

'When Greece knocks at the door' from 30 jours d'Europe (November 1976)

Caption: On 12 June 1975, Greece requests accession to the European Communities. In November 1976, in the monthly publication 30 jours d'Europe, Laurent Leblond describes the political and economic situation in Greece.

Source: 30 jours d'Europe. dir. de publ. Fontaine, François ; Réd. Chef Chastenet, Antoine. Novembre 1976, n° 220. Paris: Service d'information des Communautés européennes. "Quand la Grèce frappe à la porte", auteur:Leblond, Laurent , p. 16-17.

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When Greece knocks at the door

Even though the Greeks on the whole are still sceptical, most of the political parties and the Athens business community would like a rapid entry into the Community, thus reducing the country's dependence on Washington.

In Athens, nearly all the political parties are in favour of Greece joining the Common Market as soon as possible. The Government of Mr Karamanlis, the liberal opposition headed by Mr Mavros and the internal Communist Party (i.e. the party independent of Moscow) all agree on this. According to them, the entry of Greece into the European Community would enable it to reduce its dependence on the United States, which is very unpopular in the country, especially since the Turkish intervention in Cyprus in 1974.

It is true that the USA is omnipresent in Greece. As by far the biggest foreign investor (550 million francs), America has spread its interests across all sectors of the economy. In addition, the April 1976 agreement between Washington and Ankara on a new aid programme to Turkey received a very hostile reception in Athens. Under this agreement, Ankara is to receive 1 000 million dollars over four years, as well as large quantities of arms, including 81 fighter aircraft and 72 helicopters.

Strengthening democracy

While all the political parties understand the United States' wish to keep their 26 military bases in Turkey, they consider that the balance of power now leans in favour of Ankara. The additional military aid can be expected to make the Turkish Government less willing to compromise on the question of Cyprus and the division of the Aegean Sea.

Only Mr Papandreou's Socialist Party and the external Communist Party (close to Moscow) have expressed their opposition to joining the Community. The Socialists, who already feel that Greece is an American State, are against membership because they consider that Washington dominates the Community.

However, another reason why the other parties favour the European idea is the need to strengthen democracy in Greece, which they see as the only way of preventing the authoritarian right sweeping back into power. This is why those who support Greek membership of Europe would like to be able to take part in the election of the European Parliament to be conducted by universal suffrage in 1978. As they see it, two years of negotiations should be enough to sort out the main problems.

However, the ordinary citizen cannot avoid being slightly wary of the undeniable, though by no means insoluble, economic problems that can be expected to occur as a result of joining the Community.

Lagging behind in agriculture

Structurally, Greek agriculture lags far behind the rest of Europe. More than a third of the working population is occupied in agriculture, compared to 10 % in the European Community as a whole. In 1973, the Greek agricultural product per worker (at 1970 prices) was \$1 400, compared to \$3 200 in the Community. The average size of holding is half that of the Community: 8.5 ha compared to 17.4 ha. Farms are also often split up into a number of plots, which prevents the spread of modern techniques. In the opinion of the European Commission itself, Greece suffers also from 'a lack of suitable marketing structures and especially from an underdeveloped network of cooperatives'.

The Commission thus feels that with the accession of Greece, Community spending on agricultural modernisation will increase far more (by perhaps 18 %) than land used for farming (up by 10 %).

However, the Governor of the Bank of Greece, Xenophon Zolotas, remains optimistic. 'The establishment of the Community has worked to the benefit of farming in the member countries, where agricultural development was very uneven at the outset.' Comparing the years 1966 and 1973, the size of farms has greatly increased. The 'German average' has gone from 10.3 ha per holding in 1966 to 13 ha in 1973; for

Belgium the figures are 7.5 ha and 13.1 ha, while in Italy the average size of holding rose from 6 to 7.7 ha in 1970.

Joining the Community should also lead to a substantial increase in the incomes of Greek farmers, since the prices of many products in Greece (such as wine and fruit) are lower than in the rest of the Community. Finally, the economic and technical aid provided by the specialist funds should facilitate a thorough overhaul of the sector.

Monopolies at odds with the Treaty of Rome

Despite the inevitable changes that go with joining the Community, Greek industrialists are, for their part, fairly positive. At the moment, company managers work under very different conditions from their counterparts in the Community. Hence the following assertion by Mr Zolotas: 'Greek industrialists must acknowledge with foresight, realism and courage that the period of powerful financial incentives and cheap labour, which provided quick and easy growth in the past, is gone forever.'

The Governor of the Bank of Greece was thinking in particular of the high levels of export support and the Greek system of import sureties, partially enforced where the Community is concerned and fully in the case of third parties. Not to mention the effective monopolies enjoyed by various large Greek companies, which are incompatible with the free competition provided for in the Treaty of Rome.

In spite of all this, it is thought in Athens that joining the Community would be positive for Greek industry. The financing of industrial investment by European capital would increase, facilitating the introduction of modern technologies. It would also become easier to set up mixed enterprises, with Greek and foreign capital.

By increasing the size of the market, the scope for larger companies would be much greater. Finally, the local market would receive effective protection from monopolies since the Treaty of Rome aims wherever possible to ensure free competition.

Greece's strengths

While the Greeks hope to gain substantially by joining the Community, they also feel they can make a significant contribution. Firstly, they have considerable mining resources that are partly undeveloped, notably bauxite, ferronickel, copper and magnesium. According to recent research, there could also be oil in Nestos in Western Greece and in the Ionian Sea. Europe, with its limited natural resources, could benefit greatly.

Then there is the strength of Greece's geographical position, an asset for companies wishing to trade with the Middle East and Africa, where many Greeks have already settled. It is useful to note that in the last five years Greek companies have undertaken many large-scale projects in the Arab world (in Iraq, Libya and Saudi Arabia), in Iran and in Africa. As a result of the Lebanese civil war, Greece is becoming a major financial centre for the Eastern Mediterranean. The third Greek advantage is a remarkable merchant fleet, with a capacity of 48 million tonnes, representing 65 % of the aggregate tonnage of the Nine. Since the European Community's foreign trade, which accounts for about 38 % of world trade, is mostly conducted by sea, the significance of the Greek contribution is obvious. With Greece in the Community, the latter's share of the world's merchant fleet would increase from 21.7 % to 35.8 %.

After the initial disappointment, which followed the European Community's somewhat reserved pronouncement on 28 January 1978, the nation's political and economic leaders are not losing heart and, while they are aware of the work yet to be done, they are realistically confident.

Laurent Leblond