

# IKV BRIEF

## GREEK PRESIDENCY OF THE EUROPEAN UNION

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## GREK PRESIDENCY OF THE EU

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As of 1 January 2014, Greece took over the rotating presidency of the Council of the EU from Lithuania for a six month period. It is well known that Greece has been struggling with economic and financial crisis for a long period of time and the financial support it has received so far to overcome the crisis has reached almost 250 billion euros. Greek presidency is followed closely and critically by the EU Member States and its presidency is considered as a crucial one for a number of reasons. As a matter of fact, Greece's presidency priorities and action plan along with the upcoming European elections in May 2014 will be major factors impacting upon Greece's performance as the president of the EU Council alongside of the overall success of the "Trio Programme" in the next six months.

### General Recommendations

- ✓ Greece recently has shown divergence instead of convergence with the EU due to the implementation of strict austerity measures in the framework of financial aid packages it has received as a result of the economic crisis and financial recession;
- ✓ It is envisaged that Greece will aim to improve its damaged image within the EU due to ineffective management of the economic crisis; and will make a significant effort in rebuilding trust of EU citizens towards EU institutions;
- ✓ It is observed that although Greek economy has shown a slight improvement recently, it has experienced economic recession at an annual rate of 4.4% in the last 5 years; and the unemployment rates remain at 24.2%;
- ✓ Greek presidency priorities of 2014 mainly focus on the acquirement of welfare and stability around the EU; deepening of the Economic and Monetary Union; protection of the common currency; alleviation of market stagnation; promotion of growth, job creation and employment;
- ✓ One of the most crucial issues the Greek Presidency needs to tackle with is the European elections due in May 2014;
- ✓ Greece's action plans are divided into four main fields:
  - Growth, jobs and cohesion;
  - Further integration of the EU – eurozone;
  - Migration, borders and mobility;
  - Maritime policies.
- ✓ It is envisaged that Turkey's accession negotiations process will be dependent on the developments within Turkish politics and in accordance with Greece's priorities; and that there might be certain developments on Cyprus issue and negotiations on Cyprus.

Greece became a member of the EU in 1981; and held four previous presidencies in 1983, 1988, 1994 and 2003 respectively. On 1 January 2014, within the framework of Trio programme, Greece took over the rotating presidency of the EU Council for the fifth time following the completion of presidency tenures of its Trio partners Ireland (January-June 2013) and Lithuania (July-December 2013).



The aim of Trio Programme, also known as the triple-shared-presidency programme is to achieve continuity and consistency in the work of the Council of the EU, and achieve better cooperation and exchange of expertise among the Trio partners. In that respect, the Programme aspires to develop longer-term and compatible priorities and strategies by the Trio partners in order to achieve the predetermined presidency objectives including economic growth and stability, job creation, deepening of Single Market, increasing the efficiency of financial stability reforms.

It can be argued that since its latest presidency term in 2003 Greece has been subject to a process of divergence due to the economic crisis and prolonged financial stagnation in the country. As a matter of fact, Greece, on its part, had to implement strict austerity measures within the framework of financial aid packages in order to resolve economic crisis, re-build trust, and promote financial stability and competition in the country. At the same time, Greece also aimed to promote “new and sustainable” economic growth in order to overcome existing institutional weaknesses whilst trying to close the country’s budget deficit.<sup>1</sup>

Responsibility of holding the rotating presidency for six months at a time of economic and financial turmoil around the EU is without a doubt difficult task to accomplish for Greece. Greece will not only be dealing with the regular duties as the president of the EU Council but will also be exerting itself towards re-building trust in the EU institutions seeing that European citizens lost their confidence in the functioning and efficiency of these institutions when dealing with the crisis, and responding to financial stagnation and increasing unemployment rates. In that respect, Greece is believed to be giving of its best towards the economic, financial and social recovery of the EU throughout its fifth Presidency tenure.

In this context, it can be argued that Greece has two major challenges ahead. Owing to the negative economic and political panorama and restlessness due the upcoming European elections , it is highly likely that Greece will struggle to a certain extent in convincing European citizens that it is in fact capable of effectively carrying out its share of presidency of the EU Council at the EU level; and Greece will have a hard time in proving that it is capable of enhancing its own public trust and social integrity at the domestic level which has been descending for the last five years.

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<sup>1</sup> Köse, Yaşar, Karabacak, Hakan (2011) ‘Yunanistan Ekonomik Krizi: Nedenleri, Etkileri ve Alınan Tedbirlere İlişkin Bir Değerlendirme’, *Maliye Dergisi*, 160: 289-306. p.304.

In the light of these circumstances, holding the Presidency of the EU Council evidently provides Greece the opportunity to improve its image at the EU and domestic level and flourish its credibility all through. Albeit Greece puts on a brave face and seems confident in its presidency tenure, there are certain reservations about its ability to accomplish the priorities in its action plan.<sup>2</sup>

**ECONOMIC AND SOCIAL STALEMATE OF GREECE**

Greek economy unsurprisingly has portrayed a disappointing picture in the aftermath of the economic and financial crisis. As Greece’s debt became highly unsustainable, the country’s international creditors, alias Troika<sup>3</sup>, imposed strict austerity measures such as lay-offs of workers in the public sector and severe cutbacks to the social services, which in turn caused sudden repercussions and backlash within the society. In this context, Greece’s economic recession reached an annual rate of 4.4% in the last 5 years whilst unemployment rate remained at 24.2%.<sup>4</sup>

On the other hand, the political party system of Greece has collapsed, leaving centre-left parties defeated whilst extreme right parties gained popularity.<sup>5</sup> In addition to the economic and political stalemate, Greek citizens became subject to a stern social disorder and their perceptions on “Europe” dramatically changed. As a matter of fact, for Greeks “Europe” turned into a symbol of “troika coming every few months and squabbling over jobs in the public sector” instead of a symbol of modernisation and progress.<sup>6</sup>

GREECE		
<p><b>Capital</b> Athens</p> <p><b>Land Area</b> 131,957 km<sup>2</sup></p> <p><b>Population</b> 10.773.967</p> <p><b>GDP</b> 212 billion euros</p>	<p><b>President</b> Karolos Papoulyas</p> <p><b>Prime Minister</b> Antonis Samaras</p> <p><b>Minister of Foreign Affairs and Deputy Prime Minister</b> Evangelos Venizelos</p>	<p><b>Political Parties</b> New Democracy (ND) Coalition of the Radical Left (SYRIZA) Panhellenic Socialist Movement (PASOK) Independent Greeks (ANEL) Golden Dawn (Hrisi Agvi) Democratic Left (DIMAR) Communist Party of Greece (KKE)</p>

Source: Greece Demographics Profile 2013, <http://www.indexmundi.com/factbook/>. Date accessed: 4 January 2014.

<sup>2</sup> “Greece at the Helm of the EU”, <http://hurriyetdailynews.com>, 11 January 2014. Date accessed: 17 January 2014.

<sup>3</sup> Troika represents the EU, the European Central Bank (ECB) and the International Monetary Fund (IMF) as they are the three organisations dealing with bailout loans within the Eurozone. The troika has been monitoring the progress of countries within the zone who are in danger of default.

<sup>4</sup> Vogel, Toby (2013) “Facing a heavy agenda”, *EuropeanVoice Special Report on the Greek Presidency of the Council of the EU*, p. 3.

<sup>5</sup> Ibid.

<sup>6</sup> Kevin Featherstone’s comments in “A transition period”, *EuropeanVoice Special Report on the Greek Presidency of the Council of the EU*, p.5.

## PREVIOUS GREEK PRESIDENCIES OF THE EU

### *1 July – 31 December 1983*



Greece held the Presidency of the European Economic Community (EEC) for the first time in the second half of 1983, only two years after it became a member. The main results of this presidency tenure include the ratification of the new supplementary budget (1983); significant progress in the third round of negotiations for enlargement, the commencement of negotiations with African, Caribbean and Pacific States on the signing of the Lome III Convention; and the endorsement of a Cooperation Agreement between the EEC and the Andean Pact.<sup>7</sup>

### *1 July – 31 December 1988*

During its second Presidency tenure in 1988, Greece proposed items such as the international role of the European Community, protection and further development of the single European area, environmental issues, and development of East-West relations within the framework of European integration process. Greece later brought its Presidency tenure to a close by successfully building consensus on the foundations for the adoption of the Community Social Charter and handed over the Presidency to Spain.<sup>8</sup>



### *1 January – 30 June 1994*



In contrast to its previous Presidency tenures, this time Greek had to deal with more complicated issues related to the European integration process which arose from the entering into force of the Treaty of Maastricht establishing the European Union.

One of the highlights of this term was the enlargement of the EU emanating from the accession of Austria, Finland and Sweden after the signature of the respective Acts of Accession at the Corfu Summit held on 24-25 June 1994. Apart from enlargement, other important policy areas Greece handled successfully included sustainability, development and collaboration in South-eastern Europe and Justice and Home Affairs.<sup>9</sup>

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<sup>7</sup> "Past Greek Presidencies", <http://www.gr2014.eu/past-greek-presidencies>. Date accessed: 10 January 2014.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.



**1 January - 30 June 2003**

Two major events marking the highlights of Greece’s fourth Presidency tenure were the presentation of the draft European Constitution (which was later rejected at the French and Dutch referendums) and the Signing Ceremony for the Accession Treaty of 10 candidate countries, marking the largest enlargement wave in the history of the EU. One other important matter that Greek Presidency handled included the setting of tangible measures to achieve prospective enlargement in the Western Balkans.<sup>10</sup>

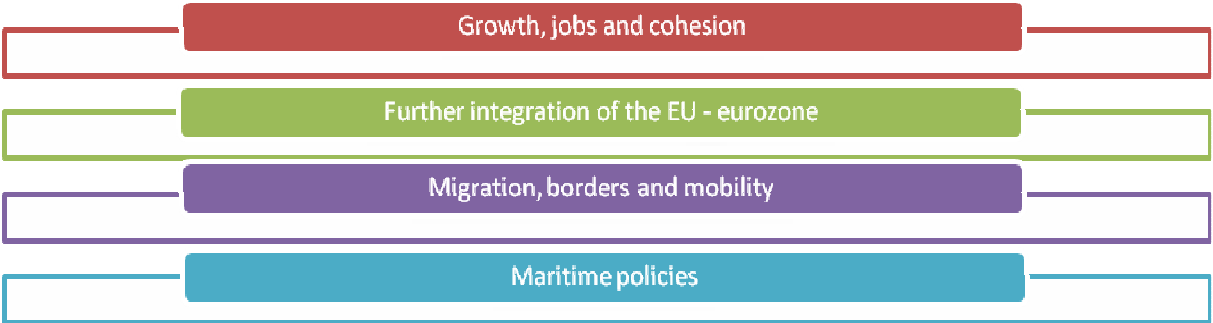


**2014 GREEK PRESIDENCY PROGRAMME AND PRIORITIES**

It is highly important for Greece to protect common currency, resolve market stagnation, promote financial growth and fight against unemployment within the framework of the deepening Economic and Monetary Union in order to regenerate welfare and stability throughout the EU. In that respect, formation of growth-oriented policies and reforms on economic and social cohesion can be considered as the main areas that Greece will concentrate on.

The other important policy areas that Greece will focus on in line with the predetermined action plan include the coordination of regulations on social justice, fight against illegal migration, and taking necessary measures on the finalisation of Single Resolution Mechanism that is formed along the lines of the enhancement and implementation of new supervision mechanisms.<sup>11</sup>

In this context, Greece’s action plan in line with its Presidency priorities includes four important areas. These are:



**Growth, jobs and cohesion:** Greece aims to realise both civic and society engagement within the EU and re-build public trust towards the European institutions. In this context, Greek seeks to cope with major issues impacting upon daily lives of European

<sup>10</sup> Ibid.  
<sup>11</sup> For Greece’s EU Presidency Programme and Priorities please visit: <http://gr2014.eu/>

citizens such as economic recovery, job creation, and cohesion. The priorities of Greece in this area can be listed as:

- Reinforcement of financial development;
- Corroboration of economic growth, jobs, cohesion and security;
- Protection and strengthening of the EU as a community of shared values;
- Strengthening of the EU's democratic legitimacy and accountability by creating integrity and solidarity among the EU Member States; and intensification of democratic structures and expansion of civil rights.

**Further integration of the EU - eurozone:** In addition to the amelioration of weaknesses and deficiencies in the Eurozone, Greece also aims to develop new policies in support of the further integration and deepening of Economic and Monetary Union. In this context, Greece aims to:

- Safeguarding of the integrity of the common currency on a sustainable basis;
- Establishment of a new banking union as part of the European integration process;
- Promotion of uniformity and steadiness of financial stability and the Single Market; and the protection of the institutional autonomy of each EU Member State.

**Migration, borders and mobility:** In this field of action with a focus on freedom, security and justice, Greece aims to develop a more effective strategy on migration and border control. In that respect, Greece intends to initiate an operational management of the EU citizens' internal and external mobility within the framework of European Security Policy. Henceforth Greece aspires to:

- Fight against illegal migration, smuggling and human trafficking;
- Promotion of legal migration on an efficient and sustainable manner; strengthening of mobility support;
- Adoption of policies in support of effective readmission of illegal migrants;
- Enhancement of interaction between migration and development through the use of qualified human resources.

**Maritime policy:** Greece aims to develop a new horizontal strategy in this field of action in order to encourage EU Member States to internalise the EU's common position on a unified maritime policy. In this context, Greece gives prominent importance to the re-definition and re-orientation of the EU Maritime Policy by taking into consideration of crucial matters such as security and development.

Although Greece defines the aforementioned action plan and its Presidency priorities as "un-luxurious, operational and target-oriented"<sup>12</sup>, and feels confident about accomplishing its responsibilities, it is quite obvious that certain EU Member States

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<sup>12</sup> "AB Dönem Başkanlığı Yunanistan'a geçti", <http://abhaber.com>, 1 January 2014. Date accessed: 17 January 2014.

approach its Presidency tenure and Greece's performance with suspicion due to the economic conditions surrounding the country.

As a matter of fact, in relation to the recent economic performance of Greece, Prime Minister of Greece, Antonis Samaras indicated that the country itself has settled the vicious cycle of economic depression and is now ready to start up a new wave of reforms in 2014.

## **EUROPEAN ELECTIONS**

It is important to highlight the fact that the economic crisis impacting upon the EU not only has financial collisions but also social and political consequences for the individual Member States and the Union as a whole. In this context, the upcoming European elections can potentially pave the way to the formation of new political powers constituting the basis within the evolving EU.

As a matter of fact, it recently came to the fore that the radical and populist parties, predominantly representing an opposing view on the EU (*Eurosceptic*) have gained sympathy throughout the EU due to the current economic and political panorama surrounding the EU. Although some claim that these parties can potentially win the elections with a vast majority, certain segments within the EU institutions disclaim any assertions in these lines; and contend that European integration process should be seen as a democratic project rather than a technocratic one, and in spite of the current political turmoil, political powers in support of the former view still has the potential to win the elections.<sup>13</sup>

In this context, it is important for Greece to essentially take into consideration the social and political challenges emerging ahead of the European elections; and as things stand now, Greece has only about a few months to accomplish this as well as carrying out its priorities in contrast to its Trio partners, Ireland and Lithuania. Therefore, Greece should immediately convince the EU and European citizens that it is capable of carrying out its Presidency action plan despite a budgetary cut of almost 50 million euros.

On the other hand, sufficient attention needs to be paid to the direct and indirect effects of the European elections on Greece's domestic politics. In this context, Greek government, which has been experiencing political stagnation since June 2012 must most certainly make strategic moves to combat any possible negative impact. Whilst some argue that Greek government might be daunted and lose its legitimacy, others argue that the government might choose to go for early elections in order to prevent any potential "protest vote" at the European elections.<sup>14</sup> Despite all these arguments, Greece, whose motto for the Presidency of the EU reads as "Europe is our 'common quest'" will

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<sup>13</sup> Agence Europe, "European Parliament 2014: Barroso rules out extremist forces victory", 9 January 2014.

<sup>14</sup> Vogel, Toby (2013) "A crucial year for Greek Politics", *EuropeanVoice Special Report on the Greek Presidency of the Council of the EU*, p. 4.



most certainly put all efforts in strengthening the link between the EU and European citizens in a positive approach.<sup>15</sup>

## **GREEK PRESIDENCY AND TURKEY'S ACCESSION PROCESS**

It can be contended that Greece's Presidency might have important reflections on Turkey's accession process, which swiftly improved by the opening of Chapter 22 on Regional Policy and Coordination of Structural Instruments on 5 November 2013 under Lithuania's Presidency term. As it is well known, Chapter 22 had been blocked by France on the grounds that it is directly linked to the full EU membership. Following the opening of Chapter 22, on 16 December 2013, the signature of the Readmission Agreement and the initiation of Visa Dialogue have also contributed greatly to the strengthening of Turkey-EU relations.

Although it is still unknown how Greece will handle Turkey's accession negotiations under its Presidency tenure, there are a few positive signals showing that Greece has no intention to deliberately block the accession talks or delay the opening of new chapters on unfounded grounds. As a matter of fact, Theodoros Sotiropoulos, the Permanent Representative of Greece to the EU has recently declared that in line with Greece's Presidency priorities, Greece would be happy to open other chapters to negotiations but this solely depends on Turkey and its performance in political reforms and developments in its domestic politics<sup>16</sup>, in a way confirming Greece's positive stance on matters in relation to Turkey's accession process.

In this context and from this day onwards, Turkey on its part, should aim to sustain and even advance further the momentum recently gained on accession negotiations. Nonetheless, the alleging corruption scandals that came into surface on 17 December 2013 and the subsequent allegations regarding interventions on judicial and criminal jurisdictions in addition to the new law on Supreme Council of Judges and Prosecutors as well as the new internet law have without a doubt negatively affected Turkey's relations with the EU. Therefore, the possibility for Turkey to maintain its accession negotiations during Greece's Presidency tenure became highly dependent on Turkey's performance on resolving the abovementioned issues in line with the EU's democratic credentials.

Nonetheless, it is also important to recall that Cyprus issue remains to be the major challenge ahead of Turkey's accession negotiations with the EU. Although the initiation of Cyprus negotiations has recently given hope to the resolution of the Cyprus issue, it seems impossible to bring this everlasting dispute to a close without the contributions of Turkey and Greece. Greece on its part has already shown goodwill gesture by supporting the joint declaration that has been recently agreed upon by the Turkish and Greek Cypriot leaders which can be considered as a positive involvement in line with Turkey's own considering opinion.

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<sup>15</sup> Agence Europe, "GREECE: Greece officially takes reins of EU Council of Ministers", 8 January 2014.

<sup>16</sup> "Kıbrıs sorununa rağmen Türkiye'yi istiyoruz" <http://dunya.milliyet.com.tr/kibris-sorununa-ragmen-turkiye-yi/dunya/detay/1800125/default.htm>, 31 November 2013. Date accessed: 27 December 2014.

Last but not least, everyone awaits impatiently to see how Greece will perform as the President of the EU Council, whether it will adopt a more constructive and positive role in dealing with certain challenges lying ahead in the particular fields such as the future of Europe and European integration process, migration, and eurozone. Everything aside, we do hope that Greece's tenure will be fruitful for the acceleration of the new momentum in Turkey-EU relations, and the resolution of the Cyprus issue and that Greece will swiftly take action in order to achieve these desired outcomes.