welfare, and income standards of the EU, represented a favorable prospect (As unions represent labor market insiders, and in the Greek case predominantly the wider public sector, the unemployment issue as part of the EMU transitional trade-off weighed only indirectly on their policies). Thus, on average, socioeconomic and sectoral divisions were absorbed into an overall positive stance vis-à-vis the EMU, especially in the second half of the 1990s. Today, the Greek public opinion displays the third highest percentage in the EU-15 in support of the single currency.¹⁴

As Greece, beginning in the 1990s, boldly shifted direction in its economic policies, aligning itself fully behind the European policy orthodoxy, a parallel realignment took place in the

¹³ Jeffrey A. Frieden and Eric Jones, "The Political Economy of European Monetary Union: A Conceptual Overview" in J. Frieden, D. Gros, and E. Jones (eds) *The New Political Economy of EMU*, Lanham, Rowman and Littlefield, 1998, p. 178-9.

¹⁴ *Eurobarometer* No.56, April 2002.

realm of ideas. Modernization and catching-up with Europe became central ideological tenets of both ND and PASOK. In the case of PASOK, of crucial importance was the 1996 rise to power of Costas Simitis as Prime Minister and leader of PASOK, succeeding the deceased Andreas Papandreou. Simitis, the architect –as the then Economy Minister–of the 1985-87 stabilization, had been always identified with PASOK’s pro-European and reformist wing. His 1996 election (and subsequent re-election in 2000) was instrumental in completing the transformation of PASOK into a mainstream European social democratic party, and a champion of furthering European integration as part of a broader political agenda of Greece’s “modernization”.¹⁵

Testifying to this transformation, the voters of PASOK today appear to be even more supportive of European integration as compared to those of ND, who are relatively more nationalistic and sceptical towards some of the effects of European integration.¹⁶ Of course, this may simply reflect the fact that those among the electorate who perceive themselves as losers from the policy status quo (thus presumably also negatively disposed towards Europe) tend to vote for the opposition rather than the government. And, there is no doubt, the leadership of the ND party remains as pro-EU as ever. Still, this is an interesting reversal of fortune from the time when ND was *par excellence* the party of European integration and PASOK that of anti-capitalist or nationalistic Euroscepticism.

True to its pro-European tradition, the New Democracy (ND) party today views Greece and Europe as “inseparable”. In the words of Costas Karamanlis,¹⁷ leader of ND, “we believe in Europe but we care deeply about Greece. We want to enhance our cooperation with all other Europeans, but we will always love profoundly our land and its people. We are committed to our extended European family, but our priority is to address the needs of our immediate Greek one. In short, if we believe so much in Europe, it is precisely because of our original belief in Greece and its potential”.¹⁸

¹⁵ In the most recent general election of April 2000, PASOK was reelected with 43.8 percent of the vote, while ND took 42.7 percent, KKE 5.5 per cent, and the Left Coalition (SYN) 3.2 percent.

¹⁶ Moschonas, *op.cit.*

¹⁷ Current leader Costas Karamanlis is a relative of the founder of the ND party.

¹⁸ Costas Karamanlis, “Our Vision for the Future of the European Union: A Frontline Role for Greece”, speech at a Centre for Political Research (KPEE) conference, Athens, 3 July 2001.

II - AN ACCOUNT: WHAT GREECE HAS GAINED FROM THE EU

Apart from a constant source of policy and regulatory reform, the European Union has been the catalyst for a wide range of deep-going transformations of the Greek polity, society and economy. There is widespread agreement among Greek policy elites and the public that, since the country's accession, the EU has been the single most important driving factor of Greece's sociopolitical, economic and institutional modernization.

1. *Stabilization and deepening of democracy*

Since the 1980s, the EC underwrote democracy in Greece by extending the material resources (agricultural support and structural funds) that enhanced development and modernization, raised the levels of general societal welfare, and provided the vital perceived link between democracy and prosperity which is essential for sustaining political and democratic stability.¹⁹ Though a significant portion of EC funds aimed in the 1980s for structural modernization ended up being used as targeted income rather than investment subsidies, and consolidating traditional party clienteles, they did play a crucial part in rendering anti-democratic nostalgia (especially of the rural periphery) a thing of the past. The 1974 transition to democracy coincided with a prolonged period of internationally induced economic crisis and stagflation, and succeeded an equally prolonged period of paradigmatic inflation-free growth under the growth-enhancing Bretton Woods regime. Much of that impressive economic development from the 1960s until 1973, which had transpired in a booming international economy, coincided, however, with domestic dictatorial rule. Taking this into account, the link between EC-underwritten prosperity and the deepening of democracy cannot be easily overstated.

Democratic deepening, however, has been less a function of European financial inflows than one of qualitative transformations in the Greek politico-administrative system, institutional structures, and society, accelerated by Greece's EU membership. Though with a significant

¹⁹ Basilios Tsingos, "Underwriting Democracy: The European Community and Greece" in Laurence Whitehead (ed.) *The International Dimensions of Democratization. Europe and the Americas*, Oxford, Oxford University Press, 1996.

time lag, EC structural and cohesion funds finally began generating institutional adjustments, social learning and administrative adaptation, among others by energizing social capital in the Greek periphery.²⁰ The decentralization of power from a traditionally hydrocephalic national capital of Athens to the periphery over the 1980s and 1990s (municipalities, prefectures, and regions) has been both motivated and funded by the European Union. European legislation, structural programs and their implementation have expedited the modernization of a politico-administrative system that was traditionally characterized by a low degree of legitimacy and institutionalization, excessive formalism combined with the persistence of informal practices, and subjection to political patronage.²¹ EU-imposed mechanisms of monitoring and control helped the civil service strengthen its position vis-à-vis politicians, the transfer of EU standards enhanced meritocracy in civil service recruitment and training, while the management of EU structural programs has raised the level of professionalism and efficiency of Greek administrative authorities.²²

Moreover, a new set of important institutions and independent administrative authorities were established in the 1990s, such as the Ombudsman, the Commission for the Protection of Personal Data, the National Council for Radio and Television, and others. All are examples of institutional modernization inspired by similar developments in the EU, aimed to provide better civil rights protection and establish higher standards in public life. Pivotal in the process of Greece's modernization has been the ongoing institutional separation of church and state in a country where some 98 percent of the population is officially defined as Christian Orthodox. Especially during the second half of the 1990s important strides were taken towards strengthening the state's secular mission. A secular education was promoted at school level, non-armed military service was established for conscientious objectors, the mention of religion on identity cards was abolished, the equal protection of other religions and denominations was strengthened, and so on. Given their prohibitive political cost, such measures were greatly facilitated by EU pressure –occasionally invoked by Greek authorities in a scapegoating fashion. The diffusion of social rights as a result of EU social regulation (protection against gender discrimination, equal opportunities for the handicapped, working

²⁰ Ilias Plaskovitis, "EC regional policy in Greece. Ten years of structural funds intervention" in P. Kazakos and P. Ioakimidis (eds) *Greece and EC Membership Evaluated*, London, Pinter, 1994, Christos J. Paraskevopoulos, *Interpreting Convergence in the European Union*, London, Palgrave, 2001.

²¹ Dimitri Sotiropoulos, "A colossus with feet of clay. The state in post-authoritarian Greece", in H. Psomiades and S. Thomadakis (eds) *Greece, the New Europe and the Changing International Order*, New York, Pella, 1993.

²² Calliope Spanou, "European integration in administrative terms: a framework for analysis and the Greek case", *Journal of European Public Policy*, 5(3), 1998; 467-84.

environment regulation, and so on) has been a very notable additional factor of qualitative deepening of democracy.

Parallel and interrelated with the aforementioned developments has been a process of democratic deepening in the form of a gradual awakening of a conscious and increasingly autonomous civil society. For one thing, European integration led to a dramatic redrawing of the public/private or state/market boundary at the latter's benefit. The erosion of the state sector especially during the 1990s (in the form of increased market openness, liberalization and privatization) deprived PASOK and ND of traditional public sector bastions of party clientelism. Post-1974 hyperpoliticization, polarization and a party restructuring into mass organizations, facilitated by the abuse of clientelistic instruments, had led partitocracy to its peak in the 1980s.²³ Indeed, during the 1980s there was a widespread sense of "colonization" by the governing party not only of public bureaucracy and the state sector but of associational life as well. In the 1990s, however, partitocracy retreated under the winds of spreading political de-ideologicalization, public cynicism, and spreading occupational opportunities in the private sector.²⁴ The erosion of the intensity of the traditional, vertical, left-right sociopolitical division, the maturing of PASOK into a modern, European social democratic party, and the social learning resulting from growing interaction with EU counterparts, have all contributed to a greater degree of maturity of Greek interest organizations and labor unions.²⁵ Once characterized as elements of a state-corporatist mode of state-society relations, labor unions in the 1990s gradually abandoned the party subservience and zero-sum maximalism of the early postauthoritarian period, raising their degree of autonomy vis-à-vis the state and the party system. By transforming themselves into increasingly reliable social partners, unions contributed significantly to the conditions of industrial peace and wage

²³ Related to the postwar clientelistic tradition has been Greece's "South European-type" welfare system, characterized by a very high degree of categorical fragmentation, cumulative outcome of many decades of particularistic pressures of occupational categories. The division of schemes along occupational lines "has not been mitigated by equalizing measures aimed to unify social rights across categories" (Manos Matsaganis, "The Rise and Fall of Selectivity à la Grecque", paper presented at the 9th International Congress of the Basic Income European Network, Geneva 12-14 September 2002). Social transfers (except pensions) today are well below EU average, and the population percentage below poverty levels is above the EU average. However, the harshness of poverty and unemployment figures (the latter only recently fell just below 10 percent) in reality is mitigated by the high percentage of the side economy (estimated at the 30-35 percent range) and cushioned by an extensive (South European) tradition of familialism.

²⁴ Nicos Mouzelis and George Pagoulatos, "Civil Society and Citizenship in Postwar Greece" in F. Birtek, N. Diamandouros, T. Dragona, A. Frangoudaki, and Keyder C. (eds) *Citizenship and Nation State in Greece and Turkey*, London, Frank Cass, 2002.

²⁵ Kostas Lavdas, *The Europeanization of Greece. Interest Politics and the Crisis of Integration*, London, Macmillan, 1997.

moderation established especially since 1993-94, which greatly facilitated the implementation of macroeconomic stabilization.

However, on the negative side, the rolling back of state interventionism (its important beneficial effects notwithstanding) has also signified a shift towards a different form of potential colonization of civil society –this time by an oligopolistic and politically collusive private capital. The (full or part) state withdrawal, over the 1990s, from a range of economic activities (financial services, radio and television, public works, public utilities and major industrial sectors) has, in some cases, led to phenomena of excessive strengthening of private interests and public-private collusion. The unfinished agenda of democratic deepening (very much like the rest of the EU) thus involves the continuous empowerment of institutional mechanisms of independent public control against the excessive concentration of economic and political power in private hands.

Associated with the awakening of civil society in a more prosperous, post-cold war environment has been the diffusion in Greek society of “post-materialist” issues and values. Thus, issues of environmentalism, civil rights, consumer rights, the combating of global inequality and Third World poverty, multiculturalism (aided by the presence of around one million immigrants in a country which was used to being an exporter of migration) have raised their salience in the Greek current societal agenda. Hundreds of nonprofit, nongovernmental organizations and civic initiatives have emerged and flourished over the 1990s, enhancing civic consciousness and civil society autonomy vis-à-vis both the state and the formal party system. For example, since the late 1980s and early 1990s, the Citizens’ Movement for an Open Society has played a pioneering role in raising public awareness regarding the importance of active citizenship and a strong civil society. Similarly, the Citizens’ Union “Paremvassi”, another important NGO, is widely credited for accelerating the introduction of the institution of the Ombudsman by the government in 1997. Another organization, *Evropaiki Ekfrassi* (European Expression) has actively championed the European federalist agenda among the Greek public and youth since the late 1980s. All three have taken a strong pro-federalist stance in the coordinating committee for Greek NGOs in the European Convention framework. In addition, active Greek sections operate of major global NGOs such as Amnesty International, Greenpeace, WWF, ActionAid, Médecins du Monde, and others. Overall, it can be assessed that at the level of civil society the EU impact has been indirect rather than direct, taking the form of cultural osmosis, resulting from the

greater density of Europeanization/ Westernization and cross-border interaction of societal elites, students, and professionals. EU membership has multiplied the Greek public's knowledge and information about European socioeconomic, political and cultural affairs, enhancing demand for a kind of sociocultural modernization which has long been synonymous to "catching up with Europe".

2. *International integration and external security*

As said, the effort to seek greater political guarantees of security was one of the principal motivating factors behind Greece's pursuit of an EC membership back in the second half of the 1970s. Greece was and has been "different" in several important aspects compared to other EU member-states: the only Balkan country in the EU; for a long time the only consolidated Western-type democracy in the region; the only member-state sharing no geographical borders with the EU; and the only EU member-state facing the at least perceived possibility of a serious security threat (from its East). This acute security consideration has accounted for Greece having the highest GDP share of national defence expenditure of all EU countries. . In the 5 percent area in GDP terms, such levels of defense spending promise a hefty peace dividend when the visible improvement of Greek-Turkish relations becomes consolidated. Since the 1990s, following the dissolution of and war in former Yugoslavia, the Balkans regional subsystem of which Greece forms part has been highly unstable. Membership in the EU has been pivotal in allowing Greece to navigate safely towards deeper democracy and prosperity in an adverse geopolitical environment. EU membership has also helped Greece transform what in the postwar period was a patron-client relationship with the US into one based on greater equality and reciprocity. EU membership, finally, has made possible the "internationalization" and "Europeanization" of Greece's foreign policy (once security-obsessed and exclusively revolving around Greco-Turkish relations and the Cyprus issue) and Greece's active involvement in a wider range of global institutions and processes.

In its capacity as the only Balkan member of the EU, Greece has assumed a special political and economic role in helping stabilize democracy in the new democracies of the Balkans. During the second half of the 1990s Greece has engaged in peacekeeping in the Balkans (Bosnia, Kosovo), and has undertaken an active political and economic role in supporting democracy in Yugoslavia following the fall of the Milosevic regime. Greek public-private

partnerships (also under EU umbrella) have extended aid and supported reconstruction in the Balkans. Of most notable importance is the role of Greek private economic investment in the Balkans. Since the area's transition to democracy and market economy, several larger-size Greek enterprises expanded into neighboring Balkan countries, seeking to exploit first-come opportunities and the advantages derived from geographical and cultural proximity. By the end of the 1990s, approximately one quarter of cumulative FDI in the Balkans originated from Greek-related entities, while Greek exports to the region had risen to 20 percent of total exports from single digits in the early 1990s.²⁶ Greek investors (many of them domestic "national champions") have been pivotal in transferring technology and know-how to the host countries.

The EU's eastern enlargement finds Greece with a greater role and responsibilities in the region. Especially for the Balkan region, bedeviled by ethno-religious nationalistic conflict and destitution, European enlargement brings with it a new sense of optimism for democratic consolidation, institutional modernization and prosperity. As the only Southeastern European member of the European Union, Greece views the eventual entry of all Balkan countries in the EU as vital for underwriting long-term peace and stability in the region. The Greek Presidency will actively support the EU's enlargement and active cooperation in the Balkans by implementing a new accession "roadmap" for Bulgaria and Romania, both candidate countries excluded from the first forthcoming wave of enlargement. The Greek Presidency also intends to establish cooperation agreements and promote closer EU relations with other Balkan countries such as Albania, Yugoslavia, the Former Yugoslav Republic of Macedonia, Bosnia-Herzegovina, and Croatia. The Greek government views the eventual incorporation of the entire Southeastern Europe in the EU as a precondition for peace, stability and development in the region, avoiding future divisions.

Over the last few years, in a momentous policy shift led by Premier Costas Simitis and Foreign Minister George Papandreou, Greece has become protagonist in supporting Turkey's course towards the European Union. After a long period of ambiguity (following an outright negative stance towards Turkey's efforts to come closer to the EU in the late 1980s and early 1990s) Greece in the late 1990s opened a new chapter in her relations with Turkey. The new policy is based on understanding that Turkey's successful Europeanization, democratization

²⁶ Antonis Kamaras, "A Capitalist Diaspora: The Greeks in the Balkans", Working Paper, Hellenic Observatory, The European Institute, LSE, 2001 www.lse.ac.uk/Depts/European/hellenic

and modernization is the key to sustained peace and stability in the Eastern Mediterranean region. This momentous foreign policy shift led to Greece's assent, at the December 1999 European Council of Helsinki, to the recognition of Turkey as a candidate country, provided that the Copenhagen criteria required for all EU candidate states are met. On the way to the December 2002 Copenhagen summit Greece was among the first EU member states to openly support Turkey's request to be granted a proximate opening date for its accession negotiations. For the same reason of ensuring greater stability and peace in the Southeastern Mediterranean, Greece forcefully campaigned for Cyprus's entry to the EU. It has been broadly considered that the EU accession of Cyprus could be the catalyst both for the emergence of a just, functional, and permanent solution to the island's division, and (if combined with an accession prospect for Turkey) for the consequential improvement of Greek-Turkish relations as well.

In a range of foreign policy issues such as the above, the government has indeed led Greek public opinion in reversing not only its policy stance but deep-rooted certainties and preoccupations as well. A testing case was the NATO military intervention in Kosovo, to which Greek public opinion was overwhelmingly opposed. The Simitis government, backed by the ND opposition party led by Costas Karamanlis, solidly kept Greece within the EU-NATO alliance, and made a compelling case to the Greek public that full political solidarity with the EU was in Greece's best national interest. In every major foreign policy crisis since the second half of the 1990s (from the former Yugoslavia to world terrorism to a military campaign against Iraq), Greece has acted in solidarity and coordination with its EU partners towards forging a common EU foreign and security policy.

Such developments reflect an ideological divorce from PASOK's erstwhile nationalistic responses, and the definition of Greek national interest as identified with a strong, peaceful and prosperous European Union. Foreign Minister George Papandreou has articulated a positive vision for a democratic polity of European peoples: "this multicultural and wider Europe has a place for all: the Bosnian, the Croatian, the Serb, the Albanian, the Slavomacedonian, the Turk, the Turkish Cypriot and the Greek Cypriot, as long as we all respect and share the democratic rules, in a continent in which borders will be respected and will not be divisive of its peoples".²⁷ The Greek political strategy of supporting Turkey's

²⁷ George Papandreou, "The Future of Europe and Greece" in P.C. Ioakimidis (ed.) *The Future of Europe and Greece*, Athens, Sakkoulas/ EKEM, 2002, p.23-4 (in Greek).

European course also aims to remove Greek-Turkish bilateral relations from the sphere of zero-sum conflict where they have stagnated for decades and centuries, and bring them to the area of positive-sum regional cooperation led by economic and business partnerships.²⁸ An example sometimes cited is the historical background of war between France and Germany, which was, however, transformed within the European Community into the unique Franco-German axis, for many years the locomotive of European integration. Commissioner Anna Diamantopoulou has argued that, *ceteris paribus*, under a common democratic *acquis* and looking to the future, one could even envisage Greece together with Turkey playing the role of a locomotive of development for the entire broad area from the Mediterranean to Russia.²⁹

3. Economic progress, prosperity and integration in the international economic environment

In the early postwar decades, especially in the 1960s, Greece represented a success story of economic development, combining low inflation with impressive rates of economic growth, a record comparable to that of high achievers such as postwar Japan. Then, following the 1973 international economic crisis, monetary stability was succeeded by high inflation, while as from the end of the 1970s prolonged stagnation also settled in. Economic policies in the 1980s remained expansionary and divergent from the European norm, with a brief interlude of stabilization in 1985-87. Stagflation lasted more or less until the first half of the 1990s. In the beginning of the decade a resolute disinflationary effort began to be seriously pursued, which lasted throughout the 1990s. By the end of the 1990s and beginning 2000s the Greek economy had succeeded in quelling inflation and posting economic growth rates that exceeded consistently the EU average. This is the (macro) economic story in a nutshell.

The economy has been the field in which the EU impact on Greece has been most visible and pronounced. Greek industry through the postwar decades had extensively relied on developmental policies of import-substitution industrialization provided through instruments such as trade protection, tax concessions, and a variety of financial and fiscal subsidies. The framework remained heavily protectionist even after a gradual shift to more systematic

²⁸ Indicative of the progress in trade relations so far is the fact that, between 1990 and 2000, Greek exports to Turkey quintupled, reaching US\$ 582million, while Turkish exports to Greece tripled, reaching US\$ 395million.

²⁹ Anna Diamantopoulou, "The Future of Europe and Greece" in P.C. Ioakimidis (ed.) *The Future of Europe and Greece*, Athens, Sakkoulas/ EKEM, 2002, p.37 (in Greek).

export-promoting policies, necessitated by the 1961 Association Agreement (effective from 1962), which also meant that the objective of protecting domestic industries from the entry of foreign competitors should eventually, given time, cease to be of paramount priority. Trade liberalization under the Association Agreement did not take effect before the 1970s. Despite the “freezing” of the Association Agreement as a result of the 1967-74 dictatorship, Greek industrial exports enjoyed free Community access from 1968, and by 1975 two thirds of EC exports entered Greece duty-free. In appreciation of the need to protect Greece’s infant industries, import restrictions for a list of products manufactured in Greece (some 40 percent of Greek imports) would not vanish until 1984.³⁰ Thus EC accession found a Greek industrial base that was heavily protected, with a pervasively dualistic structure. The base consisted of an archipelago of small-scale family-based, mostly inefficient artisan units, and at the top existed a small number of larger-size firms (that were actually medium-size by EC standards), also highly protected, using largely antiquated equipment, and heavily hit by the 1979 economic crisis. Naturally, there was widespread concern over how this domestic market would survive European competition. The question was not really resolved until the common market was supplemented with the far-reaching compensatory and redistributive mechanisms that were the structural and cohesion funds.

The structural weaknesses of the Greek economy combined with unsuccessful state policies initially generated adjustment failure. Between 1980 and 1990, the share of exports of goods and services in Greece’s GDP fell from 23.6 to 18.1 percent and external indebtedness increased. However, the single market necessitated greater competition and efficiency, only with a considerable time lag. Whereas Greece’s annual productivity growth had been slightly negative during 1980-94, productivity rose by an annual average of 2.6 percent in 1995-2000, higher than the EU average. Fixed investment in 1995-2000 grew at almost double the rate of the EU, and the average annual increase of unit labor costs decelerated to 4.6 percent, compared to a 17 percent average during 1980-94.³¹ Indicative of deeper transformations was the cumulative reallocation across sectors. The agricultural sector from 15 percent of GDP in 1981 was down to 7 percent in 2001. The services sector, from 57 percent of GDP in 1981 was up at about 70 percent in 2001. The strength of Greece’s comparative advantage has traditionally been in services, especially tourism and shipping. Admittedly, in the Greek case,

³⁰ Loukas Tsoukalis, *The European Community and its Mediterranean Enlargement*, London, Allen and Unwin, 1981, p.30.

³¹ Ralph Bryant, Nicholas Garganas and George Tavlas, “Introduction” in Bryant, Garganas and Tavlas (eds) *Greece’s Economic Performance and Prospects*, Athens, Bank of Greece and Brookings Institution, 2001, p.21.

deindustrialization is not simply a case of maturing from late-industrializer to post-industrial, “tertiarized” economy: many long years of industrial decline during the 1980s and 1990s are contained in that development, not dissimilar however compared to other EU economies.

The agricultural sector was, as expected, a principal beneficiary of the European Union. Between 1980 and 1989, total spending (i.e. national state budget and EC expenditure) in support of Greek agricultural income rose as percentage of agricultural product from 16 to 39 percent.³² The annual growth of EC expenditure at nearly triple the rate of agricultural product growth combined with the annual slowdown, in real terms, of official state spending on agriculture meant that EC support accounted for a steady rise of Greek farmers’ income despite the national budget’s shrinking capacities. The trend, which peaked in 1989, continued through the early 1990s, and only declined later in the decade.

The Greek financial and banking system offers a telling case study of structural change, one which Greek banking and policy elites directly attribute to the single market and EMU monetary adjustment program and its successful implementation by the Bank of Greece. Once unsound and heavily state-controlled, an endless pool of inflationary state finance and the principal reason behind the government’s “soft budget constraint” of the 1980s, the banking system was overhauled during the 1990s under the unrelenting pressure of the single financial market. True to the European central banking orthodoxy, real interest rates remained at very high levels during most of the 1990s in order to be able to decline by the end of the decade, this time in a conducive framework of monetary stability. During the 1990s the financial sector expanded dramatically following its liberalization. Equity capitalization rose from 2 percent of GDP in 1985 to 15 percent in 1994 to 169 percent in 1999 (receding to 98 percent in 2000 after the sharp decline of stock prices). In 1989 only 119 companies were listed on the Athens Stock Exchange (from 116 in 1980), up to 150 in 1993 and 345 in 2002. This (combined with a sophisticated regulatory framework and Capital Market Committee, both nonexistent in the early 1990s) means that a significant part of the Greek business sector now operates under increased efficiency standards, derived from higher publicity requirements and exposure to cross-border competition.

³² Napoleon Maravegias, *The European Integration Process and Greek Agriculture in the 1990s*, Athens, Papazisis, 1992, pp.37 (in Greek).

Since the 1990s, the Greek economy, which had lost ground vis-à-vis the EU in the 1980s, has begun to converge again. In 1978, Greek GDP per capita (PPS) was 72 percent of the EU average, well over that of Portugal (54.5 percent) and Ireland (66.4 percent), and a little lower than that of Spain. During the 1980s, however, Greece's per capita GDP declined to 64 percent of the EU average in 1985, to reach 58.5 percent in 1990. By the end of the 1980s, not only Ireland but Portugal too had overtaken Greece, which officially became the poorest EU member-state. In the 1990s an uphill convergence effort began, led by macroeconomic stabilization supported by generous EU structural funds. As a result of a rediscovered economic discipline, nominal adjustment progressed in parallel with real convergence towards EU and EMU standards. In the mid-1990s, Greek GDP per capita was 66 percent of the EU average, and by the beginning of the 2000s it was in the 70 percent area. It is hoped that, with the end of the implementation of the Third Community Support Framework in 2006, Greek per capita GDP may be over 80 percent of the EU-15 average.

Total net transfers from the EU in the early 1990s were at levels well above 4 percent of GDP, and at the end of the 1990s they exceeded 3 percent of GDP.³³ Net receipts from the EU in 2001 corresponded to 3.5 percent of Greece's GDP. Overall, Greece receives 8.3 percent of total EU expenditure (mainly CAP and Community Support Framework funds), and contributes 1.7 percent of the EU budget (2001 data). The Third Community Support Framework Fund ends in 2006. That said, one of the greatest challenges ahead for the Greek economy is to sustain the economic growth rates achieved during the second half of the 1990s after the EU financial inflows have been terminated. That will not be easy given the tight constraints that the large public debt (105 percent in GDP terms) poses on the implementation of fiscal policy combined with the relatively lower productivity and competitiveness of the Greek economy. Under such circumstances fiscal and structural policies will be hard pressed to stabilize the economy in the event of an (endogenously or exogenously-driven) asymmetric shock.

EMU entry, however, has been the source of unprecedented optimism regarding Greece's economic prospects. True, the widespread euphoria that characterized the period surrounding January 2001 (when Greece was officially admitted to the EMU) has by now given way to rational consideration of the economic complexities of the EMU era in the context of globalization. Still, the importance of a newly regained (after nearly three decades) sense of

³³ Bryant, Garganas and Tavlas, "Introduction", *op.cit.*, p.25.

macroeconomic stability cannot be overlooked; instead, it is a breeding ground for higher policy ambition. As stated by the Economy Minister Nicos Christodoulakis, “the Euro is not just a defense mechanism against crises; it is a source of real opportunities for the Greek economy”.

III - GREEK PUBLIC OPINION AND THE EUROPEAN UNION

In terms of its public opinion Greece is today one of the most ardent supporters of the European Union and generally optimistic about EU prospects. In 2002, the Greek public displayed one of the highest percentages in support of EU enlargement and the fifth highest percentage of support for an EU constitution.³⁴ In a number of other questions, Greek public opinion consistently ranked well above EU average in its support of the EU. The large majority of the Greek public considers EU membership to be beneficial for Greece, trusts the European Commission, supports the Euro (80 percent), supports a common foreign policy and a common defense and security policy.³⁵

The Greek public conceives the EU not only as desirable but also as increasingly important. In 2001, 72 percent of the Greek public opinion (the highest percentage in the EU-15) compared to an EU-average of 51 percent believed that in five years' time the EU would play a more important role in their daily life. While this percentage comprises both Euro-pessimists and Euro-optimists, it does reflect a common understanding that "the important decisions nowadays are being taken in Brussels" but also that the effect of Brussels is being felt on everyday life. A rather obvious explanation could point to the fact that Greece, being among the countries with the highest divergence from the EU standard in the 1980s, had more catching-up to do, and carried the impact of EU-instigated adjustment more sharply than other member-states. Next to the Italians, Greeks express, by nearly 70 percent, the highest share of positive response in that they would *like* the EU, within the next five years, to play a more important role in their daily life (EU-average: 45 percent).³⁶ Greeks, on the highest EU-wide percentage, want the EU to be responsible for matters that cannot be effectively handled by the national, regional or local governments. EU decision-making is preferred by the Greek public compared to national decision-making in 23 out of the 26 policy areas mentioned in the Eurobarometer questionnaire –the highest percentage across the EU. Contrary to several of the more advanced economies of the EU (such as the Scandinavian group), whose national regulatory *acquis* was ahead of the European standard, for Greece adjustment to EU

³⁴ Eurobarometer No.57, June 2002 (survey conducted spring 2002).

³⁵ *Ibid.*

³⁶ Eurobarometer No.56, April 2002.

legislation overall represented an institutional and regulatory upgrade. It is worth noting that the fight against unemployment, poverty and social exclusion (along with maintaining peace and security in Europe) figure at the top of the Greek public's list of what EU priorities should be, with percentages of 96-97 percent.³⁷ No wonder then that Greeks are the most impatient Europeans: they perceive the speed of European unification to be relatively slow, and they display one of the highest degrees of agreement that this speed should be accelerated.³⁸

The Greek public supports a common EU defense and security policy by 81 percent (third highest in EU), and a common EU foreign policy by again 81 percent (the highest percentage in the EU).³⁹ It appears somehow paradoxical that the Greek public would want foreign policy to be transferred to the EU level given that Greece's foreign policy repeatedly diverged from the EU during the 1980s and 1990s. Adding to (or perhaps explaining) the paradox is the fact that 63 percent of the Greek public believe that EU decision-making after enlargement should be based on unanimity, again the highest percentage in the EU (all other countries tend to favor majority-voting to unanimity after the next planned enlargement).⁴⁰ Clearly, an extensive reliance on the unanimity rule can hardly be compatible with a common EU foreign, defense and security policy. Such inconsistencies reflect the fact that Europeanization in Greece (not unlike the rest of the EU) has been largely a top-down, elite-driven process. True to the general pattern in Europe, the Greek public's understanding of the EU institutional intricacies remains shallow, and an open and thorough public debate on the issues of European integration has been wanting. This information gap may be reflected in the high percentage of the public (the highest in the EU) believing that national (Greek) coverage of the EU is not fair⁴¹ –except (another paradox!) how would they know if not through the media itself?

In early 2002 the Greek public displayed the highest percentage of support for enlargement (74 percent compared to an EU average of 51 percent), and the highest percentage in wanting enlargement to be speeded up.⁴² This unequivocal support (enhanced by the membership candidacy of Cyprus) is quite impressive if one considers that (in strictly economic and financial terms) Greece as a cohesion country is all but certain to be a net loser from

³⁷ *Eurobarometer No.56, op.cit.*

³⁸ *Ibid*

³⁹ *Ibid*

⁴⁰ *Ibid*

⁴¹ *Ibid*

⁴² *Ibid*

enlargement.⁴³ A sense of solidarity and moral obligation towards the Central and Eastern European countries, combined with understanding that European enlargement would crucially contribute to the stability of the broader geographical region of which Greece forms part, should be considered as main driving forces of the Greek public's pro-enlargement stance. Greece's main political parties have led this stance, as will be seen further on.

The high level of Greek public trust in EU institutions reflects to a significant degree the low trust in the national civil service (the second lowest percentage in the EU after Italy), and the low degree of overall satisfaction with the functioning of national democracy. Indeed, only 48 percent of the Greek public (the third lowest percentage in the EU, the EU average being 59 percent) declare themselves as satisfied with the way the Greek democracy functions.⁴⁴ Greeks display one of the highest percentages of trust in the EU (58 percent), combined with the lowest percentage of trust in the UN, and the fifth lowest percentage of trust in national government. Overall, Greeks have overwhelmingly viewed the EU polity and bureaucracy as a powerful external agent, forcing domestic adjustment towards higher integrity and efficiency of the national state apparatus. In addition, the Greek public views the EU as favorably disposed towards the so-called Greek "national issues". By the same token, this stance could – in theory – be reversed following a major disappointment over any of the issues the Greek public considers as of major national interest or security (typically, Greek-Turkish relations). It should be underlined that much of the EU's popularity with the Greek public results from the sense of stability and security the EU provides to the country. The Greek public, by the highest percentage in the EU (65 percent), would like decisions concerning European defense policy to be taken by the EU, compared to a share of only 3 percent (the lowest in the EU) who would trust NATO for that role.

The allied intervention in Kosovo in 1999 tested not only the Greek government's commitment to a common EU foreign policy stance but also the EU's acceptance by the Greek public. The war in Yugoslavia awakened traditional historical affinities with the Serbs among considerable sections of the Greek public. The EU's identification with NATO in the Yugoslavian crisis did not enhance EU popularity among a significant portion of the Greek

⁴³ Greece's likely losses from enlargement stem from the prospect of a diminishing share of CAP and structural funds, higher competition in trade, and an intensification of the ongoing process of reorientation of FDI from Southern European members toward the new CEE entrants. See Antonis Adam and Thomas Moutos, "The Political Economy of EU Enlargement: Or, Why Japan is not a Candidate Country", paper at the CESifo-Delphi Conference on "Managing EU Enlargement", Munich, December 2001.

⁴⁴ *Eurobarometer* No.56, *op.cit.*

public. By the same token, the current distance of European leaders from the Bush administration's intended military campaign against Iraq seems to be enhancing the pro-EU sentiment of the Greek public. It also appears to be providing additional impetus to an invigorated support for a politically powerful EU, able to offset unilateral US military and political hegemony in the global sphere. Indeed this theme is being developed recently by several Greek pro-Western and normally pro-American academics and opinion leaders weary of the aggressive unilateralism exhibited by the Bush administration. For instance, Professor Thanos Veremis (Fletcher School of Law and Diplomacy) has argued that the continuing incapacity of the EU to become a global political and military power able to counterbalance US hegemony offers a disservice both to globalization (which is thus left to be fully managed by the US) and to the US itself, which is thus tempted to operate unilaterally and often short-sightedly.⁴⁵

As might have been already inferred, Greek public opinion in the past has not always been as favorably disposed to the EU as it is now. Overall public support for Greece's EU membership increased gradually and steadily until it stabilized at the present high levels. In the mid-1980s about 50 percent of the Greek public recognized that Greece had benefited from EU membership. After 1986 the percentage of the public that viewed EU membership as beneficial rose rapidly above EU average, and has since then fluctuated between 60 and 80 percent, as compared to an EU average in the 1990s ranging between 40 and 50 percent.⁴⁶ Positive support to the country's EU membership remained well below the EU average through most of the 1980s, until in 1988 it rose above EU average, and has remained above average consistently ever since. The main factors behind these fluctuations of public acceptance of EU membership can be easily understood.

In the reception of the EU by the Greek public, the normative endorsement of Greece's membership followed the cognitive acceptance of its beneficial results with a time lag of 2-3 years. This can be claimed to coincide with the transformation of PASOK's stance vis-à-vis EU membership from opposition in the 1970s to ambivalence in the early 1980s to lukewarm recognition of its usefulness by the mid-1980s to full acceptance of its desirability from the second half of the 1980s. The growing volume of EU financial inflows (structural and cohesion funds and the CAP) has positively influenced the change of public perceptions after

⁴⁵ Thanos Veremis, "The Lessons of Polyvios today", *Kathimerini*, 15 September 2002 (in Greek).

⁴⁶ *Eurobarometer* No.56, *op.cit.*

the 1980s. Between 1992 and 1996 there was a steady decline in the public's acceptance of EU membership, though the percentage remained steadily above the EU average. That was a combination of mainly two factors: first, and most notably, what was (rather unfairly) perceived to be a let down of Greece by its EU partners over the issue of the Former Yugoslav Republic of Macedonia. A secondary factor, one that was more or less common in most EU member-states, was the stringency of macroeconomic adjustment policies in the effort to meet the Maastricht convergence criteria. During most of the period from the early to the mid-1990s, the EU, via Maastricht, was identified with an extended and unpopular stabilization program. EU acceptance rises again after 1996, when the strongly pro-European reformist socialist government of Simitis drums up popular support for the Union, followed by increasingly optimistic signs (especially since 1998) of the achievability of the EMU objective.

Thus, the most crucial factor behind EU's growing popularity with the Greek public seems to have been the gradual transformation of PASOK into an increasingly pro-integration political force. However, public stances towards Europe cannot be understood simply along the left-right political axis. At the same time that the pro-PASOK, left-of-center section of the electorate becomes increasingly favorable to the EU, societal opening and cultural globalization obfuscates the left-right division by generating new tensions and debates that do not adhere to the vertical left-right party political faultline. A range of new issues have entered the public agenda, issues of civic or cultural liberalism that cut across the party system traditionally structured along the left-right axis: national identity versus cultural cosmopolitanism, civil liberties, immigration policy, separation of church and state, foreign and Balkan policy. Over such issues the two main parties in Greece seem to be internally and horizontally divided, between a European-minded, liberal-leaning, Enlightenment-inspired, modernizing section on the one side, and a socially conservative, economically protectionist, hostile towards supranational integration, nationalistic-leaning constituent on the other side. Such cultural dualism, of course, is far from an exclusively Greek prerogative; probably every European country today can exhibit some version of it. Professor Nikiforos Diamandouros, currently the Greek Ombudsman, elegantly conceptualized Greece's horizontal cleavage as one between a 'reformist' versus an 'underdog' culture.⁴⁷ These two cultural streams cross-cut horizontally the Greek political system, their ideological and political exponents to be found

⁴⁷ Nikiforos Diamandouros, "Cultural Dualism and Political Change in Postauthoritarian Greece", Working Paper 50, Madrid; Instituto Juan March, 1994.

in both the socialist PASOK and the conservative ND party. The underdog culture is said to involve “a siege mentality combined with a distinctly defensive perception of the international environment”, “a pronounced sense of cultural inferiority towards the Western world, coupled with a hyperbolic and misguided sense of the importance of Greece in international affairs and, more generally, in the history of Western civilisation”.⁴⁸ With the help of an electoral system of reinforced proportional representation, horizontal dualism becomes absorbed by vertical partisan dualism, as both catch-all parties (PASOK and ND) rush to suppress the intensity of the horizontal divisions by dodging ideological pronouncements and hedging policy practices, as well as by accommodating the views and indeed followers of both ideologico-cultural streams.

That said, it should be emphatically underlined that Greece’s successful integration in the European Union has also de facto conclusively resolved what once used to be an existential identity question for a country geographically placed at the Eastern edge of Europe, with one traditionalist constituent of its cultural identity defining itself as an extension of the Orthodox Eastern tradition. That is, what once was expressed as wishful thinking rather than a given fact (“we belong to the West”), at least in the geopolitical and historical sense stands today beyond dispute. The European *identity* of a modern society, even more one which is part of an enlarged Europe, is spacious enough to include parallel and more specific *identities* and allegiances, altogether shaping the palimpsest of the post-industrial and increasingly multicultural society that is today’s Greece.

⁴⁸ Diamandouros, *op.cit.*

IV - GREECE, POLITICAL PARTIES AND THE FUTURE OF EUROPE

As with other European countries, the EU has been a factor of political convergence between at least the two main political parties of Greece. Structural endowment, objective circumstances, and the particular pattern of EU-policymaking gradually imbued ND and PASOK with significant portions of policy pragmatism. One of the main effects of “learning” by being part of the EU policymaking system was that early ideological simplifications and even a bent for political tacticism gradually gave way to technocratic competence, and a systematic and thorough deliberation of policy issues. On an increasingly wide number of matters, the strategic interest of Greece vis-à-vis the European Union stood to be defined “objectively”, or at least intersubjectively, beyond party lines. A country on the periphery, a major net recipient of EU funds, Greece became a champion of economic and social cohesion policies. An economy with a large primary sector in the EU, Greece began with a strong vested interest in the Common Agricultural Policy (CAP). Placed in an unstable geopolitical region and faced with a security concern, Greece gradually developed into a champion of deeper European integration and a common EU defense, foreign and security policy. A small country, Greece could not be favorably disposed to institutional solutions that confer a disproportionate degree of power to a directorate of larger EU member-states.

Indicative of the growth of national self-confidence regarding Greece’s prospects in the EU was the evolution of Greece’s official stance towards EU institutional restructuring. During the first half of the 1990s, Greece opposed the prospect of a variable geometry, which became finally stipulated in the “closer cooperation” provisions of the Amsterdam Treaty (articles 43-45). Willing but not capable of participating in the EU core (given what was then perceived as an unbridgeable gap from the implementation of the EMU entry criteria) Greece feared that variable geometry would seal its marginalization within the EU. When, however, the successful EMU entry bridged the distance between desire and performance, Greece was elevated into a proponent of “closer” or “enhanced cooperation” (in the terms of the Nice Treaty), having earned participation in the prospective EU/EMU core.

Similarly, while Greece used to consider the unanimity rule as a defense line for its national interests against usually larger core-countries of the EU, this stance has been modified in support of a federalist-oriented, consensus-seeking stance, which seeks to proactively define national interest in conjunction with a common European interest. Anything less than that

would be inconsistent with Greece's ardent support for a common European foreign and security policy. And Greece invests a lot in the international power of the EU. Prime Minister Simitis has defined Europe's international role as one that should contribute to the development of a polycentric global system, a world order operating in accordance with international law, and a new economic architecture aiming to control the adverse effects of globalization towards decreasing inequality in the world. Europe should operate as "an effective factor of stability in the peripheral and international system, promoting the values of cooperation, democracy, human rights and the peaceful resolution of problems and conflicts".⁴⁹

Echoing the stance of contemporary European social democracy, the Greek government views the strengthening of EU international political weight as necessary in order to offset some of the undesirable effects of globalization. From effectively confronting global warming and environmental degradation to taxing short-term capital movements, international regulatory reform efforts are required, which only a powerful EU can lead.

In the process of the European Convention, on the way to the next Intergovernmental Conference, Greece has been on the same wavelength with those countries that support an evolution of the enlarged EU towards a federalist direction. Prime Minister Simitis has proposed the transformation of the EU into a Political Union, a federalist system based on the Community model and the Community method of integration.⁵⁰ This would be a federalist system in which national sovereignty would coexist with the political authorities of the Union. The new European edifice towards which Greece is leaning would not be a centralized super-state, but a federation of national states as a supranational and decentralized entity, where member-states would fully maintain their national, regional, and local identities.⁵¹

Within that federalist system, the Commission should hold a central position, gradually undertaking the role of a government over the common currency and the common foreign policy while at the same time maintaining the right of legislative initiative. As regards the European common foreign policy in particular, it should be strengthened (possibly through the expansion of qualified majority voting), and the role of the Commission should be

⁴⁹ Prime Minister Costas Simitis, "The Future of Europe and Greece" in P.C. Ioakimidis (ed.) *The Future of Europe and Greece*, Athens, Sakkoulas/ EKEM, 2002, p.15 (in Greek).

⁵⁰ Simitis, *op.cit.*, p.13 .

⁵¹ See interventions of the Greek representatives to the European Convention.

enhanced (possibly through merging the function of High Representative of the Council and of Commissioner for External Affairs).⁵² The President of the Commission should be democratically elected. The prevalence so far of the intergovernmental logic in European integration has led to a weakening of the European ideology.⁵³ The Greek government supports the expansion of the qualified majority rule in order to render the Council more functional and effective. According Prime Minister Simitis, the Council, a *par excellence* intergovernmental expression of the interests of member-states, could be gradually transformed into a Second Chamber.⁵⁴ The authorities of the European Parliament should be enhanced. Greece supports the deepening of integration in the areas of common defense as well as economic and social policies, so as to restore a balance in what today is a heavily lopsided and asymmetrical Economic and Monetary Union. Greece wants the redistribution policies of an enlarged EU to be strengthened towards achieving real convergence and cohesion. It views the development of policies that reduce interregional and social inequality as pivotal in the process towards a Political Union. These views of the Greek government are more or less shared by the main political parties represented in Parliament, that is New Democracy (ND) and the Left Coalition (SYN), except for the orthodox communist party (KKE), whose position has traditionally been one of *en bloc* opposition to the European Union.

Professor P.C. Ioakimidis, alternate representative of Greece to the European Convention, has singled out at least four reasons why a more federalist EU would be in Greece's interest.

- (a) Security: a federation sooner or later transfers to the federal institutions the issue of protection of external borders and security of members (Greece was among the countries that worked hard to incorporate the protection of EU external borders in the Amsterdam Treaty).
- (b) Development: a federation ensures the resources for socioeconomic development, and a system of higher fiscal cohesion and redistribution.
- (c) Democracy: in a federal system, rules (rather than simply the larger and stronger member states) dominate, which leaves an institutional role to be played by smaller member-states.

⁵² George Katiforis (MEP), representative of the Hellenic Government and member of the Praesidium, European Convention, speech of 11 July 2002.

⁵³ Marietta Giannakou, ND representative to the European Convention, speech to the European Convention, 21 March 2002.

⁵⁴ Simitis, *op.cit.*, p. 13.

(d) Cultural identity: a federation is the *par excellence* protector of cultural identities, based as it is on the principle of “unity in diversity”.⁵⁵

A federalist vision of a political union of Europe is also articulated by the Left Coalition (SYN), which also supports the adoption of a European Constitution. SYN is a proponent of a set of institutional reforms that will ensure democratic legitimization at (a) the EU level, (b) the level of member states, and (c) the regional level. The project of a “political union towards a federal direction” should include Europe’s defense identity and autonomous foreign policy, as well as regulatory interventions and policies aimed to combat unemployment and ensure full employment. The Left Coalition warns against the EU’s inability to confront the repercussions of globalization, the re-emergence of nationalistic tendencies in Europe, the weakening and marginalization of the Euro which thus becomes “incapable of altering the terms of the dollar’s global dominance”, and the undesirable prospect of a multi-speed Europe.⁵⁶

Greek political parties display significant convergence not only over the principal direction of institutional reform in the EU, but also on the need to protect (adjustment and rationalization notwithstanding) the European social model. To quote George Katiforis, representative of the Greek government to the European Convention, “we need more Europe... for greater macro-economic coordination, for faster economic growth, for a better life for the worker, for the achievement of full employment... for greater solidarity between social groups, between age groups, and between member states”.⁵⁷ Apart from the PASOK government and the Coalition of the Left (SYN), this position is also more or less shared by the ND. According to George Alogoskoufis, MP and economic policy spokesman for the ND party, “the European social model is a valuable component of the European society, and one which should not be relinquished for the sake of an economic flexibility of dubious results”.⁵⁸ Along the same lines, Marietta Giannakou, ND representative to the European Convention, has argued that “only the social market economy model can successfully adjust the European dynamic in a framework of globalization while at the same time offsetting some of the negative effects of

⁵⁵ Panayotis C. Ioakimidis, *The Future of Europe. The Prospect of a European Federation and Greece*, Athens, Sideris, p.54 (in Greek).

⁵⁶ Political decision of the Central Political Committee of SYN, 18-19 November 2000.

⁵⁷ George Katiforis, speech to the European Convention, 21 March 2002.

⁵⁸ George Alogoskoufis, “The Future of Europe and the European Economy” in P.C. Ioakimidis (ed.) *The Future of Europe and Greece*, Athens, Sakkoulas/ EKEM, 2002, p.152 (in Greek).

globalization”.⁵⁹ Thus, opposition to dismantling the European social model is a common denominator of all political forces in Greece.

⁵⁹ Marietta Giannakou, speech to the European Convention, 21 March 2002.

V - THE 2003 PRESIDENCY AND BEYOND

The 2003 Presidency finds Greece-EU relations at a moment of great maturity. Over the last decade, Greece has made the leap from net beneficiary of European political stability, financial inflows and institutional upgrade, to an active contributor to a common European future. This is tantamount to a shift from ethnocentrism to act-Europeanism, from a demander, rights-centered attitude of the past towards an increasingly Kantian logic of appropriateness and a duty-based approach to the European Union.

The Greek Presidency coincides with a period of historical optimism for the potential of the European Union, following the introduction of the common currency and the imminent reality of an enlarged Europe. The historical signing of the 10 new accession treaties will take place under the Greek Presidency, in Athens, April 2003. Thus, ensuring the successful implementation of the enlargement schedule stands out as a principle priority of the Greek Presidency. At the same time this is also a period of great uncertainties for Europe and the world. Globalization has brought about unprecedented interdependence in the world, it has revealed the benefits of open markets and economic freedom, and it has expanded the realm of democracy, human rights, and open societies. But globalization has also demonstrated its limits and adverse effects in the form of market failures, increased inequalities, the persistence of poverty in the Third World, environmental degradation, and the ineffectiveness in successfully addressing such problems of global scale.

This international context creates concern in light of faltering economic growth in Europe and the world and substantial uncertainties about the prospects for recovery. The Greek Presidency emphasizes the need to safeguard a stable economic environment and to raise people's confidence in the economic potential and prospects of Europe. The way to achieve that is by advancing the necessary economic and structural reforms to strengthen competition and efficiency, enhance the potential for sustainable growth, higher employment, and stronger social cohesion. In the field of macroeconomic policy the Greek Presidency intends to promote internal economic policy coordination, particularly in the area of public finances. Greece regards that the commitment to macroeconomic stability is a necessary condition for the success of structural reforms in the European economies. Thus adherence to the Stability and Growth Pact will ensure economic stability and growth in the short and medium term, and

will also guarantee the long-term prospects for growth and employment creation, and the sustainability of public finances in light of the ageing population of Europe.

A major chapter of the Greek Presidency will be the continuation and acceleration of the Lisbon agenda, the ambitious 10-year program agreed upon in 2000 “to make the European economy the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”. The Greek Presidency intends to formulate a specific, ambitious but realistic set of goals to push forward the Lisbon process. It will discuss ways to improve the open method of coordination, benchmarking and sharing of best-practice policies including with enlargement countries.

Issues on the agenda include the promotion of entrepreneurship, innovation and technology diffusion, especially involving SMEs, to tap new sources of growth. The development of a European knowledge economy contains policies to increase EU investment in knowledge and R&D, work on the adoption of a transparent Community patent, a European research program on security and defense, the development of biotechnology in Europe, and so on. Elaboration of policies seeking to promote an inclusive information society is an additional objective related to the above. Reforming the European system of education and training is also an interconnected item of the Lisbon agenda. So is regulatory reform and the establishment of a level-playing field, which also involves the improvement of coordination between regulatory and competition authorities in Europe. The Greek Presidency aims to accelerate market integration in energy, transport, and financial services as a key item of reform.

The second pillar of the Lisbon agenda that the Greek Presidency intends to promote involves the modernization of the European social model, to facilitate progress toward more and better jobs and reinforce social cohesion. The Greek Presidency will focus on the synchronization of economic and social policy instruments, to improve coordination and overall supervision. The review of the EU employment strategy will be a major item in the social agenda of the Greek Presidency. Related here are policies associated with the new impetus for labor market reform and social welfare policies in a context of migration and mobility. Policies that address regional imbalances, persistent gender inequality and the consequences of changing demographics in Europe are also a prominent part of the social agenda. Particular items will involve fighting poverty and social exclusion by encouraging policies that integrate people at risk of social exclusion, re-examining the advantages of universality and selectivity of social

benefits, as well as enhancing the qualitative aspects of work. Accelerating reform of pension systems and enhancing the transferability of social security rights are bound to form issues of particular focus. The Greek Presidency will also promote policies to improve integration of groups suffering social exclusion, also in view of year 2003 for the disabled people.

Moreover, the Greek Presidency intends to pursue the sustainable development agenda, introduced at the Göteborg Council, placing particular emphasis on the importance of integrating environmental with economic policies. A specific focus will involve putting into practice the outcomes of the Johannesburg UN World Summit on Sustainable Development. Some of the goals where progress remains wanting include the EU committing itself to a target for renewable energy within a suitable deadline in the near future, promoting the implementation of environmental technologies, working on the adoption of an energy tax directive, and supporting environmentally sound modes of transport.

Immigration is an issue of special importance for the Greek Presidency. A distinction is made between legal and illegal immigration. Legal immigration is vital for the development of the EU, but, to quote Alternate Foreign Minister Tassos Yannitsis, “we have to formulate policies which will contain the conflicts and uncertainties arising in European societies as a result of immigration, in order to prevent extreme situations, especially since public opinion attitudes over such issues mature at a very slow pace”. The promotion of policies for the successful socioeconomic integration of legal immigrants in the host countries is of great importance. Coordinating a wide range of interrelated policy instruments across Europe and with neighboring countries is a prerequisite for forging more effective policies toward immigration. Combating illegal immigration in the context of the protection of the external borders of the EU is the second complex area where more effective EU policies are to be pursued. The Greek government views burden-sharing in the protection of external borders as a crucial collective problem of the EU, and one that should be dealt with accordingly. Finally, confronting and eradicating the illegal trafficking of people is an item requiring close cooperation with the home- and transit-countries, and the establishment of a cohesive framework for reentry and repatriation.

The mid-term review of CAP is an additional important issue to be dealt with by the Greek Presidency. Another important chapter is that of Euro-Mediterranean cooperation (foreign relations and energy issues),⁶⁰ which Greece wants to further promote. As already explained, the promotion of EU relations with the Balkans is a high priority of the Greek Presidency, which also views deepening EU relations with Russia as a main factor in promoting peace, stability and cooperation in Europe. In the framework of the new European reality, relations with Ukraine, Belarus, and Moldavia, as well as the Caucasus region, are particularly significant. The elaboration of EU policies to combat terrorism and organized crime, including the financing of terrorism, will also be an item of the Greek Presidency. At the same time, the Greek Presidency will seek to promote policies to confront world poverty, and to foster environmental protection, the non-proliferation of weapons of mass destruction, and the peaceful resolution of regional disputes. Strengthening EU cooperation with the US is among the priorities of the Greek Presidency.

Concerning major international crises, Greece's standard policy has always been to seek the legitimization provided by prior UN approval before the initiation of any international military endeavor. (Greek governments over the years have vested high hopes on the UN for a fair and viable resolution of the Cyprus problem). The Greek government and Presidency are expected to stick to this view, which also represents the EU position, vis-à-vis the current international crisis over Iraq. The latter will be testing case for the coherence of the EU and the development of an effective Common Foreign and Security Policy, to which the Greek Presidency attaches major importance.

The Greek Presidency will take place at a time of great hopes, challenges, and concerns for the prospects of our common European course, preparing among others the transition from the European Convention to the Intergovernmental Conference on the Future of Europe. This is a time that calls not only for bold European leadership, but for the greater involvement of the European citizens as well. Covered under their abstruse technocratic cloak, European issues continue to remain remote for the average citizen. Increasing protests against globalization could soon assume a concretely anti-status-quo, anti-EU character. To quote Professor Loukas Tsoukalis, president of the Hellenic Foundation for European and Foreign Policy (ELIAMEP), "passive popular consensus to EU integration should no more be taken for

⁶⁰ See Dimitris Xenakis and Dimitris Chrysochoou, *The Emerging Euro-Mediterranean System*, Manchester, Manchester University Press, 2001.

granted". It falls upon the protagonists of European integration, including the 2003 Greek Presidency, not only to successfully administer the daunting tasks of institutional and policy reform, but also to energize active citizen support and enthusiasm for European integration.

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