

A European Union without Greece would be a much diminished force

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*What would a failure to resolve the Greek debt crisis mean for the EU as a whole? **Marianna Charountaki** writes that while the debate over Greece has often focused on narrow economic issues, a Grexit would have far wider implications, undermining the foundations of the integration project and necessitating a complete restructuring of the European Union.*



Throughout the Greek crisis the role of the European Union as an organisation with responsibility for the connection of nation states, aiming at the consolidation of democracy and the well-being of its members through collective decision-making, has been called into question. Certainly, at the very least, there needs to be awareness that, as all EU members have submitted part of their sovereignty in joining the supranational organisation of the EU, the potential failure represented by Greece's situation could equally have a negative impact on them, and on the EU itself.

However the truth is that Greece is a founding member of the European family, and therefore needs to be part of the EU – and, equally, the EU needs Greece. The one cannot exist in any meaningful way without the other. Failure to find a solution to the Greek problem would therefore entail devastating consequences, even if they are only temporary, and place severe economic burdens on the majority of Europe's nation states, especially the weaker ones and their peoples.

Further geopolitical rationales also need to be taken into account. One issue concerns the role played by those powerful EU states that have demanded the imposition of specific EU policies in Greece that favour their interests. Chief among these is Germany, which continued to hold its entrenched position against the views of other states and against the sovereign interests of Greece until the very last

minute of the negotiations that produced the bailout agreement. It must also be seen as commendable that the Greek government set its sights on a permanent, rather than temporary, solution to the financial crisis which has gripped the country over the past five years: a stance explicitly expressed in the referendum on 5 July.

In spite of the difficulties facing Greece at the present time, the future appears promising if the pitfall of prioritizing state sovereignty, as far as the policies that stronger state members within the EU pursue, over the collective interest of the EU and its people, can be avoided. What needs to be considered first and foremost in any case is how detrimental it is to all nations and peoples of the EU if its members do not remain united.

Syriza's aim to revive the political and economic structures of the state will, of necessity, require time and patience, together with a progressive long-term reform strategy that starts from the current state of the economy and sets achievable targets for future growth based on realistic figures and estimates. Greece does not regard itself as an



Alexis Tsipras in the European Parliament, Credit: GUE/NGL (CC-BY-SA-3.0)

isolated sovereign state in the Mediterranean, but rather as a bastion of the European South that needs help in its recovery through regional and European cooperation. Tsipras is eager to regain the trust of the European institutions and its people through a process of accountability and policies of transparency. If successful, this will also cause the Greek people to view his government favourably, and give him a stronger chance of continuing in power for another term.

The banking system worldwide is a critical dynamic and key factor in the formulation of European and Greek financial policies. Therefore the current agreement can prove successful to the extent that it addresses the concerns and needs of both sides and more importantly in a way that further repercussions on other state members with similar problems can be avoided. Since the ratification of the agreement is still pending, I would like to believe that the scenario of a 'Grexit' is now over, particularly in the light of cost-benefit considerations for the European Union as a whole.

In fact, if a 'Grexit' would have occurred, it would not have been because the Greek government does not want to comply with the suggested measures of austerity by the European institutions. It does, but with the caveat that it has to be within its power to do so. Any move towards exit would only be taken as the result of a European decision, a matter on which Germany has considerable influence as there are still certain circles that continue to insist on the proposed crisis exit plan without taking into account the realities of the economic situation affecting the Greek people, or properly considering that the alternative measures agreed with the Greek government for a sustainable resolution of the crisis, more importantly, benefit Europe as a whole.

A potential Grexit though would be an economic exit – i.e., from the Eurozone – rather than a political one. Yet, the importance of such an action above all matters due to its deeply symbolic connotation because within Europe Greece offers such a rich historical, cultural and political legacy that holds a unique reputation as the birthplace of democracy. It could even be suggested that a Grexit actually indicates the onset of the EU's dissolution, given the intention expressed by other member states such as the UK or Austria.

It could thus generate a vast negative economic and political effect at the international level, undermining the root of international peace and solidarity: the core principles on which the EEC and the EU were founded. Moreover the exit of one of the founding members of the EU could only be seen as a failure of the wider efforts aimed at achieving equality, justice and the elimination of conflict among the peoples and societies of Europe. Put simply, a 'Grexit' would threaten the very foundations of the integration project and necessitate a complete restructuring of the EU.

The Greek government's attempts to deal with its economic problems in a way that does not impose significant hardship for its people, to the extent feasible, have been expressed through a three year funding programme for the restructuring of Greek debt. This proposal, while particularly severe and against both the will of the people and also the government's pre-election pledges, was ultimately accepted by the government of Syriza as an alternative to exit from the Eurozone. Syriza itself has declared that Greece's connecting bond with the EU institutions is the most precious aspect of its membership, and that a Grexit would be a terrible mistake as Greece's involvement goes much deeper than agreements and clauses or even the matter of economic security, representing a deep commitment to the ideal of EU members' inter-dependence and interrelationship.

Greece is currently under great pressure as it faces domestic, regional and international challenges. The Greek government is now minded to focus on implementing the desired measures provisioned by a specific and hard programme of reforms or the country could face a rise of political extremism as well as economic deadlock. At the same time, the focus on the primary sector of the economy and the rationalisation of taxation for the weaker and more deprived segments of Greek society need to be balanced by the empowerment of the middle classes, which have the power to mobilise the economy and thereby motivate Greek workforces. It is also important for Tsipras and his government to look at the different ideological positions held by other political parties within the Greek constitution, and find some way of harmonising them so that an accommodation can be achieved which works toward both a solution for the current economic crisis and, even more importantly, national unification.

On the European and international stage, it is essential that the Greek political message reinforces the fact, continuously underlined by Tsipras in his EU negotiations, that Greece's 'No' decision refers to the country's rejection of unsustainable debt and the setting of unachievable growth targets, but does not detract from its responsibility to guarantee the payment of its debts to lenders, and its acceptance of a reasonable solution that aims to achieve this outcome. The 8 July speech to the European parliament expressed the Greek belief that 'there are moments when the supreme law of the laws of the people shall be the justice of the people' as taught by Sophocles' masterpiece, Antigone.

Therefore, although Tsipras has said 'Yes' to the EU and the Eurozone, he has reflected the views of his country and his people and said 'No' to an unbearable and unsustainable programme of austerity which was, however, impossible to avoid. As it has done for centuries, Greece places its faith in the belief that cooperation and rationality will ultimately prevail so that national solidarity can confront the present economic crisis collectively.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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