

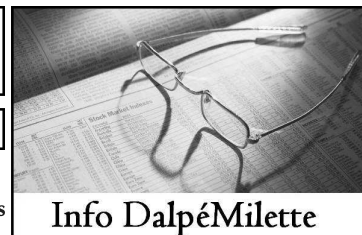
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GREECE AND THE NEW COLONIALISM

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For the time being, the markets have been pacified. For the moment, the riots in Athens have subsided. Only "hundreds" of demonstrators came out over the weekend, fewer than the 50,000 who killed three people during a violent petrol-bomb attack on a bank last week. But this temporary truce in Greece has been bought at a high price — by which I don't just mean that it was expensive.

Here in front of me, I have a draft version of the Council of the European Union's most recent "decision" on Greece. It isn't a classified document. Bits of it have been in the newspapers; the Greek parliament has already voted to pass some of its provisions; and a similar, though less comprehensive, decision was published in February. But although it's not secret, no one is yet talking much about its political significance. For this is no ordinary piece of Euro-bureaucracy: This is the kind of thing a surrendering field marshal signs in a railway car in the forest at the end of a bloody war.

The European Union and the IMF will rescue Greece, spending billions of euros to do so. And in exchange, Greece will agree not merely to reduce its vast public deficit but will adopt, by June 2010, no less than 17 specific legal and budgetary changes. Among other things, the council declares that Greece "shall" reduce the "Easter, summer and Christmas bonuses" of civil servants and pensioners; increase taxes on fuel, tobacco and alcohol; reduce the operating costs of local government; and pass a law to simplify the rules for

new business start-ups.

Once that is all out of the way, Greece "shall," by September 2010, fulfill another nine requirements, among them a pension reform that raises the retirement age to 65, up from a current average of 61. By December 2010, Greece "shall" adopt another 12 measures, among them one mandating the use of generic drugs in the state health care system. There are further deadlines in March 2011, June 2011 and September 2011. If the Greek government wants to continue receiving the

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cash it needs to function, it will have to pass all this legislation, piece by piece.

I have no doubt that all these measures are necessary, even long overdue. Probably there was no other way to persuade a Greek parliament to pass them. Violent riots have become an acceptable way of expressing political opinion in Greece, and bitter partisanship means that each government undoes the work of its predecessor. This is not a political culture in which any government would find it easy to raise the retirement age by four years or to eliminate Christmas bonuses for civil servants.

Nevertheless, this decision does represent something new. Though the Euro-

pean Union has always required a partial surrender of sovereignty from its member states, Greece no longer has much sovereignty at all. IMF agreements also impose conditions, but the language is somewhat different: The indebted country requests help, the IMF responds. In this case, the EU has decided what Greece "shall" do. I don't believe anybody knew that the EU had so much power over its member states, least of all the Greeks.

Maintaining this intense legislative schedule will not be a simple matter, whatever promises have been made. Modern Greece has a history of foreign occupation — by the Ottoman Empire, by Nazi Germany — and some Greeks are already calling on their countrymen to resist the new occupation forces of the EU and the IMF. Resistance could take forms more subtle than rioting. Athens, after all, is a city in which 364 people told tax authorities they owned swimming pools — and in which satellite photographs reveal the existence of 16,974 swimming pools. If a tax or legal reform is perceived as a foreign imposition, will Greeks abide by it?

Though no one is saying so, this visible imposition of EU power on Greece will also serve as a warning to others who want to enter the Eurozone in future. Yes, if you play by the rules, being part of Europe means being part of the world's largest and most prosperous economy. But if you don't play by the rules, you risk coming under foreign financial occupation. We might not yet have a name for this phenomenon — neo-Euro-colonialism? — but, without anyone noticing, it has arrived.

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