Greece’s Trouble with European Union Accession

Akis Kalaitzidis and Nikolaos Zahariadis
Introduction

1 The global sovereign debt crisis that followed the collapse of the housing bubble in the United States in 2008 claimed its first victim quickly, one of the smallest and most vulnerable economies in the European Union (EU): Greece. Nearly four years later, the country is ravaged by an economy that reminds many of us the Great Depression of the United States in the 1930’s with staggering unemployment rates, vulnerable social groups falling victim to sharp budgetary cuts and struggling to stay afloat, populism and violence in their streets. International commentators and news reporters have exceeded themselves pointing out the spectacular collapse of the Greek economy and drawing historical parallels which will not stand the test of time, such as Greece and interwar Germany calling Greece a modern Weimar Republic.1 Others wondered whether the Greek institutional structure would survive.2 Still others –as recently a German politician from the conservative wing of Chancellor Merkel’s government– wondered whether Greece, having no other choice, would exit the EU and its currency structures altogether.3

2 We will closely analyze why Greece’s accession to the European Union has failed so far and where this failure leaves the country vis-à-vis its European partners. Firstly, we will conduct a historical review of political developments since the country’s return to democracy in 1975 to set a baseline. We contend that the historical development of the country is central to understanding why the country has fared so badly recently. Secondly, we will analyze the institutional structure of the country, which we claim is partly to blame for its bad financial condition these days. In this section we will mainly argue that it is the nature of the Greek State, which came to dominate every aspect of the Greek economic activity, that has played a central role in its current troubles. Thirdly, we will review Greek administrative capacity and we will argue that the
country lacks sufficient capacity to deal with the pressures exerted on it by its accession to the European Union. Fourthly, we will argue that the country’s success at becoming part of the Eurozone made it difficult to conceive a vision for Greece’s future in the European Union. The failure to have a strategic vision led to the conduct of Greece’s European policy in ad hoc manner with uneven results. Considering the cases of the other Mediterranean countries and Ireland, it is necessary to underscore that Greece’s failure cannot be singularly understood as an aberrant case study. Nor should Greece be pigeonholed as a particularly egregious example of what can happen to a small European partner due to the imbalance of economic prowess between the members of the Eurozone.

Political Development Since 1975

3 Greece is a “third wave” democracy, to use Huntington’s term, and as such an authoritarian past dominates its current political system. The political spectrum was reorganized in 1975, the communists eventually became a legal political party, and within a decade Greece became a two-party system with electoral competition dominated by the conservative New Democracy (ND) and the Panhellenic Socialist Movement (PASOK), with a solid but rather small group of voters opting for the Stalinist communist party (KKE). The stability of the party system was predicated on the colonization of the state by the political parties in charge and especially PASOK, which ruled on and off for over two decades.

4 While the consolidation of the political party system in Greece brought a great deal of stability with only three parties present in the three hundred-seat legislature, it also brought a great deal of autonomy to the governing PASOK. The socialists proceeded to colonize the state apparatus in an effort to settle old scores, right the wrongs of the past and develop a full and generous welfare state. Every part of the state apparatus was taken over by PASOK functionaries, irrespective of their qualification, but on the basis of their loyalty and association with the leaders of PASOK. Thus the political party and the state became one.

5 In addition to democratic consolidation, the socialist governments had to operate at an additional level –Europe– as a full member of the European Community. Before it came to power in 1981, PASOK had promised to hold an election on the future of the European membership and was rather caustic in its pronouncements of foreign policy vis-à-vis the United States as part of its plan to strengthen Greek independence. In essence, PASOK was addressing the ghosts of Greece’s past while electioneering. However, when it came to power it settled rather well in the business of dealing with the foreign powers it opposed. Part of these developments was the result of the leadership of Andreas Papandreou whose personality cult was paramount in Greece of the 1980’s, eventually making the two virtually indistinguishable. Seeing the benefits of European Union (EU) accession, the Greek government subsequently adopted not only a participatory policy towards the EU but also a demandeur attitude, extracting more financial concessions from its partners.

6 The first two Papandreou administrations are critical in the formation of post-1975 democratic institutions in Greece as well as the ideology and political culture that permeate Greece today. The start of the party was based on clear ideological opposition
to years of exclusion from the democratic process and as such it enjoyed increasing support (Table 1).

Table 1. Greek Election Results 1974-2000

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<tbody>
<tr>
<td>ND</td>
<td>54.4%</td>
<td>41.8%</td>
<td>35.9%</td>
<td>40.8%</td>
<td>46.2%</td>
<td>46.9%</td>
<td>39.9%</td>
<td>38.1%</td>
<td>43.8%</td>
</tr>
<tr>
<td>PASOK</td>
<td>13.6%</td>
<td>25.3%</td>
<td>48.1%</td>
<td>45.8%</td>
<td>40.7%</td>
<td>39.3%</td>
<td>46.8%</td>
<td>41.5%</td>
<td>42.7%</td>
</tr>
<tr>
<td>KKE</td>
<td>9.5%</td>
<td>9.4%</td>
<td>10.9%</td>
<td>9.9%</td>
<td>-</td>
<td>-</td>
<td>4.5%</td>
<td>5.6%</td>
<td>5.5%</td>
</tr>
<tr>
<td>SYN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11%</td>
<td>10.6%</td>
<td>-</td>
<td>5.1%</td>
<td>3.2%</td>
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<tr>
<td>POLAN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.8%</td>
<td>2.9%</td>
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<tr>
<td>DHKKE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>EDE/EDIK</td>
<td>20.4%</td>
<td>12%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EPEN</td>
<td>-</td>
<td>6.3%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>KKE Int.</td>
<td>-</td>
<td>2.7%</td>
<td>1.8%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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When they came to power, Papandreou’s governments increased Manichean rhetoric by dividing the people of Greece into “those with us” and “those against us” in order to rule. Pappas notes “By portraying Greek society as torn between the ‘forces of light’ (meaning PASOK voters and sympathizers), and the ‘forces of darkness’ (meaning opposition forces), the new government used the state and its resources to satisfy its own electoral constituencies and reap further electoral gains, while passing the cost on to the whole society”.11

In the 1990’s the conservatives rebounded for a brief time and ruled for three years, but their economic austerity programs were really unpopular and their efforts to “clean up” corruption were seen as another right-wing witch hunt by those with wealth and power in the country since its inception. At the end, it was a foreign policy debacle that brought the government down. The conservative government of ND was called to manage the impact of the collapse of Yugoslavia and its coming civil war. It did so poorly, mostly because of a split in the ranks between pragmatists and nationalists.13 The Prime Minister of Greece at that time, Kostantinos Mitsotakis, attempted to negotiate the name of the southernmost province of Yugoslavia, called Former Yugoslav Republic of Macedonia, in return for Greek recognition. Meanwhile his Foreign Minister, and today’s party leader and Prime Minister, Antonis Samaras, opposed any inclusion of the name “Macedonia,” traditionally seen as Greek: the name designates the adjacent prefecture of Greece. PASOK was also vehemently opposed to the name including the historical designate “Macedonia.” When the government collapsed in 1993, so did all the domestic efforts for structural adjustment and reform of public administration.

The “second cycle” of PASOK rule came at the end of Papandreou’s life and the handing over of party reigns to the more moderate economics professor, Kostantinos Simitis. Leading a team of technocrats, Simitis attempted some structural reforms, most notably successfully liberalizing telecommunications and banking. He achieved Greece’s most prominent success in 2000, its entry to the Eurozone. Its most notable failures were the inability to modernize the state and move away from the populism of
the Papandreou era and the dominance of certain interest groups rooted in the public sector. The most powerful interest group in Greece is the teachers union, which to this day and in the height of the crisis resisted all changes proposed by consecutive governments. In fact, teachers were so successful that they have been able to fend off four ministers of education from both PASOK and ND. In the end, Simitis was rewarded for his efforts with nearly a decade of uninterrupted rule, despite lacking the charisma of the founding father of the party.⁴

The conservative return to power started with a government led by the founding father’s nephew, also named Kostantinos Karamanlis. He essentially managed the legacy of PASOK but was unable to implement any structural reform despite warnings signs of a deteriorating Greek economy. Similarly to Mitsotakis a decade before, Karamanlis’ rule was pitted against powerful interest groups, mainly from the public sector, which ensured his government would be short-lived. Just five years later, in 2009, the socialists were back in power despite warnings from the ND leader that structural reforms were needed immediately, lest the country go bankrupt. Socialist populism was rewarded once more when their leader and son of the founder of PASOK, Giorgos Papandreou, famously declared “there is money” in the treasury, dismissing ND’s warning (Table 2).

Table 2. Greek National Elections 2004-2012 ¹⁵

<table>
<thead>
<tr>
<th>Political Party</th>
<th>2004</th>
<th>2007</th>
<th>2009</th>
<th>2012 (May)</th>
<th>2012 (June)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ND</td>
<td>45.36%</td>
<td>41.84%</td>
<td>33.47%</td>
<td>18.75%</td>
<td>29.66%</td>
</tr>
<tr>
<td>PASOK</td>
<td>40.55%</td>
<td>38.10%</td>
<td>43.92%</td>
<td>13.18%</td>
<td>12.28%</td>
</tr>
<tr>
<td>KKE</td>
<td>5.90%</td>
<td>8.15%</td>
<td>7.54%</td>
<td>8.48%</td>
<td>4.50%</td>
</tr>
<tr>
<td>SYN</td>
<td>3.26%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LAOS</td>
<td>2.19%</td>
<td>3.80%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DHKKI</td>
<td>1.79%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SYR</td>
<td>-</td>
<td>5.04%</td>
<td>4.60%</td>
<td>16.78%</td>
<td>26.89%</td>
</tr>
<tr>
<td>IND GR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.60%</td>
<td>7.51%</td>
</tr>
<tr>
<td>XA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.97%</td>
<td>6.92%</td>
</tr>
<tr>
<td>DHMAR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.11%</td>
<td>6.25%</td>
</tr>
</tbody>
</table>

Institutional Performance

How did Greece fare economically throughout its thirty year EU membership? Was the political party system successful? Finally, how did the political culture change overtime? It is our contention that although Greece became more prosperous and seemed to enjoy relative growth, especially during the second decade of PASOK’s rule in the 1990’s, the basic restructuring of the economy was only superficial and sector-
driven. It thus exacerbated Greece’s economic woes culminating with the economic crisis of 2010. Restructuring did not take place because of the stunted growth of democratic institutions and its parochial and reactionary political culture. In thirty years of EU membership, the Greeks were able to move up the scale of economic development without much effort and in the process became more obstinate regarding change and uncompetitive regarding production.\(^{16}\)

The first contributing factor of this complicated institutional-political performance is populism. Populism has been a staple of party politics since 1975. As Pappas argues, “PASOK remained permeated by populism, which fed cronyism, corruption and inefficiency and led to its defeat at the polls in 2004”.\(^{17}\) Populism in the case of Greece meant an inefficient and bloated state as well as an onerously expensive welfare state. The state apparatus increased over fifty percent within a decade and continued to grow until the economic crisis.\(^{18}\) The early PASOK leaders chose this artificial increase in personnel as a way to reward loyal supporters and extend patronage to the constituency. It became a way of life and continued even in the third decade of Greece’s membership in the EU albeit in a more concentrated form.\(^{19}\) Patronage was not only implemented through public employment but also through the welfare state, with pensions and health care coverage ultimately reaching levels among the highest in Europe (11.5 percent of GDP).\(^{20}\) In addition, a side effect of populism was cronyism, especially regarding select sectors of the economy and powerful interest groups. An indicator of how it worked at its most egregious form, was defense procurement, which ended in a major scandal and several members, including the former minister of Defense and deputy Prime Minister of the Papandreou government, in jail.\(^{21}\) PASOK established itself as a truly populist party.\(^{22}\)

The second contributing factor in Greece’s complicated institutional development has to do with entrenched interest groups dominating politics and in many ways benefiting from the populist policies of PASOK and later ND. Mitsopoulos and Peliagidis argue that poor governance and high administrative burden helped the creation of these powerful lobbies and entrenched interests.\(^{23}\) In most Organisation for Economic Co-operation and Development (OECD) economies, business interests dominate. But in Greece traditional industries, agriculture and professional associations had come to dominate these groups after two decades of cronyism.\(^{24}\) EU agricultural policy helped enormously the farmers of Greece who became one of the most important and influential interest groups in the country, distorting prices of agricultural land and vocally demanding the Greek government to defend their interests within the EU.\(^{25}\) As the state grew, so did the power of professional associations and interest groups (συντεχνίες in Greek), such as lawyers, truckers, taxi drivers, and others. They remain the most obstinate groups to changes inscribed in the bailout packages, which are guided by the European Commission, the European Central Bank, and the International Monetary Fund (known as Troika). Dominating the news these days are university professors, public employee groups such as ministry employees, judges, lawyers, teachers and doctors. They have become so powerful that they have been able to resist most proposed reforms by instigating an endless cycle of conflict and strikes.\(^{26}\)

The third element of Greece’s institutional development is its reactionary culture. Papandreou’s nationalist rhetoric and PASOK’s populist demeanor in addition to its near obsession with the global underdog have created a political culture conducive to resistance to imaginary boogie men from the West, including the EU.\(^{27}\) Resistance to
change in the face of economic catastrophe is not accidental; it is a result of years of Manichean ideological constructs presented to the Greek public as legitimate alternatives. The phenomenon was augmented by virtual immunity from the law even for those perpetrating the gravest of crimes. For example, it took Greece thirty years to apprehend the longest lived and one of the deadliest domestic terrorist groups in Europe, the 17th of November, not to mention it took a few highly publicized deaths before the police moved against the neo-Nazi political party Χρυσή Αυγή (Golden Dawn). Acting with impunity\textsuperscript{29} is a way of life in Greece, and at the basic level people are assured of being able to live so on political grounds.

\section*{Administrative Adaptation to the European Union}

The Greek political party system has produced a rather stable two party system but failed to create incentives and initiate the process by which the country would adopt an efficient and rational administrative system. Alivizatos argues that Greek parliamentarians do not have any viable strategy for the institutional reform of the country.\textsuperscript{26} One of the greatest drawbacks is the inability to transform legal texts into actual public policy. Sklias and Maris argue that Greece tries to adopt the European \textit{acquis communautaire} and other European directives but has trouble successfully implementing them.\textsuperscript{30} It is not, for example, an accident that the Open Method of Coordination has failed in Greece since it is one of the most statist member states in the EU, making it hard to transpose a decision-making mechanism which would take away power from the central administrative apparatus.\textsuperscript{31} Sklias and Maris also connect the relative underdevelopment of Greece \textit{vis-à-vis} its European partners with the expansion of the Greek State in the twenty years of socialist rule.\textsuperscript{32}

Most attempts to restructure Greece since the 1990’s failed because of the rise of statist ideology aided by the permeation of the state by political parties, which allowed corruption and patronage to run rampant in the country. As a result, capacity diminished in public administration at a time when the government gladly accepted more responsibilities to implement EU directives. Attempts to realign capacity to responsibility failed because of resistance by the same public sector employees whom politicians hired in the first place. The fear of losing benefits in a non-meritocratic system took away any incentives on the part of employees of all political persuasions to accept possible losses, even when they agreed with reforms. At the end, some symbolic changes were made to keep EU funds flowing without getting at the root of the problem.\textsuperscript{33} Consider the rapid growth of the Greek economy in the 1990’s. It was based on capital created by the liberalization of certain sectors, mainly telecommunications and banking. But the vast majority was financed by the huge debt that has bankrupted the state, which was funneled by a political party-funded “financial elite” ruling the country.\textsuperscript{34} Powerful interests demanded and got their “pound of flesh”, acquiescing to the raiding of the public treasury.\textsuperscript{35} The results of government effectiveness are evident, in Graph 1 where Greece is lagging well behind most of its southern neighbors.
Governance indicators are compiled by the World Bank and are summarized by an index, which consists of six main dimensions: “Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.”

When the country joined the Eurozone, corruption and patronage became a way of life in a cycle where most state developmental projects financed by borrowing were handed out to political cronies, party affiliates and individuals or groups with personal relations to powerful politicians. Even multinational corporations had to pay bribes to gain access to the Greek market. A good example is the Siemens debacle in which the German corporation paid nearly all political parties to gain special favors and contracts during the 2004 Olympic Games and equipment procurement by Greek Telecom OTE. Finally, the scandal was resolved by the signing of a mutual agreement in which the German multinational paid Greece €330 million settlement.

In a rather unique moment for Greek politics, the Minister in charge admitted in the Greek parliament in 2010, that he received DM200.000 from Siemens. The corruption index compiled by the World Bank places Greece dead last among her peers (Graph 2).
The question is: did EU leaders know about Greece’s conundrum and what did they do about it? The answer is unfortunately both disheartening and surprising. While Troika officials have recently expressed deep regret in overestimating Greece’s administrative capacity,\textsuperscript{41} they should not have been surprised. Since 2005, incoming governments and the European Commission repeatedly expressed distrust over Greek figures due to lack of administrative capacity.\textsuperscript{42} Yet it was only in 2010 that the European Commission formally rebuked Greece for falsifying public finance data, “systematic overspending, endemic tax evasion and persistently overoptimistic tax projections”.\textsuperscript{43} While EU allies did not create Greece’s predicament, their lack of public condemnation of dubious Greek practices suggests a certain measure of duplicity. It does not escape notice that most of Greece’s foreign debt up to the second bailout package was held by French and German banks. Public rebuke would have lowered Greek ability to borrow at advantageous interest rates, decreasing profits of key government supporters in those countries.\textsuperscript{44} Moreover, the consociational mode of EU integration with its emphasis on subsidiarity as a way of defusing political conflict encouraged an arm’s length response.\textsuperscript{45} Institutional stability in the presence of segmented polities requires voluntary compliance. As long as everyone agreed on deeper integration in politically highly contentious areas, such as European Monetary Union (EMU), individual governments were allowed to maintain their national systems with any accompanying flaws.

**Leadership**

Political leadership is a necessary ingredient in public policy. Political leaders not only broker compromises among competing social interests but they also set the tone on how to tackle societal problems and help voters think through diverse perspectives on problems, debate difficult choices, and provide deliberative processes and democratic forums. Because leaders exercise the coercive power of the state, they must also demonstrate they are using it fairly.\textsuperscript{46} Failure to do so gives rise to allegations of corruption and mismanagement, lowering a country’s economic performance. While the EU’s institutional environment played a role in consolidating the democratic
credentials of Greek politicians since 1981, it affected neither their quality nor their inability to articulate a clear vision for the country’s future.

Public policy requires decision making which is something, it seems, Greek governments lack even though many government ministers and a former Prime Minister have written on the subject. It is most illuminating to look at the writings of Nikos Christodoulakis, former Minister of Finance and Development. He starts his 2006 book by highlighting the important challenges for Greece to achieve complete convergence with the EU: 1) restructuring the Greek universities and allowing foreign universities to operate in Greece; 2) improving Greek competitiveness in the business sector; 3) restructuring the agricultural sector; and 4) simplifying public administration. Neither political party has achieved these goals to this day, including during his own tenure in power in the early 2000’s. He goes on to claim PASOK’s successes and touts the achievement of 73% of average EU per capita income. He finally blames ND for the explosion of the Greek Debt in 2004. ND actually revised the national statistics, which the government provided to Eurostat, exposing some “creative accounting practices”.

The most important issue is recognition that Greece needs institutional restructuring, which has not really happened to this day. Kostas Simitis, Socialist Prime Minister from 1996 to 2004, elevated the notion of modernization to the highest possible level and was both praised and derided for his obsession with the term. In the book that followed his retirement from PASOK’s leadership, he includes an illuminating speech given in the year 2000 in which he lays out his vision for the decade, as it was given at the annual Thessaloniki Expo where traditionally the Greek Prime Minister lays out his government’s economic plans. The former Prime Minister reminds his listeners of the struggle against the dictatorship, in which he was one of the leaders, and thus positions his own understanding of modernization in the Manichean world of “us against them” just like his predecessor. He seems to consider the Olympic Games as a focal point of economic development, and warns his detractor and opposition forces to modernizing Greece that he would fight them. Despite failing to achieve any of these lofty aims, the most important issue here is that they do not constitute a clear program. To say that you want the country to be modernized is one thing; to achieve it, is quite another. What matters is how one goes about implementing needed measures. In this area, he, and others before and after him, failed miserably.

Disillusioned with modernization, disgruntled voters dumped Simitis and elected Kostas Karamanlis, ND’s leader, in 2004. He promised to improve the economy, stamp out widespread corruption and promote a more transparent and effective state administration. Rising unemployment and inflation, inability to reform higher education, an inept response to wildfires in 2007 and failure to control protracted violence following the shooting of a 16-year-old in December 2008 lowered expectations and damaged his standing at the polls. The financial audit of the Greek economy in 2004 failed to yield the expected results. It increased political tension by predictably blaming the previous socialist government for the economic mess, but it also undermined Greek credibility among EU allies.

The leadership gap continues unabated to this day and includes both the conservative party, which notoriously did nothing to formulate any vision or correct the ills that it accused PASOK of bringing to the country, as well as the new left powerhouse, the Coalition of the Radical Left (SYRIZA), which has succeeded PASOK as the second largest...
party in Greece. Even during the current economic crisis, Greek leaders have succeeded in living up to low expectations. For example, Antonis Samaras, Prime Minister since 2012, refused to approve the first bailout package in 2010, even though he claimed to agree with most of the terms, because his party’s vote... was not needed to pass the bailout program through parliament!\textsuperscript{51} He refused to go along with reforms undertaken by the provisional government stitched together in November 2011, even though his party supported and participated in the government! As a result, and despite some success in reducing budget and current account deficits, the government’s “success story” continues to be undermined by populist rhetoric and credibility deficit in the eyes of the voters.\textsuperscript{52} Alexis Tsipras, leader the main opposition party SYRIZA, has shown similar proclivities. In his speech to the first party congress in July 2013, he claimed, “scrapping the memoranda and renegotiating the loan deal is the basis on which we will establish the roadmap for an exit from the crisis”.\textsuperscript{53} How that will be accomplished remains a mystery to the very day.

To be sure, voters are partially at fault. Seeking reelection, politicians are acutely aware of constituent demands. The strong clientelist bonds between the country’s political elite and various social and economic groups have prompted a habitual preference for a corrupt status quo than an uncertain but possibly beneficial future. Characteristic of this insidious symbiosis is Theodore Pagkalos’ outburst: “we all wasted resources together (τα φάγαμε ὅλοι μαζί)”.\textsuperscript{54} The problem with the former socialist Vice-Premier’s declaration is that it is true, but inaccurate. It reflects reality, but it also throws everyone in the same pot and distributes blame equally to all participants. And when everyone is to blame, no one is at fault. Quite the contrary, good leaders have an obligation to frame issues, explain alternatives, and make tough and occasionally politically costly decisions. While voters are to blame for serially supporting corrupt and incompetent politicians (despite rare pleas of ignorance), political leaders are ultimately responsible for successes or failures in governance.

\textbf{Conclusion}

In this paper we argued that Greece’s failure to adapt to the EU and become a successful member of the Eurozone has several domestic roots: 1) its historical development and transition to democracy in the 1970’s allowed for Manichean type of politics to take place in the country; 2) these confrontational politics were exploited by the socialist party in its effort to establish its dominance and colonize the state; 3) the colonization of the state by the party led to inevitable distortions in public institutional structure, with populism at the helm and patronage and cronyism on its side; and 4) the leadership of Greece is unable to provide a long-term vision of the country as a full and productive member of the EU. Our argument supports Taylor’s claim that European integration has had mutually reinforcing but also seemingly contradictory results.\textsuperscript{56} On the one hand, integration has led to the entrenchment of the state by allowing Greek elites to centralize power and promote policies and changes that suit their constituents, often by spreading the cost to the broader domestic population and EU taxpayers. The example of Greek farmers is instructive. On the other hand, integration was allowed to continue in directions that also benefited elites. The case of EMU is again instructive. The end result has been a false sense of prosperity. The present crisis has shattered this cozy bargain, raising serious discontent in many EU quarters. In the
face of high unemployment, economic recession and a shrinking welfare state, disintegration is no longer taboo. As Tsoukalis informs: “trust in the financial system and in political elites has taken a big blow. The feeling of injustice and disempowerment is strong among many citizens who perceive the rapidly changing world around them as a threat”.\textsuperscript{57} A new grand bargain is needed that will tame the centrifugal forces, but also reinforce the benefits of membership. EU membership has enabled political development and some economic growth without the need to lay strong foundations to sustain both processes. The current crisis is the price Greeks need to pay for such foolishness.

NOTES

7. Ibid.
18. Ibid., p. 38.
26. Ibid.
35. George Mavrogordatos, Ομάδες Πίεσης και Δημοκρατία [Pressure Groups and Democracy], op. cit.


44. An interesting argument is made by Tsogopoulos who analyzes the Greek crisis in terms of international news reporting. He finds stereotyping and political bias guided news reporting of the crisis in Greece and abroad. When taking his argument to its logical conclusion, this implies a public rebuke before the crisis would have been misinterpreted as a direct attack on a member state’s sovereignty. See George Tsogopoulos, The Greek Crisis in the Media: Stereotyping in the International Press, Burlington, Ashgate, 2013.


50. Ibid., p. 82-87.
ABSTRACTS

This article argues that although Greek membership has produced results in terms of democratization and political stability, the Greek economy has not fared as well despite large infusions of EU sums. The main reasons for this outcome are: 1) institutional divergence between Greece and its European partners; 2) lack of Greek administrative capacity; and 3) the inability to come up with a concrete vision of what Greece’s membership would mean for the country. We argue that in adapting to the European acquis, the Greeks paid more attention to the letter of the law than to the spirit. For domestic political reasons, administrative reforms never really took hold and were put off by successive governments. Finally, the post-democratization culture was pushed forward by a political party that did not buy into EU membership (at least initially) and that for domestic reasons co-opted its democratic partners into building a welfare state the country could not afford. The Greek case illustrates the point that without a robust economic plan stemming from membership, democratization may succeed but membership will ultimately fail.

Cet article affirme que même si l’adhésion de la Grèce à l’Europe a produit des résultats positifs en termes de démocratisation et de stabilité politique, l’économie grecque n’en a pas profité pour autant, et ce, en dépit de l’injection de fortes sommes de la part de l’Union européenne. Les principales raisons tiennent à 1) la divergence institutionnelle entre la Grèce et ses partenaires européens, 2) l’absence de capacités administratives en Grèce et 3) l’incapacité de produire une vision concrète de ce que l’appartenance de la Grèce à l’Europe pourrait signifier pour le pays. Nous soutenons qu’en s’adaptant aux acquis européens, les Grecs ont prêté plus d’attention à la lettre qu’à l’esprit de la législation. Pour des raisons qui tiennent à la politique intérieure, les réformes administratives n’ont jamais été vraiment adoptées et ont été remises à plus tard gouvernement après gouvernement. Enfin, le climat culturel qui a suivi la démocratisation a été
alimenté par un parti politique qui, du moins au début, ne s’est pas investi dans l’appartenance européenne et qui, pour des raisons de politique intérieure, a récupéré ses partenaires démocratiques en construisant un modèle social dit du Welfare state que le pays ne pouvait pas se permettre. Le cas grec démontre que sans un programme économique solide arrimé à l’appartenance européenne, la démocratisation peut réussir, mais l’appartenance est destinée en dernière instance à l’échec.

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