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ITC- Europe's Strongest Link is Greece

written by Andreas Koutras, 2-Nov-11. In Touch Capital Markets Training

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G20

Mr. Papandreou was invited to G20 to discuss his latest gamble. If it was chess, then Mr. Papandreou's latest gambit does not just offer to sacrifice the Queen but the whole tournament. This is a crucial meeting for Europe's future. If Sarkozy and Merkel go along with him then they would need to support him and Greece. They would further need to stop applying elastoplasts and get down to the real issues of the EU, like the fiscal union, democracy and accountability. This is the time. If they fail to do so then other countries may question the wisdom of being in such a union. Even Mr. Cameron should be feeling the tremors of such a referendum earthquake.

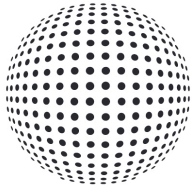
So watch out for the statement after Papandreou meets Sarkozy and Merkel. It is of crucial importance. Our guess is that with Italy on the ropes, they would need to support Greece's decision and keep their rage for later. In this respect Greece has become the strongest link in Europe. Greece is forcing the EU leaders to take their jobs and responsibilities seriously and to stop playing around with EFSF leverage, gimmicks or dreams of Chinese rescues.

European Democracy?

There is no question that most European politicians were surprised by Mr. Papandreou referendum decision. With one stroke the Greek PM brought back the Greek problem at the forefront, but this time in the context of democracy in Europe. It is not a secret that the EU along with money deficits has also a huge democratic deficit. The only elected body, the Euro-Parliament has little influence over events. One wonders why Europeans still accept the cost of these impotent parliamentarians. The commission is appointed and not elected while the European council is dominated by Germany and France which effectively take decisions for the other countries. The so called President of Europe Mr. Van Rompuy was voted by 27 out of the 400million eligible voters. Sarkozy muttered that much recently, when he questioned the wisdom of deciding the fate of Greece.

If Europe is to have a future then EU politicians should start addressing some of these issues seriously. Sweeping under the carpet is an option that is fast disappearing.

Background on Greek Politics



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Greece joined the European Economic Community (EEC) in March 1981 on the insistence and perseverance of the then PM Mr. K.Karamanlis. His main opposition was Prof. Andreas Papandreou who campaigned fiercely on an anti EEC and an anti NATO platform together with the all the left and communist parties. He promised to take Greece out of both as soon as he was elected. The Greek people believed him and more than half were truly against this capitalist monopolistic blood sucking Europeans that had one think in mind, "to corrupt the Greek way of life", to acquire "The priceless Greek assets" and other equally imaginary reasons. Despite the high stature of Mr. Karamanlis, his political instinct told him NOT to do a referendum on the issue as he truly believed that the people would vote against it. The demagogue A.Papandreou played his cards right knowing that Karamanlis would not bet the country's future. He was thus free to be as anti-European as possible knowing that once winning the election (Oct 1981) he could procrastinate any decision long enough to bribe the people's memories with EU subsidies.

Incidentally, the current PM is the son of A.Papandreou and the previous Mr. K.Karamanlis is the nephew of the then K.Karamanlis. You would be forgiven to think that Greece is not a true democracy but rather a strange mix of Hereditary Democracy and byzantine politics. With few exceptions, that prove the point, political life in Greece has for the past 70 years been dominated by 2-3 families. This is the remnant of the patriarchal society and the cause of much of the corruption and nepotism faithful to the best tradition of the ancient Greek house of Atreus.

Now, Mr. George Papandreou is trying the same political blackmail to the conservative leader Mr. Samaras. He knows very well that the conservative party and its voters are very pro-EU. In fact, it is the government's party supporters (PASOK) which have EU reservations, especially those on the left of PASOK (A mixture or national-socialists, communist revisionists and pseudo-intellectuals). Thus with one stroke he can force the conservatives to vote YES and simultaneously possibly split the conservatives if their leader decides to vote NO. If the people vote YES then he has not only gained time but possibly a better deal for Greece and the future of Europe. This may reverse and even propel his reputation to a stratospheric status in Greece and in Europe. The alternative of course, a NO decision, would make his father's reckless promise come true. Greece would then sail in very dangerous and uncharted waters.