The Greek crisis shows that what we need is more Europe, not less

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What would a Greek exit from the euro mean for the future of European integration? **Michiel van Hulten** *writes that although the notion that a Grexit could spell the beginning of the end for the integration process is far-fetched, the EU is nevertheless in serious need of reform. He argues however that the solution is unlikely to be found in reducing the powers delegated to Brussels, noting that the Greek crisis could have been avoided if more stock had been put in the views of the European Commission when Greece initially joined the EEC.*

"What is needed is a substantive economic programme to enable Greece to carry out the necessary structural reforms." So wrote the European Commission on 29 January 1976 in its opinion on the Greek application to join what was then still the European Economic Community (EEC). Officially the Commission endorsed Greece's accession. But it proposed two important preconditions: first, the country had to resolve its Cyrus-conflict with Turkey, and second, the economy needed thorough modernisation. The chance of the Greeks meeting these preconditions was considered to be so small that in reality the Commission's assessment amounted to a negative opinion.

Less than two weeks later, the Commission's critical report was resolutely swept aside by the Council of Ministers. Greece was allowed to join the EEC, without preconditions, from 1 January 1981. Member States attached more importance to anchoring Greece in the western democratic family than the minutiae of the Commission's take on the economic feasibility of the plan. Some 25 years later this implicit trade-off between peace and security on the one hand and economic and social development on the other would also form the basis for the accession of the countries of Central and Eastern Europe.

Demonstration in France in support of a 'No' vote in the Greek referendum, Credit: carac3 (CC-BY-SA-3.0)

The other Member States also chose not to block Greece from joining the euro in 2001. Even though the country did not meet the Maastricht criteria, the lofty ideals of European cooperation prevailed. Membership of the euro would in and of itself make a significant contribution to the economic development of the country, or so Member States believed. Several years later it transpired that not only had the Greeks not satisfied the official criteria for euro membership, they had based their application on doctored economic statistics. The country was much worse off than previously thought. Today Europe is paying the price for turning a blind eye for all these years.

Some believe a Greek exit from the euro (which now looks likely) could mark the beginning of the end of the single European currency. Even the very survival of the European Union itself is being called into question. But that is taking things a step too far. In several respects Greece is a special case. Other Eurozone countries that ran into trouble – Spain, Portugal, Ireland and Cyprus – are now well on the road to economic recovery. Furthermore, according to Transparency International, Greece is at the bottom of the EU corruption league (along with Bulgaria, Italy and Romania). European grants intended to aid economic development have disappeared into the pockets of unscrupulous politicians and businessmen. And on top of all this Greece has suffered a succession of incompetent governments.

But Greece being a special case does not mean all is well with the process of European integration. Warm pleas for European cooperation and solidarity have given way to sometimes fierce anti-Europe rhetoric. Countries like Finland, Germany and the Netherlands will henceforth think twice before they accept the accession of new members to the Union or the euro. And thanks to the migrant crisis Italy knows that European solidarity is nothing but a hollow phrase in a situation where most Member States believe it is not in their national interest to find a common solution.

Stopping the process of European integration is not a serious option. But the EU needs fixing. The economic and monetary union must be transformed into a full-fledged political union in which each Eurozone member has a real voice and in which policy-makers are directly accountable to the EU's elected representatives. Important proposals should be put to a popular vote systematically, and not just on an ad hoc, ad lib basis as with the current Greek referendum. Brussels (and Frankfurt) decision-making must become more transparent. Why did the European Commission wait until this weekend to publish the creditors' proposal to Greece? By involving citizens more directly in decision-making, the risk of policy disasters decreases and public acceptance of key policy decisions increases.

The populist solution is to drastically reduce the role of Brussels. Unquestionably the European Commission's decision to review existing legislation and block superfluous new rules is a welcome and necessary step. But it is worth bearing in mind that if Member States had listened better to the Commission in 1976, the Greek drama unfolding in front of our eyes today could have been avoided.

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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. A Dutch version of this article was published on 29 June in Het Parool.

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About the author

Michiel van Hulten
Michiel van Hulten is an independent policy consultant based in Brussels and a visiting senior fellow at the London School of Economics and Political Science. He is a former Member of the European Parliament. He tweets @mvanhulten

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