

# ➤ The Greek Paradox

Eirini Karamouzi

**In recent years, Greece's place in the EU has been ferociously debated as Athens' financial and economic woes continue to trouble the stability of the euro and rattle the Eurozone markets. Contemporary press and European political elites alike engage in a seemingly endless blame game over the political origins of the Greek financial crisis. The fact that former President of France Valéry Giscard d'Estaing, who was instrumental in welcoming Greece to the European Economic Community (EEC) in 1981, recently admitted that it was a mistake to support Greece's membership in a roundtable with Chancellor Helmut Schmidt, further rekindled interest in the story of Greece and Europe.<sup>1</sup> The focal point in what follows is Greece's accession to the EEC and in particular the political discourse that took place within the institutions of the European Community from June 1975, when Greece lodged its application, to February 1976, when the Council of Ministers accepted the Greek application without preconditions. In reconstructing the story of the Greek talks, this contribution will not follow a strictly national approach, examining the influence of domestic economic, political and social determinants in the development of Greece's European policy. Rather, the behaviour and attitudes of the member states towards the Greek enlargement will take centre stage in order to explore the deeper question of why the EU expands.<sup>2</sup>**

## END OF THE DICTATORSHIP

In June 1975, the EEC – before it had time to digest the effects of the first round of enlargement that made Britain, Denmark and Ireland full members in 1973 – faced the prospect of a second enlargement. On 12 June 1975, then-Prime Minister of Greece Konstantinos Karamanlis announced his intention to seek full membership as a lasting measure to protect the longevity of the country's democratic institutions. A military junta ruled Greece from 1967 to 1974, whose end came with the attempted Greek-sponsored *coup d'état* against the President of Cyprus, Archbishop Makarios and the subsequent double Turkish invasion of Cyprus.<sup>3</sup> Confronted with the grave consequences of the Turkish invasion, the new leadership in Athens faced pressure to act. On the one hand, Karamanlis concluded that war against Turkey represented a highly dangerous option, as the seven years of the junta had left the Greek armed forces unprepared, inadequately equipped and in no position to declare war on Turkey. Moreover, reliance on the US and the Atlantic Alliance, as it had evolved since the end of the Second World War, had to be reduced (at least superficially) in the face of rapidly growing popular anti-Americanism. Although recent research has debunked the myth that the US green-lighted the coup that brought the often brutal junta to power, the majority of Greeks remained wedded to this idea.<sup>4</sup> On the other hand, as long as Ankara remained the principal threat, isolating Greece from the US and NATO would only benefit the enemy.

1 'European Luminaries Reflect on Euro: "Seventeen Countries Were Far Too Many"', *Spiegel Online International*, 11 September 2012, <http://www.spiegel.de/international/europe/spiegel-interview-with-helmut-schmidt-and-valery-giscard-d-estaing-a-855127.html>.

2 Helene Sjursen, *Questioning EU enlargement. Europe in Search of Identity* (London: Routledge, 2007).

3 The first Turkish invasion took place on 20 July 1974, occupying three percent of the island. Another followed on 14-16 August 1974 where Turkey came to control 36 percent of Cyprus.

4 Louis Klarevas, 'Were the Eagle and the Phoenix Birds of a Feather? The United States and the Greek Coup of 1967', *Diplomatic History* 30 (June 2006): 471–508; Effie G. H. Pedaliu, 'Human Rights and Foreign Policy: Wilson and the Greek Dictators, 1967-1970', *Diplomacy and Statecraft* 18 (January 2007); Robert V. Keeley, *The Colonels' Coup and the American Embassy: A Diplomat's View of the Breakdown of Democracy in Cold War Greece* (University Park: Penn State Press, 2011).

In the face of this dilemma, the government performed a careful balancing act.<sup>5</sup> On 14 August 1974, Karamanlis announced the country's withdrawal from NATO's integrated military structure, explaining years later that 'the withdrawal from NATO was not only justified but necessary. The fury of the Greek and Cypriot people was so great at that time that the only alternative would have been war'.<sup>6</sup> The fact that during this very period Karamanlis turned to Europe has been widely interpreted as a search for a substitute for the US.<sup>7</sup> However, records clearly show that in pursuing a European path and withdrawing from NATO, Karamanlis did not denounce the country's relationship with the US. Instead, he opted for a multilateral Greek foreign policy, signalling its disengagement from the monolithic approaches of the past. Multilateralism did not mean the end of the close relationship between Greece and the US.

In the immediate post-1974 era, however, the EEC was seen as the only appropriate forum where Greece could enhance its independence and restore its national confidence. The suspension of the Association Agreement of 1961 to the status of 'current administration' after the coup, coupled with the forced withdrawal from the Council of Europe in 1969, had contributed to the symbolic association between Europe and democracy in Greek eyes. Therefore, in marked contrast to the perceived American stance of indifference and tolerance towards the Colonels' rule, the EEC's use of diplomatic and economic weight helped undermine the legitimacy of the military dictatorship and thus catalyse the democratisation process. However, this should not imply that the EEC played a key role in the breakdown of authoritarian rule, which was in fact mainly precipitated by events external to the EEC.<sup>8</sup> Rather, its role was most crucial in denying the regime legitimacy, and therefore emerging as an actor enjoying significant goodwill among Greece's new democratic leadership, especially during the critical year of transition from 1974 to 1975.

## THE APPLICATION AND THREE MAIN PROBLEMS

European reactions to the early news of the Greek application were overwhelmingly positive. The Bonn government described Greece's decision to seek full membership of the EEC 'as a further demonstration of the unbroken power of attraction exercised by the process of European unification'.<sup>9</sup> Formally, the Nine could not but welcome or at least accept the Greek application. There could have been no other reaction given the provisions of the Treaty of Rome and the Association Agreement.<sup>10</sup>

These official reactions, however, did not reflect the true feelings of the majority of the European governments when they received the news of Greece's application. In reality, the Commission and the member states were fully aware of the largely political reasons that led to Greece's early application – and although they publicly welcomed the request, they were much less enthusiastic in private.

This awkwardness owed much to the timing and nature of the Greek application. The fall of the three dictatorships in Southern Europe drastically changed the political landscape of the continent. Greece's application took the Nine by surprise, seemingly revealing that their Community had become a strong pole of attraction for Greece and its Southern European neighbours, and that they were expected to play an active role. Up until then, the Community had a mainly economic Mediterranean policy, consisting of preferential ties and Association Agreements with few political overtones.

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5 John Iatrides, 'Greece and the United States: the Strained Partnership', in *Greece in the 1980s*, ed. Richard Clogg (New York: St. Martin's Press, 1983), 168.

6 Karamanlis' interview in *New York Times*, 27 May 1978.

7 Antonis Klapsis, 'From Dictatorship to Democracy: US-Greek relations at a Critical Turning Point, 1974-1975', *Mediterranean Quarterly* 22/1 (2011): 61-73.

8 The oil crisis of 1973, and mostly the Cyprus debacle.

9 Telegram by A. Frydas, Bonn, 14 June 1975, GRCKP 135A.

10 EEC Treaty, Article 237 reads: 'Any European State may apply to become a member of the Community. It shall address its application to the Council, which shall act unanimously after obtaining the opinion of the Commission', while the Athens Association Agreement (1961), Article 72 stipulates that 'as soon as the operation of this agreement had advanced far enough... the contracting parties shall examine the possibility of the accession of Greece to the EEC'.

To make matters worse, the application came during a period of deep economic crisis for the whole industrialised West, making it a less than opportune time for a new enlargement. The outbreak of war in the Middle East and the onset of OPEC's oil embargo helped bring about recession accompanied by high unemployment. In this economic downturn, the deepening of the Community suffered a major setback. The ambitious plan to complete an Economic and Monetary Union by 1980 became an early and inevitable victim of the international monetary crisis. Meanwhile, the European Political Cooperation (EPC) process, the Community's attempt to launch a coordinated European foreign policy, enjoyed several initial successes, especially in light of its effectiveness in the Conference for Security and Cooperation in Europe (CSCE) context, but did not manage to transform the Community into a credible global player.<sup>11</sup>

The second and equally serious difficulty connected with Greece's application lay in the structural weaknesses of the Greek economy, which limited its ability to combine homogeneously with the economies of the Community. Although the Greek economy grew rapidly in the 1960s and early 1970s with the real level of GNP rising by 6 percent against the EEC's 4.5 percent, in 1975 the country faced severe trade deficits and a continuing depreciation of its currency that contributed to the persistence of the inflationary spiral.<sup>12</sup> These, coupled with the structure of the Greek economy, called for structural changes of which the Community would have to bear a share of the cost. In particular, Greece would, upon entry, become a substantial net recipient of funds from the Community budget. The largest single item would likely be payments from the Common Agricultural Policy (CAP)'s European Guarantee and Guidance Fund (usually known by its French acronym, FEOGA), which would be substantial in view of Greece's large agricultural sector.<sup>13</sup>

Furthermore, the agricultural potential and lower costs of Greece's production caused concern primarily to the French and Italians, who had similar agricultural produce and who already resented the Community's concessions to third countries under the global Mediterranean policy. Greek accession would thus likely impose additional costs in terms of compensation demands by Italy and France. Moreover, Greece's economic, as well as administrative backwardness would prevent its smooth absorption into the Community and necessitate an increase in the EEC's expenditure. These economic problems did not in themselves constitute an insurmountable obstacle, given the economic magnitude of the EEC compared to the applicant. The actual problem lay in the fact that existing member states saw the Greek application as a forerunner of the other two emerging Southern European democracies, namely Spain and Portugal.

If the economic and institutional implications were not already negative enough, Greece's entry also entailed the risk of embroiling the Community in the Greek-Turkish dispute. The two countries had recently reached the brink of war over a third EEC associate, Cyprus. Before 1975, the Community had striven to maintain a political balance between Greece and Turkey. Hence, in admitting Greece, the Community ran the risk of alienating the other strategically important country in the Eastern Mediterranean.

The Commission's lukewarm 'Opinion on the Greek application', submitted to the Council of Ministers on 29 January 1976 and made public at the time, encompassed all the fears and concerns of the Nine (but was never expressed in public or to the Greek government). Divided into two parts, the Opinion recommended a preparatory pre-accession period in addition to the normal transitional period to give Greece and the Community more time to adjust to one another. Therefore, the question at hand was not whether or not Greece should enter, but rather when and how it should. The Commission cited economic backwardness, political instability and turbulent relations with Turkey as reasons for encouraging the postponement of Greece's entry.<sup>14</sup>

11 Angela Romano, *From Détente in Europe, to European Détente. How the West Shaped the Helsinki CSCE* (Brussels: P.I.E. Peter Lang, 2009).

12 Loukas Tsoukalis, *The European Community*, 38.

13 Greece's Annual Review for 1975, Athens, 1 January 1976, WSG/1, FCO 9/2395.

14 European Commission, 'Enlargement of the Community: Conclusion', *Bulletin of the European Communities* 1/78.

## WHY SAY YES?

In an unprecedented act, however, the Council unanimously rejected the Commission's Opinion two weeks after its submission. At a press conference at the end of the Council meeting, Prime Minister of Luxembourg Gaston Thorn said that 'for the nine delegations there could be no trial period or political considerations attached to Greece's accession'. He did not deny that a number of economic problems would have to be solved but 'answers would be found during the negotiations'.<sup>15</sup> There is no dispute that the problems enumerated in the Opinion did indeed exist and caused a severe headache to the Nine. Why then did the Community say yes?

The contemporary press claimed that the lack of enthusiasm on the part of the Nine for Greek EEC entry was compensated by the fact that no one wanted to be seen as opposing it. *The Financial Times* wrote: 'If Greece becomes a member, it will be largely by default'.<sup>16</sup> Indeed, Greek norm-based rhetorical strategy had made it difficult for any member state to incur the odium of asking for a delay or rebuffing the application, despite the evident awareness of the problems involved. Karamanlis had capitalised on the promises made to Greece by the Community during the 'freezing' of the Association Agreement and then again during the transition period, creating a dynamic in favour of relatively rapid Greek accession, in which democratic political considerations explicitly outweighed economic concerns. This line of argument concerning the Community's democratic obligation towards Greece was used not only as a central part of the Greek transition policy, but also as a convincing argument to persuade the Community to make a positive decision on the opening of the negotiations.

This shaming strategy, known as a rhetorical entrapment, was extensively used in the Eastern European enlargement. Frank Schimmelfennig convincingly argues:

In the institutional environment of the European Union, the supporters of enlargement were able to justify their preferences on the grounds of the Community's traditional pan-European orientation and its liberal constructive values and norms and to shame the 'brakemen' into acquiescing in enlargement. In other words, the brakemen were rhetorically entrapped...the crucial element in this shaming strategy was the argument that the EU failed to honour past commitments, match words and deeds, and treat outside countries consistently.<sup>17</sup>

In the Greek case, however, the shaming strategy was a novel approach and proved convincing only because of the evolution of the Community's perception of itself in the 1970s. Besides the economic and institutional problems, there were ongoing talks about the future of the Community. Indeed, 'defining Europe' had become an important issue for the EEC by the 1970s. Just a few years prior to the official Greek application, there had been an attempt to give European integration a more explicitly political dimension. In December 1973, the *Document on European Identity* was published in order to 'help the EC countries define their relations with other countries, as well as their place in world affairs'.<sup>18</sup> The search for identity culminated with the Tindemans Report, published in January 1976 – just a few days before the Commission issued its opinion on Greece. Leo Tindemans, the Belgian Prime Minister had been asked to compile an overview of the EEC, with the aim of working out a common concept of an EU. According to the report, the Community 'had lost its guiding light, namely the political consensus between our countries on our reasons for undertaking the joint task'.<sup>19</sup> The Community had a pressing need to find a new *raison d'être* to move forward with European integration. The pursuit of peace and stability, as declared in the Treaties of Rome, was considered achieved by the 1970s.

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<sup>15</sup> European Commission, 'Position Adopted by the Council', *Bulletin of the European Communities* 1/76.

<sup>16</sup> 'Towards a New Identity', *The Financial Times*, 12 February 1976.

<sup>17</sup> Frank Schimmelfennig and Ulrich Sedelmeier, eds., *The Politics of European Union Enlargement. Theoretical Approaches* (London: Routledge, 2005), 166.

<sup>18</sup> Ine Megens, 'The December 1973 Declaration on European Identity', in *Beyond the Customs Union: The European Community's Quest for Deepening, Widening and Completion, 1967-1975*, ed. Jan van der Harst (Brussels: Bruylant, 2007), 317-340.

<sup>19</sup> Leo Tindemans, 'European Union: Report by Mr Leo Tindemans to the European Council', *Bulletin of the European Communities* 1/76.

Democracy emerged as a feature in the Community's political discourse in the early 1960s. The European Parliament was the first European political actor to raise this issue, through the Birkelbach Report of 1962, which discussed the Community's political identity as protector of democracy in relation to enlargement. The Commission and the Council, however, did not embrace the concept wholeheartedly at the time.<sup>20</sup> The debate on the role of democracy within the political identity of the Community came back to the fore in 1967 with the Colonels' coup in Greece, but it was mainly during the fall of the three dictatorships in Portugal, Greece and Spain (and Greece's subsequent application for EEC membership) that it became rather prominent among the Nine. The prospect of enlargement was considered an ideal occasion to make a crucial statement about the Community's *finalité politique*. In early 1976, German Foreign Minister Hans-Dietrich Genscher commented that the decision to welcome the poor southern countries illustrated that 'Europe had emerged from the stage of an economic community, today being a political community'<sup>21</sup>, while British Foreign Secretary Anthony Crosland described 'enlargement as an investment in the democratic future of Europe' and predicted that in the long run the benefits would outweigh the costs.<sup>22</sup>

In other words, the aim of promoting peace, once the central legitimating strategy for moving forward with the process of European integration, was now complemented by the Community's obligation to promote democratic ideals.<sup>23</sup> The perception of Greece as the 'cradle of democracy' further cemented the process. Indeed, the French President attached great importance to Greece's deeply European identity as a contribution to the Community's own European nature. Following the end of negotiations, Giscard characteristically described Greece's entry as a 'return to the roots', later admitting in his memoirs that 'it was impossible to exclude Greece, the mother of all democracies, from Europe'.<sup>24</sup> In this sense, the discourse on the Greek application played directly in the contemporary identity debate within the Community.<sup>25</sup> There could have been no better case study than Greece to implement this, and Karamanlis hugely capitalised on these merits in his contacts with his fellow European leaders, explaining how the democratic obligation provided the fundamental rationale for accepting the Greek application.

## COLD WAR IMPERATIVES

Idealism no doubt played a significant role in the decision to enlarge. The 'rhetorical' account of enlargement must be placed in proper perspective given that the Cold War environment dictated the inter-relation of democratic stability and security concerns.<sup>26</sup> It was convenient to employ rhetorical idealism when measurable geopolitical benefits pushed the policy in similar directions. Indeed, the question of Greece's EEC membership was also framed in strategic Cold War terms. The threat to Western security stemming from Greece's withdrawal from NATO's integrated command and the country's unstable domestic political situation in the aftermath of the Cyprus debacle loomed large in Europe's mind. Moreover, Greece did not represent an isolated case in the European scene: a few months earlier the 'Carnation Revolution' wiped out Caetano's dictatorship in Portugal and Franco's dictatorship seemed near to its end. Last but not least, Italy's internal situation also caused concern for Western leaders. The country was beset by social turmoil, economic crisis and political instability, and it seemed likely that the Italian Communist Party would come to power via elections. Overall, by the mid-1970s one could see rising threats to Western interests in the southern part of Europe.

20 Charles Powell, 'The Long Road to Europe: Spain and the European Community, 1957-1986', paper presented at the conference *From Rome to Berlin, 1957-2007*, Madrid, June 19-20 2007.

21 Quoted in Thomas Derungs, 'The Integration of a Different Europe. The European Community's Enlargement to the South and Evolving Concept of the Civilian Power', in *The Two Europes. Proceedings of the Third Annual RICHIE Conference*, Brussels, 2009.

22 Note by S. Roussos, London, 2 October 1976, GRCKP 139A.

23 F. X. Ortoli, address at the Ninth General Report on the Activities of the European Communities, Brussels, 10 February 1976.

24 Serge Bernstein and Jean-François Sirinelli, *Les années Giscard. Valéry Giscard d'Estaing et l'Europe, 1974-1981* (Paris: Armand Colin, 2007), 135.

25 Susannah Verney, 'Justifying the Second Enlargement: Promoting Interests, Supporting Democracy or Returning to the Roots?' in *Enlargement and the Nature of the Euro-Policy*, ed. Helen Sjursen (London: Routledge, 2006), 19-43.

26 Geoffrey Pridham, *Designing Democracy. EU Enlargement and Regime Change in Post-Communist Europe* (Basingstoke: Palgrave, 2005), 29-35.

All of these helped exacerbate the already difficult strategic outlook of the Mediterranean region. In contrast to the period from the late 1940s to the mid-1960s, when the Mediterranean was considered 'an American lake' symbolised by the sixth fleet and an impressive complex of air and sea support, the 1970s witnessed a decline in the military dominance of allied forces in Southern Europe, coupled with increased Soviet naval presence.<sup>27</sup> To make matters worse, the trauma of Vietnam and Watergate had limited the power of the presidency, with Congress becoming more assertive and clipping the foreign policy wings of the President and the Secretary of State. The Ford Administration no longer enjoyed the same flexibility and latitude in foreign affairs, which added an unexpected complexity to the conduct of US international policy. The Turkish embargo and the halting of aid to Vietnam represented the victory of Congress over a weak president.<sup>28</sup>

In a period when there was a relative diminution of US influence in Southern Europe in the form of the extreme anti-Americanism that was sweeping the region, and understanding the volatile situation of the northern tier of the Mediterranean, the Americans looked to their European allies for help. By using the joint instruments of trade concessions, financial assistance and ultimate closer association leading to membership, the Europeans discovered the constructive effect they could have in promoting stability and political moderation in the Mediterranean's northern tier. In contrast to the failed attempts to engage effectively in the Middle Eastern peace process, the Europeans played a successful part in their own backyard. This part, in full agreement with the Americans and buttressing the US's military role, consisted in offering economic and political support to the newly established Southern European governments.

## CONCLUSION

Although it appeared unwise to many at the time (and indeed for decades to come and much more in the current crisis), the decision to admit Greece was a momentous event that has had a direct bearing on the story of enlargement for two main reasons. First, in welcoming a relatively poor, recently democratised country, 'Europe' became more than simply a Western club.<sup>29</sup> The prospect of the Greek accession saw the emergence within the Community of a new sense of utility of enlargement. In a period when the Community was attempting to establish a European identity, the second enlargement involving the newly-emerged Greek democracy and the debate it generated significantly affected the EEC's self-perception as a promoter of democracy. Crucially, after citing this justification, it created expectations for future conduct and became a reference point for subsequent enlargements.

Second, and more importantly, the Greek accession talks constituted an episode during the course of which the Community discovered its power as a stabilising factor in a crisis. Few of the European Community's policies have seen their importance increase as spectacularly over the past three decades as enlargement. More recently, practitioners and commentators have praised enlargement as the EU's most powerful foreign policy tool.<sup>30</sup> However, this was hardly taken for granted in the 1970s. In giving the green light to Greece's bid for membership, the Nine set out on a path that eventually led to far-reaching changes in the whole nature of the Community as an international actor. Thirty years later, it is perhaps hard to recapture the danger seemed of instability in Greece and possible war with Turkey (in addition to the fears of spreading the contagion to neighbouring Spain, Portugal and Italy). In the mid-1970s, however, this sense of crisis was very real. The highly important political decision to accept Greece and support Karamanlis in the midst of an intense crisis, apart from leading to the Community's second enlargement, added to the EEC's collective weight on the world stage.

27 Milan Vego, 'Soviet and Russian Penetration Strategy in the Mediterranean Since 1945', in *Naval Policy and strategy in the Mediterranean: Past, Present and Future*, ed. John Hatterdorf (London: Frank Cass, 2000), 164.

28 Richard C. Company Jr., *Turkey and the United States. The Arms Embargo Period* (London: Praeger, 1986), 65.

29 Peter Ludlow, *The Making of the New Europe. The European Councils in Brussels and Copenhagen 2002*, European Council Commentary, Belgium, 2004.

30 Ulrich Sedelmeier, 'Enlargement. From Rules for Accession to a Policy Towards Europe', in *Policy-Making in the European Union*, eds. Hellen Wallace et al (Oxford: Oxford University Press, 2010), 403.

The decision to grant Greece EEC membership was therefore completely conscious. The Community's planning clearly involved political and strategic reasons. The problem with these realisations on the part of the EEC, however, was that they lacked a long-term policy. The Nine had substantial reasons to say 'yes' at that specific moment in time. Nonetheless, they had no discussions concerning the future. The Community never really devoted much time to explaining how it would reconcile the threat to its economic interests and internal cohesion with the geostrategic and identity-related considerations that had encouraged Greek accession. At the end of the day, the Nine's leaders were politicians, ready to only address the present in order to survive politically. As with other European policies, commitment to the objective of enlargement was facilitated by the expectation that it would not have to be honoured for a long time. Is this approach finally catching up with Europe? ■