

## Recent history

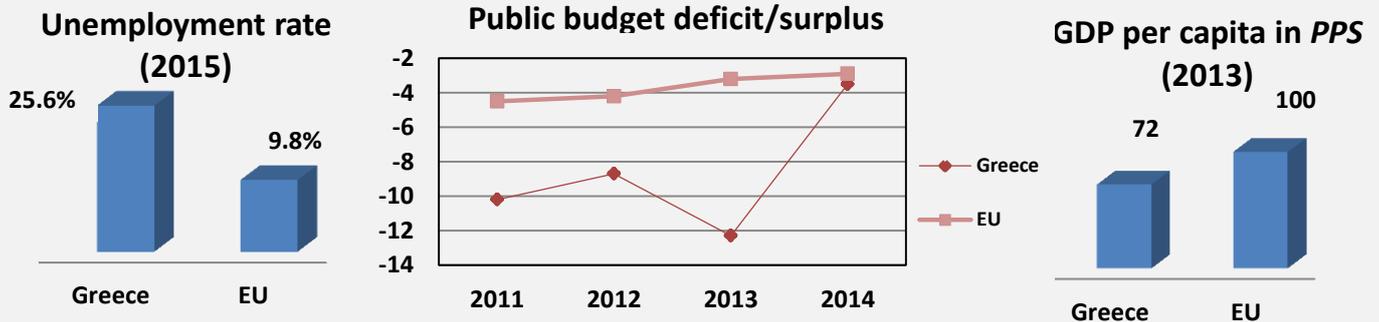
Until 1974, Greece was ruled by military governments. Following a referendum which abolished the Greek monarchy, a democratic and republican constitution was signed in June 1975, and since then Greece has been governed by representative democracy.

Greece made huge efforts to be admitted to the Eurozone in 2001, before the launch of the Euro notes and coins. Yet, Greece's membership of the European Community was not without initial controversy. Until Greece, Spain and Portugal joined the European Community, it had been largely a club of affluent, northern European industrialised countries. The new members had much poorer and more agricultural economies. The 1980s saw a major expansion of EU regional aid to help bring poorer regions of these countries closer to the European average.

From the late 1980s onwards, Greece has been very supportive of further European integration and EU expansion, despite its continued economic and developmental divergence from the other member states. It was a strong supporter of the accession of Cyprus to the EU in 2004.

Greece faced criticism from the EU in 2008 because of its treatment of asylum seekers crossing its border with Turkey. Historically, the relationship between Greece and Turkey is turbulent, involving long-standing territorial disputes over the Aegean Sea and the division of Cyprus. However, Greece does not oppose Turkey's bid to join the EU as it believes it would bring increased stability to the region.

Greece also has an ongoing dispute with another candidate country, the Former Yugoslav Republic of Macedonia (FYROM). Greece has a region also called Macedonia, and feels that FYROM's name implies a territorial claim over the Macedonia region of Greece. The UN has been involved in resolving the dispute.



## Government structure

Greece has a presidential parliamentary democracy system with a President who has a largely ceremonial role aside from appointing the Prime Minister following a General Election. The Greek Parliament, *Vouli ton Ellion*, has 300 members who have the power to elect the President. Members of the Parliament are elected using a system of **proportional representation** in 48 multi-seat constituencies, eight single seat constituencies and a nationwide party list, for a four year term.

## Greece: key facts



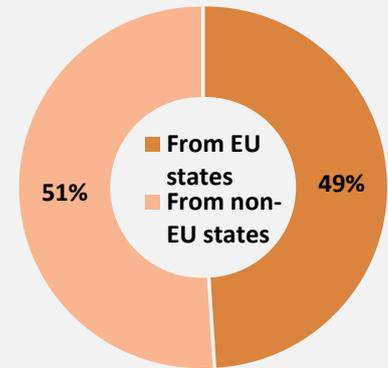
- ❖ Capital: Athens
- ❖ Population: 11 million (2014)
- ❖ % of total EU population: 2.2%
- ❖ Official language: Greek
- ❖ Year of EU accession: 1981
- ❖ Currency: Euro since 2001
- ❖ Schengen Area member: Yes, since 2000
- ❖ Seats in European Parliament: 21

## Greece and the EU

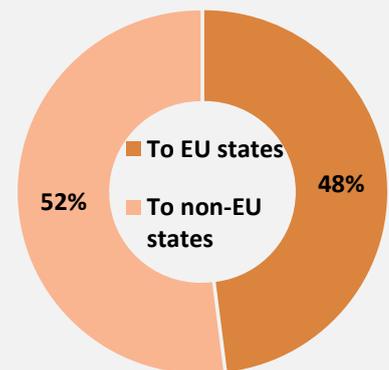
Greece's economic problems became a major concern after the global economic recession. By 2010, it had a huge **public debt**, which caused a crisis when it struggled to borrow money to pay back its debt. Following warnings from the EU to tackle their debt, the Greek government announced severe austerity measures. These measures were followed by huge protests in Athens and violent clashes between police and protesters. The troika – the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) – supported Greece with a loan of €110 billion in May 2010. A further bailout loan of €109 billion was negotiated in June 2011 amidst intense political debate and a government reshuffle. There was concern that the debt crisis would spread to further Eurozone economies and de-stabilise the single currency - Portugal and Spain's **credit ratings** were also downgraded. A summit in October 2011 led to an agreement that private banks holding Greek debt agreed to reduce it by 50% to give it a better chance of overcoming the crisis, in return for deep cuts to public spending, pensions and wages, against which there have been widespread protests.

Greece's economic situation has placed enormous strain on its leaders. To maintain outside financial support the government has had to implement strict austerity measures which are nationally disliked. Following an interim government and two elections, Antonis Samaras, leader of the centre-right New Democracy Party, became Prime Minister and formed a coalition in June 2012 with the Socialist Pasok party and the small Democratic Left. More austerity measures, strikes and mass protests followed in 2012 and 2013. Greece defaulted on its debt in 2015 and entered into a new €85bn bailout deal, which involves austerity, budget cuts and tax increases. The current Prime Minister of Greece is Alexis Tsipras, leader of Syriza, who formed a coalition with the Independent Greeks in 2015.

## Greek imports (2014)



## Greek exports (2014)



## Facts and figures

- ❖ Greece stretches across the Peloponnese peninsula and around 3,000 islands in the Aegean and Ionian seas in south-eastern Europe, although only approximately 165 of these are inhabited
- ❖ The Greek economy relies on tourism and agriculture, although it also has a significant shipping industry

### Technical Terms

- ❖ **Credit Rating:** an assessment designed to tell if an individual, business or a country will be able to pay back any loans it takes out
- ❖ **Proportional Representation:** an electoral system whereby the number of votes a party receives is directly proportional to the number of seats they are given in the legislative assembly
- ❖ **Public Debt:** the government borrows money to make up for the shortfall in revenue to fund government projects. As a result it has debt with lenders, which it pays off over a number of years.
- ❖ **PPS:** GDP per head is expressed in Purchasing Power Standards (PPS) to eliminate the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries

### Links

- ❖ <http://www.primeminister.gov.gr/english/>
- ❖ <http://www.bbc.co.uk/news/world-europe-17373216> <http://ec.europa.eu/eurostat>
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