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A Decade of Crisis in the European Union: Lessons from Greece*

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Introduction: How Greece Became the Black Sheep of the Eurozone

In 2004 few could imagine Greece on the brink of state bankruptcy. Greece featured in the global news as the proudly successful host of the Olympic Games, it had successfully joined the Euro and was enjoying economic growth. This euphoria would end with the global financial crisis that followed the 2008 Lehman Brothers' collapse.

When the private rating agency Standard & Poor's downgraded Greek government bonds to junk status in 2010 the eurozone was ill-prepared to deal with it. Eurozone membership had given countries with high inflation records, like Greece, the opportunity to borrow at a favourable interest rate to fund their current account deficits. Eurozone members initially perceived Greece's troubles not as 'European' but as 'domestic' (Lefkofridi and Schmitter, 2015). The Greek crisis was diagnosed as being caused by domestic factors, such as low competitiveness, low revenues, high government spending and rent-seeking (Axt, 2010). Dismissing both the role played by governments and banks in countries other than Greece and the global context (Flassbeck, 2012; Krugman, 2012), discussions raged about lending to 'lazy' and 'corrupt' Greeks, who had been living 'beyond their means' (Endres, 2010; Jonker-Hoffré, 2013).

When market confidence in the bonds of other eurozone members (Irish, Italian, Portuguese and Spanish) started declining as well, these countries were quick to reassure both markets and their eurozone partners that they were not 'another Greece' (Wachman, 2010). In this context, country differences were reduced to 'cultural characteristics and habits', as reflected in stereotypes of laziness, non-productivity, corruption, wasteful spending and lying (Van Vossole, 2016). A new acronym for a group of troubled countries – Portugal, Ireland, Italy, Greece and Spain – entered public discourse: 'PIIGS'. In the meantime, a huge market of credit default swaps had developed, in which speculators treated sovereign public debt as if it were equivalent to private corporate debt. In denial of their interdependence that necessitated solidarity, eurozone leaders opted to attribute blame to minimize electoral costs at home. By 2011, the eurozone had become deeply divided and the Euro – the second strongest currency in the world – fell hostage to the domestic politics of its member states.

A potential Greek bankruptcy was dangerous for the European banks that held most of the Greek debt, which would then need to be bailed out with taxpayers' money. Given power asymmetries, however, non-indebted eurozone members had more space for

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manoeuvre and a higher capacity to exercise pressure at the EU-level negotiations (Schimmelfennig, 2015). Greece's exit from the eurozone was portrayed as a worse choice than surrendering sovereignty and, at the same time, as one that would incur heavy economic losses. Bailout deals were thus presented as an act of solidarity towards crisis-ridden countries, but in fact they placed most of the financial burden for saving European banks on the public budgets of debtor countries like Greece. For all countries in need of financial help, including Greece, responsibility – as defined by the creditors – was the condition for receiving the expected pay-offs (loans). Financial help was offered at very high interest rates (thus generating high profits in creditor countries) and made the release of each portion of the loan conditional on the implementation of very concrete domestic market reforms and harsh austerity measures. By signing memoranda of understanding (MoUs), indebted countries' governments surrendered their sovereignty and hence severely constrained their own – and their successors' – repertoire of policy action (Alonso, 2014). This loss of sovereignty was legitimized by moral arguments about the misbehaviour of the indebted countries and their populations (Van Vossele, 2016).

The duration of this extraordinary period in modern Greek history can be clearly signposted by two events milestones. The crisis started with the dramatic appeal of the Greek Prime Minister George Papandreou (of the Panhellenic Socialist Movement [PASOK]) for financial rescue in April 2010 from Kastellorizo, the most remote Greek island facing the Turkish coast. This symbolized Greece's vulnerability at its eastern borders and highlighted the security dimension of a potential economic failure (and consequently, international isolation). The alleged end of this crisis was officially marked with the announcement of Prime Minister Kyriakos Mitsotakis (New Democracy [ND]) about the closure of the International Monetary Fund's (IMF) offices in Athens. The assumption in the media was that after reaching this milestone Greece is now back to normality.

The question is how much truth the assumption contains. According to IMF's Poul Thomsen (2019) ten years later, the economic outcome of the MoU therapy has been worse than anticipated: GDP per capita is still 22 per cent below the pre-crisis level, and continued to drop until 2015 as a result of the MoUs, a treatment hardly better than the malady itself. It is expected to take another 15 years, until 2034, for Greece to return to pre-crisis levels.¹ What are the consequences for society and politics and what are the lessons to be learned?

I. The Social Impact of Austerity Solutions to the Crisis

The motto of the crisis was 'there is no alternative' to austerity. The application of this doctrine to Greece meant radical cuts in public spending, the significant deterioration of social services and the re-shaping of care (Vaiou, 2016). In the case of health care, the MoU-induced changes included the reduction of public health care provision combined with a rise in the cost of services, thus impacting on access, equity and service quality (Petmesidou, 2019). This new reality affected disproportionately vulnerable social groups that rely on state services; namely, the poor, women, migrants, children, the elderly and

¹This calculation is based on the assumption that no other major crisis would hit the country – an assumption currently challenged by the Covid-19 pandemic.

people with special needs (Kokaliari, 2018; Rotarou and Sakellariou, 2019). To illustrate, the relative gap in access to care between the richest and poorest population groups increased almost tenfold (Karanikolos and Kentikelenis, 2016). The elderly among the poor have shifted towards less healthy behaviour and score worse on a lifestyle health determinant index (Foscolou *et al.*, 2017).

Austerity-based labour market reforms, such a reduction in salaries and the minimum wage, the weakening of trade unions and of labour protection and the violations of trade union and collective bargaining rights, led to the deterioration of working and living conditions (International Labour Organization, 2012; Papadopoulos, 2019). Both men and women sought and accepted work in the informal sector for undeclared income and pay (Papageorgiou and Petousi, 2018, p. 155). It should be noted that in Greece, despite women's increasing participation in the labour force, their work tends to be perceived as secondary (auxiliary) to that of men, who are expected to be the major breadwinner (Karamessini, 2013). One could thus argue that the impact of the crisis has been more severe for men, who occupied a privileged position in the labour market and tried to keep their jobs at any cost (such as through wage reductions) as the lack of employment signifies they have failed to fulfil their role (Papageorgiou and Petousi, 2018, pp. 155–6). As job precarity and job loss became the new norm they were accompanied by an upward trend in attempted suicides in the Greek capital, where almost half of the population resides (Stavrianakos *et al.*, 2014). Besides depression and anxiety, violence in the cities rose as well, including violations of women's fundamental rights (Kokaliari, 2018; Vaiou, 2016).

At the time of writing, Greece has the highest unemployment rate per capita in the EU, followed by Spain and Italy. The impact of the crisis on employment has been not only tremendous but also persistent, affecting all age groups. Young people, however, and especially those with low individual educational capital and a low family income have been the hardest hit by the crisis (Papadakis *et al.*, 2020). Lack of prospects and fruitless job-seeking, in turn, have decreased the trust of young people in political institutions, thus increasing their political alienation (Papadakis *et al.*, 2015, p. 67).

To survive, the indebted Greek state still provides some social services but demands very high taxes to finance the debt. In turn, high unemployment renders taxes unaffordable. Greeks nowadays even prefer to decline real estate inheritance – in a break from the tradition of providing social and economic security for their children: the bricks and mortar that once represented kinship and roots now signify a burden (Knight, 2018, p. 31). The desire for disinheritance not only disrupts an established cultural order but it also leads to the redistribution of land and property from households to foreign and Greek investors. As a result, the numbers of have-nots increase, and so does the gap between the poor and the wealthy. This, in turn, has political repercussions.

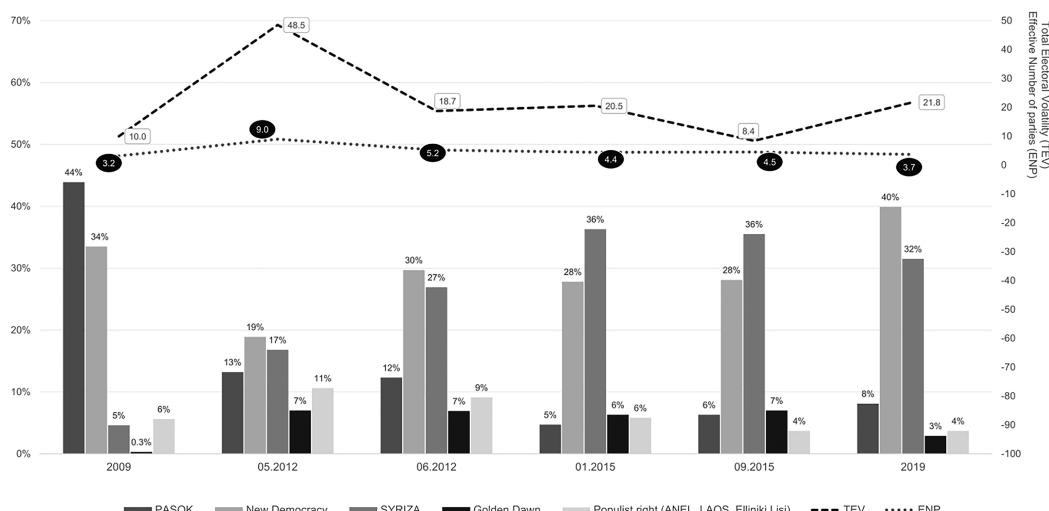
II. The Political Dimension of the Crisis

In Greece, the two-party competition for the government has been nurtured by a complex electoral system called reinforced proportional representation (PR). This name is misleading because what the Greek system 'reinforces' is not proportionality but big parties. By granting a generous bonus to the party that comes first in the votes (50 out of 300 seats), the system manufactures majorities that have consistently produced single-party cabinets

since the establishment of the Third Hellenic Republic in 1974. Thanks to this law, two major Greek parties alternated in power up until the crisis: the ND, a centre-right christian democratic party, and PASOK, a centre-left social democratic party. The two parties' combined share of the vote has been about 80 per cent throughout the 30-year period preceding the crisis. All other parties remain in permanent opposition, as reinforced PR renders them utterly irrelevant for forming a government.

At the beginning of the economic crisis in 2009 this firmly rooted party system seemed robust and was able to absorb the first signs of discontent. It would, however, be shaken by the earthquake elections of 2012 (Teperoglou and Tsatsanis, 2014), which generated increasing levels of volatility and the fragmentation of the party system. New parties and splinters from established organizations tried to voice popular opposition to austerity, thus giving voters the opportunity to throw the 'rascals out' (Nezi, 2012). Though the essence of the Greek electoral rules (the reinforcement of big parties) remained unchanged from 2009–19, we observed a complete de-alignment of voters that is breaking down the party system and changing the traditions of government formation (Verney, 2014). After a technocratic government and two elections (May and June 2012), in January 2015, Greek voters brought to power the Coalition of the Radical Left (Syriza), a formerly marginal alliance of small, radical left organizations (Lefkofridi and Nezi, 2019). As seen in Figure 1, the crisis therefore tells a story of de-alignment and realignment and of the reshaping of the political space for parties and voters. This mirrors political instability at the government level: during the period 2009–19 the country was ruled by as many as nine different governments, which included six elected and three non-elected cabinets.

Figure 1: Party Performance, Electoral Volatility and Effective Number of Parties in Greece 2009–19.



III. A New Division Line?

Historically, the key division in Greek politics was mainly along the left-right dimension, which was flexible in its meaning but stable as the strongest predictor of voter choice (Freire and Lobo, 2005). This changed with the signing of the MoU and the austerity measures imposed. At the beginning of the crisis, like the leaders at the EU level, who failed to agree on a *European* course of action, the leaders of established Greek parties failed to reach consensus on the *national* course of action; namely, to unify behind the MoU's programme or agree on an alternative path (Gemenis and Nezi, 2015). Unlike Portugal or Ireland (Mair, 2013), the major players of the Greek political scene, PASOK and ND, initially represented opposing sides of the MoU debate, enhancing its politicization. PASOK chose the route of accepting MoU and austerity, which inevitably alienated large parts of its constituency.

Though the MoU's spirit resonated well with large parts of ND's ideology, its leader chose to oppose it, even ousting the single ND deputy who deviated from the official anti-MOU line in 2010. By avoiding being classified as in favour of MoU it sought to optimize votes in the upcoming election, which is the path to executive power in disproportional electoral systems (Lefkofridi and Nezi, 2019). PASOK's PM George Papandreou's 2011 announcement of his plan to hold a referendum on the bilateral loan agreement between Greece and its lenders led to the fall of his government, followed by technocratic and caretaker cabinets. Even though ND officially supported Papademos' technocratic government of 'national unity' (11 November 2011–16 May 2012), ND leader Samaras continued to employ his fierce anti-MoU rhetoric.

However, when Prime Minister Papademos negotiated the second MoU in February 2012, Samaras committed to implementing it (European Commission, 2012). This was after external pressure to show 'responsibility' (as defined by the creditors), *inter alia*, from his partners in the European People's Party, with whom he would have to negotiate to win the election. His U-turn on the issue of MoU was sealed by the ousting of 21 deputies who diverged from the official, now pro-MoU, line.

PASOK's demise and ND's compromise created an optimal opportunity structure for new challengers. Support for or opposition to the MoU was by 2012 the most prominent division in the elections (Dinas and Rori, 2013). This was reinforced by the fact that economic issues could no longer function as valence issues – economic voting in the traditional sense simply could not function as no voters offered a positive sociotropic evaluation of the economy and took a stand on the issue (Nezi and Katsanidou, 2014). Among political parties, support for the MoU was not structured along the left-right dimension, and a new cross-cutting division became salient (Gemenis and Nezi, 2015). This dimension captured positions towards economic policies and reforms and correlated very strongly with pro or anti-EU positions (Katsanidou and Otjes, 2015). This created a new political space where both left and right-wing parties could position themselves for or against the MoU.

For left anti-MoU parties such as Syriza, the issue of austerity was most prominent. For right-wing anti-MoU parties, such as ANEL (Independent Greeks, a patriotic spinoff from ND (Gemenis and Nezi, 2015), sovereignty played a significant role. PASOK was attacked on both sides for signing the first MoU. By positioning itself as a pro-MoU party it had not only surrendered Greek sovereignty but also its *raison d'être* as a leftist party.

In contrast, anti-MoU parties profited electorally from their positions, as PASOK and (eventually also) ND were pro-EU and pro-MoU (Vasilopoulou, 2018). By participating actively in the demonstrations against both PASOK's (2010–12) and ND's (2012–15) MoUs (Tsakatika and Eleftheriou, 2013), Syriza became the authoritative voice of voter discontent with established parties and MoUs, thus meeting the voters demands spot on (Tsakatika, 2016).

The powerful bipartisanship of PASOK and ND crumbled as a result of the crisis for two main reasons. On the one hand, PASOK and ND, which had governed alternately since the restoration of the Hellenic Republic, were linked to voters through party patronage. MoU constraints left little margin for manoeuvre and there was almost nothing left they could offer to voters, which broke their patronage links (Afonso, 2013). On the other hand, the clarity of responsibility provided in disproportional systems with single-party governments makes the attribution of blame easier, thus making the government more vulnerable to challengers. The party that signed the first MoU (PASOK) was seen as the main culprit for the crisis and its management (Capelos and Exadaktylos, 2017). The way the crisis was handled by governing political parties and their challengers intensified three phenomena: the rise of the extreme right, euroscepticism and populism.

IV. The Extreme Right in Greece: From Zero to Hero and Back?

The way the eurozone crisis was handled at the EU level generated unique opportunities for political entrepreneurs all around Europe. In particular, the salience of cultural arguments and nation-bashing based on cultural stereotypes (Van Vosse, 2016) presented unique opportunities for entrepreneurs on the right-wing pole of the political spectrum.

In the Greek case, the failure of mainstream parties to absorb the divisions led to a new dimension of contestation, whereby opposition was articulated in both economic (austerity) and cultural (national identity) terms. Importantly, the electoral rise of the marginal racist organization Golden Dawn began alongside the economic crisis in the country's biggest urban centre, Athens. Utilizing the drop in living standards and the high concentration of irregular Afro-Asian immigrants in certain Athenian neighbourhoods, it first gained local support in the 2010 municipal elections (Dinas *et al.*, 2016).

Golden Dawn's success varied across Greece, mainly concentrating on areas with high unemployment, immigrants and income inequalities (Georgiadou *et al.*, 2018). From attracting almost zero per cent of the national vote share in 2009 Golden Dawn had risen to 7 per cent by May 2012 and managed to gain 18 seats in a parliament of 300. It preserved this share until 2015, but in 2019 it won only 2.9 per cent of the vote, thus falling short of the 3 per cent threshold. However, another far-right party called the Elliniki Lisi (Greek Solution) secured 3.7 per cent of the national vote and 10 parliamentary seats. Support for such clearly nationalist parties, in turn, raises questions about Greeks' attitudes towards the EU.

V. Euroscepticism

Greece used to be one of the most europhile countries in the EU. This changed during the crisis years. The significant eurosceptic shift in public opinion was mainly framed through the prism of soft euroscepticism, rejecting economic EU policies and the

interference of the EU in national politics (Vasilopoulou, 2018). A significant rise in the eurosceptic party vote makes clear that the EU became also a significant electoral a target for blame (Verney, 2015).

Yet euroscepticism in Greece remains soft in character: Greeks' support for eurozone membership remained relatively high throughout the economic crisis (Karyotis and Rüdig 2015). The Greek population is pragmatic when it comes to eurozone and EU membership (Clements *et al.*, 2014), mainly from fear of international isolation and due to the geopolitical insecurity generated by its location at the border between West and East. As euroscepticism was gaining ground, pro-EU sentiments also became more directly politicized. For instance, a new centrist pro-EU party, Potami, representing the educated, liberal and pro-EU middle classes, emerged. The appearance of political parties on both sides of the EU dimension, in turn, increased its electoral relevance.

Amidst political instability, global markets and European partners thus broke the taboo about exiting the EU and openly spoke about a potential Grexit. In the course of the crisis, undertaking economic austerity became a condition for EU membership (Lefkofridi and Nezi, 2019). This strategy deflated the tension faced by mainstream parties (PASOK and ND) that had signed MoUs and were under pressure by their creditors to implement them. While their own supporters were both pro-EU and pro-MoU, the broader public was, until January 2015, pro-EU but anti-MoU.² The tension was caused by the disproportional electoral rules that compelled them to appeal to the electorate at large. If failure to comply with austerity (which was the dominant interpretation of responsible policy) was defined as incompatible with EU membership, PASOK's and ND's submission to MoUs would be vindicated. Even better, their key opponent, Syriza, would be disadvantaged.

Making austerity a prerequisite for EU membership heightened latent divisions within Syriza, where a non-negligible fraction of supporters denounced austerity so vigorously that they would leave the EU than submit (Lefkofridi and Nezi, 2019). The revival of the idea of a referendum on the bailout conditions was PM Tsipras' solution of last resort when he saw that preserving EU membership and opposing austerity was becoming increasingly impossible in the absence of cash to run the state.

The referendum of 5 July 2015 resulted in renouncing the MoU terms. This obliged the EU to show how much democracy it was willing to tolerate (or which of its *demoi* mattered more than others). At the same time, divisions among Syriza supporters and politicians on eurozone membership and its long internal conflict towards the EU, which had been swept under the carpet, came to the fore. The post-2015 referendum capitulation of Syriza's anti-MoU stance signified its willingness to remain in power. Tsipras sought to appeal to the broader public's wish to remain in the EU instead of catering to a smaller segment of pro-Grexit voters (Lefkofridi and Nezi, 2019). Tsipras solved the internal party conflict using a snap election (September 2015) to expel rebels from both his cabinet and the party. Indeed, most voters rewarded Syriza for the effort in negotiations with creditors, irrespective of the outcome (Katsanidou and Reinl, 2020; Tsatsanis and Teperoglou, 2016). In the eyes of many Greek voters the referendum provided evidence

²Lefkofridi and Nezi (2019) show that during the period 2012–15 consistent support for austerity was expressed mainly by supporters of governing parties (PASOK and ND). During the same period, the mean voter was consistently against the MoU until January 2015. However, in September 2015 the mean voter had moved to the pro-MoU camp.

that Syriza had fought sincerely for their interests and (unlike PASOK and ND) did all it could to secure better than its predecessors conditions and avoid austerity.

Though Greeks never wanted to leave the EU, they were – and remain – angry with the way the EU, especially Germany, and their own governments managed the crisis and with the imposition of austerity measures. Greek euroscepticism during the crisis connects to broader clashes between the people and the elites (Michailidou, 2017), to which we now turn.

VI. The Greek Crisis Version of Populism

The Greek political system as a whole has long been characterized by the presence of populism (Pappas, 2013). Discourse analysis approaches have demonstrated that, during the lifespan of the Third Greek Republic, the populism/anti-populism divide was perpetually salient and become reactivated or even dominant under crisis conditions (Stavrakakis and Katsambekis, 2019).

True to their populist tradition, mainstream party politicians reacted with a blame-shifting populist rhetoric as soon as the crisis hit (Vasilopoulou *et al.*, 2014). This initial reaction led during the crisis to a new division, which was also observed in other EU member states (Karremans and Lefkofridi, 2020): the challengers utilized this division by framing populist mainstream parties as systemic (establishment) and themselves as the true expression of the people by positioning themselves against the responsible mainstream and the only real anti-MoU forces, formed by the parties PASOK and ND.

Greece's new version of the populist/anti-populist discursive cleavage was thus framed as a division between the parties and voters who accepted the necessity of radical restructuring reforms, and those who preferred to stick to the existing state of affairs (Pappas, 2016). The empirical crystallization of this new division line was a strange coalition of left (Syriza) and right (ANEL) anti-MoU parties that resumed executive power in January 2015.

The coalition, dubbed SyrizaANEL addressed populists on both sides of the spectrum by promising to break with the austerity policies and offering alternative scenarios for managing the crisis, where sovereignty would not be as compromised as it had been by ND and PASOK. On the public level, populist attitudes are associated with voters with a low income and low education, euroscepticism and opposition to economic liberalism on both sides of the spectrum. The association with anti-immigrant and anti-democratic attitudes holds only for right-wing populists (Tsatsanis *et al.*, 2018).

In this context, Syriza's discourse was a distinct articulation of left-wing populism (Stavrakakis and Katsambekis, 2014), which included the unrealistic expectation that Russia and China would provide the necessary funds (Mudde, 2017). Though these alternatives would bring Greece in direct confrontation with the country's foreign creditors, many Greek citizens who shared little of Syriza's ideology were drawn to its promises. Indeed, the ideological homogeneity of Syriza voters at the 2015 election was very low (Andreadis and Stavrakakis, 2017). The element that connected them to Syriza was the sentiment that this party represented their interests towards foreign creditors, and that it was 'fighting for them' (Katsanidou and Reinl, 2020). Its coalition with a flag-waving right-wing party enhanced its image of patriotic resistance. That link broke when the anti-austerity issues and divisions that had brought Syriza to power in 2015 were no

longer relevant (Rori, 2020) and new ways to connect Syriza to its voters now needed to be forged.

VII. A New Equilibrium for Post-MoU Greece

Taking stock of the impact of the crisis, we see that austerity has had severe consequences on the social fabric. The asymmetry in the distribution of the negative consequences of the MoU therapy for various population groups helps us understand the political turbulence that Greece has experienced during the last decade. No doubt, the crisis opened up windows of opportunity for institutional change, including changes in electoral rules. Changing the rules of the game could help transform the Greek political party landscape towards more cooperation and consensus (Lijphart, 2012); elements sorely needed in a country with serious financial and economic problems.

While in government, Syriza brought to parliament a proposal for simple PR, given that the last time a simple PR system had been used in Greece was 1989. Though the simple PR law passed (179/281 votes) in July 2016, it failed to reach the threshold (200 votes out of 300 parliamentary votes in total) for its immediate implementation and could be applied only to the election after next (in 2023). The July 2019 election was thus conducted under the old law. ND, reaping the benefits of popular dissatisfaction with Syriza and electoral disproportionality, achieved the parliamentary majority necessary for a single party cabinet. Indeed, negative sentiments toward Syriza's failures in government were more prominent than enthusiasm for ND. Crucially, abstention remained at high levels (43.3% in the September 2015 election and 42% in 2019) despite compulsory voting. ND attracted voters from all camps (from left-wing Syriza to the neo-nazi Golden Dawn³), who wished to kick Syriza out. Thanks to the disproportional electoral law, small yet prominent party formations of the crisis era, such as the centrist pro-European Potami and the Centre Union, the patriotic right-wing ANEL and the Golden Dawn, vanished from the Greek political map.

Does this mean that Greece has now returned to normal politics after the last election? Or is it still engulfed in the difficult phase in which every party in office is doomed to suffer heavy defeats at the next election? Evidence of the crisis' stark consequences for the political system helps us appreciate the present situation and project into the future. The volatile electoral behaviour and party system fragmentation generated by the crisis seems to have been tamed – not only because of EU constraints but also because the domestic (disproportional) rules of the game remained unchanged (Lefkofridi and Nezi, 2019). In the last two elections (in September 2015 and July 2019), a majority of Greeks supported, as they had always done, the two biggest parties. Yet, this time Syriza had replaced PASOK as the key competitor of ND. Despite losing power in 2019, Syriza emerged a winner from the crisis as it went a long way from being a small niche party of the left into being one of the two pillars of the Greek two-party system, thus consolidating a central place in Greek politics. Though it has seemingly been restored, traditional two-party competition for executive power is still vulnerable. Greek party politics remains adversarial

³The 2019 election put an end to the electoral ambitions of Golden Dawn. The party was on trial for a long time, accused of being a criminal organization, and some of its members were accused of the murder of a rap musician propagating anti-racism messages. The electoral constituency of Golden Dawn was absorbed either by ND or the new nationalistic right-wing party Elliniki Lisi.

and very polarized. That said, unity and consensus are (still) lacking not only in Greece by also in its operating environment, the EU.

The Greek crisis teaches us three major lessons for Europe and its future. First, the power asymmetry between creditor and debtor states demonstrates the inequality of the *demosi* of the different member states. Given that democracy is a fundamental value of the Union, such selective understanding is problematic, to say the least. Second, the crisis was a lost opportunity for further integration and solidarity. European solidarity was absent until the realization that without concerted action the Euro boat would sink and, even then, solidarity was only reciprocal and shaped much to benefit the creditor countries. Lack of willingness to support a fellow member in need was manifested again during the refugee crisis. At the time of writing, the Covid-19 pandemic again tests the willingness of EU member states to act in solidarity and in pursuit of common European goals. Despite an effort to communicate otherwise, hopes for European solidarity and concerted action towards common goals have proven thus far to be an illusion. Last but not least, the pandemic is causing an economic recession and depending on which instruments the EU will adopt, the possibility of having to accept new MoUs for Greece and other countries is not very remote. In the attempt to teach Greece to live with balanced budgets, the MoUs signed during the eurozone crisis focused too much on quickly implementable measures like cuts and tax increases and failed to introduce much needed structural reforms (towards a more efficient, functional and transparent administration). Besides its (failed) outcome, we highlight the fact that the bitter medicine of austerity was legitimized by cultural stereotypes, which gave rise to nationalism and racism – exactly what tore Europe apart in the Second World War. The repetition of history would prove fatal for the Union, given that the Covid-19-induced recession is likely to hit creditors and debtors alike, but the consequences follow an asymmetric pattern (just as in the eurozone crisis). This necessitates a rethinking of the Union, one that would fill the concept of solidarity with practical meaning, and the Greek crisis has a lot to teach those who listen.

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