THE EUROPEAN UNION'S RESPONSE TO THE GREEK CRISIS

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ABSTRACT

Over this entire period, the European Union's response to the Greek crisis shows issues of constant recycling. Mistaken forecasts, omissions, and continued stagnation are visible in its response. The main reasons that contribute to uncertainty are the concessions made in the management of the debt, the mistaken forecasts made when choosing policy measures and methods, the refusal to relax the limits of the Stability Pact by the European institutions, ignoring the possibility of looking in another direction, as well as frequent interference by political and institutional actors, with tension in the public discussion of the future of the programs or the country, which contributed even further to destabilization. In this way, the entire effort became increasingly complicated, independently of the economic parameters governing it, which in any case were peculiar. Dealing with this problem is not an issue of simply economic nature, but is an issue connected with its history, as we have already analyzed, as well as with the guidelines and priorities of the European Union itself.

Key words EU, Greece, crisis

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1. STRUCTURE AND GOALS OF THE ADJUSTMENT PROGRAMS

1.1. Structure and Goals of the First Two Adjustment Programs

The goals of the first Economic Adjustment Program for Greece (2010) in the short term were the restoration of confidence and fiscal stability, whose preservation made fiscal consolidation an indispensable and urgent need. As a consequence, the immediate priority set was to constrain the government's financing needs (containment of public spending) and a secondary priority was the improvement of the government's revenue gathering capability. Medium-term goals of the program were improving competitiveness and changing the structure of the economy towards a growth model based more on private investment and exports (European Commission, 2010).

Three years after its application, the European Union's report on the second Economic Adjustment Program for Greece (2012) reported uneven progress in the achievement of its goals, due to political instability, social upheaval, insufficient administrative capacity, and mainly a deeper recession than had been predicted. In spite of the additional consolidation measures (2010, 2011) and the unprecedented - at the European Union level – reduction of the fiscal deficit / general government deficit (from 15.6% of GDP in 2009 to 9.25% in 2011), which were applied during a period of contraction of the domestic economy, significant fiscal goals were not attained, such as the modernization of revenue management and the auditing of expenditure and the combating of tax evasion (European Commission, 2014). In addition, in spite of many steps taken in the area of structural reforms to favor growth, an increase in productivity was not achieved, nor was competitiveness established, while the view that the Greek government did not truly support the program was expressed. The same report also mentions a contrast in goals: the application of internal devaluation, which would aim to establish competitiveness, had an adverse effect on GDP and public revenue, therefore complicating fiscal adjustment. In brief, the three main goals of the second memorandum were to establish competitiveness, to restore fiscal stability, and to deal with the problems of the banking sector. In addition, due to the continuing recession, all the short-term growth indices were adjusted downward and the goal of a primary fiscal surplus in 2012 was transferred to 2015, the year to which the adjustment period was extended.

1.2 Structure and Goals of the Third Adjustment Program

As a continuation of the first two adjustment programs, the third program is pursuing a return to sustainable economic growth (European Commission, 2015). The reforms that were agreed on in the Memorandum of Understanding mainly fall into four categories:

a) Restoring fiscal sustainability; through tax reforms (VAT, national pension system) and through measures to combat fraud, the achievement of a primary surplus of 3.5% is expected (-0.25% in 2015, 0.5% in 2016, 1.75% in 2017, and 3.5% in 2018).

b) Ensuring financial stability by addressing non-performing loans and recapitalizing banks.

c) Increasing economic growth, employment, competitiveness and investment through reforms in the labor and product markets (review of the framework of collective bargaining agreements, collective action, and mass layoffs, tackling undeclared work) and privatization, which is expected to generate a total of 50 billion euro in revenue, of which, 6.4 billion euros are expected to arise during the application of the three-year *European Stability Mechanism* (*ESM)* program, and

d) Modernizing the public sector by strengthening its efficiency in the provision of basic public goods and services, improving the effectiveness of the justice system, and intensifying the fight against corruption (strengthening the structural and functional independence of key institutions, such as the tax and statistical services).

2. MACROECONOMIC INDICATORS OF THE GREEK ECONOMY DURING THE ADJUSTMENT PERIOD

The course of the country's main macro-economic magnitudes before and during the application of the Adjustment Program is recorded in the following table.

Table 1. Macroeconomic Figures of Greece

	2016	2014	2009
Gross Domestic Product at 2010 reference levels (in billions of euro)	185,0	184,9	239,1
Total expenditure excluding interest: general government :- ESA 2010 (in billions of euro) and percentage of GDP at market prices	84,3 45,5%	82,9 44,8%	116,4 48,7%
Total revenue: general government :- ESA 2010 (in billions of euro) and percentage of GDP at market prices	88,3 47,7%	83,6, 45,2%	92,4 38,9%
Net lending (+) or net borrowing (-) excluding interest: general government :- ESA 2010 (in billions of euro) and percentage of GDP at market prices	4,0 2,3%	0,7 0,38%	-24,0 -10,1%
Net exports of goods and services at current prices (National accounts) (in billions of euro) and percentage of GDP at market prices	-1,4 -0,76%	-4,3 -2,33%	-23,2 -9,77%
Current account balance with the rest of the world (National accounts) (in billions of euro) and percentage of GDP at market prices	-1,2 -0,65%	-4,6 -2,49%	-29,7 -12,4%
General government consolidated gross debt :- Excessive deficit procedure (based on ESA 2010) (in billions of euro) and percentage of GDP at market prices	316,9 171,3%	319,7 172,9%	301,1 125,9%

Source: Processed AMECO data

The evolution of Greece's Gross Domestic Product is an indication of the size of the recession of the Greek economy: at constant prices, from the period before the application of the programs until today, it has lost 54.1 billion euro, or 23% of its value.

During the same period, public spending recorded a decrease that was perceptibly greater than that of GDP, and its share of GDP fell by 4 percent. In terms of absolute magnitudes, the decline in public spending during the 2009-2014 period (2009-2016) was 33.5 billion euro or 29% (32.1 billion euro or 27.6%). Public revenue, which declined during the 2009-2014 period, increased by 8.8 billion euro in 2016, while its share of GDP followed a continuously ascending path (from 38.9% to 47.7%). Specifically, in accordance with the data of the Independent Public Revenue Authority (IPRA), tax revenue for the entire year 2016 exceeded both the original and the revised goals by 3.6%. The contrasting course of these two magnitudes of the public sector contributed to the achievement of a primary surplus, which exceeded 2.3% in 2016. The size of the adjustment is unprecedented if one also considers the fact that it was achieved under conditions of intense and prolonged recession and it put Greece in first place worldwide (OECD, 2015).

The country's public debt, in spite of its slight decline during the last two years, increased in total during the period of application of the adjustment programs by 15 billion euro, while as a percentage of GDP it rose to 171.3%.

Before the end of 2016, the private sector's overdue debt with the state's financial services reached 95 billion euro, an amount exceeding 50% of GDP. Overdue debt towards insurance funds exceed 28 billion euro and are contributing to the pathological condition of the insurance system1. Non-performing loans (NPL's and NPE's) owed to banks amount to 45% of all loans and exceed 116 billion euro, which degrades the health and solvency of the Greek banking system.

[1] Petrakis, P. in Greek newspaper "Real News", Nov. 6th, 2016

3. THE ISSUE OF GREEK DEBT

3.1. The Size and Composition of the Debt

Table 2. Greek Official Sector exposure (Feb 2017)

Type	Investor	Subtype	mrd euro	%total	%GDP
Debt securities	Private	Bills	15	5	8
Debt securities	Private	International bonds	2	1	1
Debt securities	Private	New Greek bonds + warrants	38	11	20
Debt securities	Official	ECB / NCBs	18	6	10
Debt securities	**Total**		**71**	**22**	**40**
Loans	Official	Official loans EU bilateral	53	16	30
Loans	Official	IMF	12	4	7
Loans	Official	EFSF	131	40	75
Loans	Official	ESM	32	10	18
Official Loans	**Total**		**228**	**70**	**130**
Unallocated			25	8	14
Total general government debt			324	100	185
% official/total	76				

Source: European Commission, EFSF, ESM, IMF, J.P. Morgan

More than 75% of the country's general government debt is owed to official entities (bilateral loans between states, IMF-EFSF-ESM, European Central Bank debt securities, NCB's – National Central Banks or Non-Concessional Borrowing). The remaining 24% can be negotiated on the markets (marketable), but it is considered too low to attract a new round of PSI. It should be noted that according to the Public Debt Management Organization (Public Debt Bulletin 84, December 2016),the Central Administration's debt[2] as of December 31, 2016, amounted to 326.3 billion euro, 22% of which is marketable. 30% of the debt has been contracted at a fixed interest rate and the remaining 70% at a floating rate, while almost all of it (97%)

[2] The Central Administration Debt differs from the General Government Debt (Maastricht Debt) by the amount of intra-government debt and other elements envisioned by the ESA.

is denominated in euro. According to the same source, the Greek state's cash on hand as of December 31, 2016 amounted to 2.79 billion euro.

Table 3. Budgetary Central Government Debt by major categories (in millions of euro)

Bonds and short-term notes	**71.607,15**
Bonds issued domestically	54.354,01
Bonds issued abroad	2.277,07
Securitization issued abroad	86,51
Short-term notes	14.889,56
Loans	**254.750,99**
Bank of Greece	3.321,28
Other domestic loans	187,63
Special purpose and bilateral loans	7.479,79
Financial Support Mechanism loans	227.660,49
Other external loans	4.739,05
Repos	11.362,75
Total	**326.358,14**

Source: Public Debt Management Agency, Dec 2016

Based on a study by the Germany-based European School of Management and Technology (ESMT), only 5% of the capital of the two first rescue packages ended up in the state budget. 95% of it was used in order to transfer risk from private to public investors. Specifically, out of the 216 billion euro received by Greece, 86.9 billion euro were provided for the payment of debt (9.1 of which went to the IMF), 52.3 for interest payments, 37.3 for bank recapitalization, and 29,7 were distributed as an incentive for participation by investors in the private sector. Only 9.7 billion euro was channeled for the redevelopment of the Greek economy (Rocholl & Stahmer, 2016).

3.2. European Union Loans and Mechanisms

In particular, regarding the part of the country's debt that comes from financial support in the framework of the three financial adjustment programs, the amounts are as follows:

Table 4. Greek Official Sector exposure via bailout loans (Feb 2017)

Official Sector exposure (mrd euro)					
	IMF	EU bilateral loans	EFSF	ESM	Total
Total allocated	51,2	52,9	143,6	up to 86	
Disbursed	34,7	52,9	130,9	31,7	250,2
To be disbursed	0	0	0	54,3	54,3
Current exposure (ex redemp)	12,5	52,9	130,9	31,7	228
Loan maturity (years)	3,25-5	aver 30	aver 32,5	aver 32,5	

Source: IMF, ECB, EFSF, EC, J.P. Morgan

In the framework of the first program (2010), in the absence of a mechanism at the European level to support states, the Eurogroup agreed on the provision of bilateral loans that would be gathered by the European Commission (the so-called "Loan Facilitation for Greece") in a total amount of 52.9 billion euro. The financial contribution agreed on by the eurozone member states was part of a joint package, to which the IMF contributed with an additional amount of 30 billion euro in the framework of a stand-by agreement (SBA). The amount ultimately disbursed by the eurozone member states amounted to 52.9 billion euro, while the IMF provided 20,1billion euro.

In the framework of the second program (2012), the granting of a loan to Greece took place through the European Financial Stabilisation Mechanism (EFSM) and the European Financial Stability Fund (EFSF), which were founded for this purpose just one month after the first program. The European Financial Stabilisation Mechanism (EFSM) was temporary and was founded by the European Commission in May 2010 in order to respond to the global economic crisis, aiming specifically to maintain financial stability in the European Union by providing financial aid to its member states (European Commission, 2010).

It functioned under the oversight of the European Commission as an emergency financing tool, with its resources consisting of capital drawn from the financial markets by using the budget of the European Union as collateral[3].

The European Financial Stability Facility – EFSF functioned as a special purpose vehicle and was founded in June 2010 with the goal of maintaining financial stability in Europe by providing financial aid to the eurozone member states (European Commission, 2014). The EFSF had the ability to issue bonds or other securities on the market with the support of the German Public Debt Management Office in order to increase the capital required in order to provide loans to countries in the eurozone with financial problems. It also had the ability to proceed to a restructuring of bank capital or to purchase state bonds. The issuing of its bonds was supposed to be accompanied by guarantees provided by the eurozone member states in proportion to their share of the paid-in capital of the European Central Bank[4].

The amount agreed on was 144.6 billion euro, which included the amounts not disbursed by the loan facility in the first program. The IMF made approximately 19.8 billion euro available for the second program. The amount ultimately disbursed was 141.8 billion euro and it included 48.2 billion euro in order to cover the expenses for banks' restructuring and recapitalization. Out of this amount, 10.9 billion euro were not needed and were returned to the EFSF. The amount disbursed in the end was 130.9 billion euro.

In the framework of the third program (2015), the provision of a loan to Greece took place through the European Stability Mechanism (ESM), which replaced the EFSM and the EFSF after three years of their operation, and constitutes the permanent mechanism for immediate access to financial aid for eurozone member states facing difficulties in obtaining capital from the markets (European Commission, 2015).

The ESM is able to lend directly to governments, to purchase their debt (state bonds) either directly when issued or on the secondary market, as well as to support

[3] EU Council regulation No407/2010 establishing a European financial stabilization mechanism, Official Journal of the European Union, 12.5.2010. Retrieved from http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010R0407&from=EN).

[4] EFSF framework Agreement, consolidated version. Retrieved from https://www.esm.europa.eu/sites/default/files/20111019_efsf_framework_agreement_en.pdf

financial institutions directly, in exchange for the usual terms of participation in their share capital.

The total capital of the ESM amounts to 700 billion euro and the participation of each member state in this capital is proportional to its respective GDP in 2012.

Financing amounts to up to 86 billion euro and includes a security reserve of up to 25 billion euro in order to deal with potential expenses for recapitalizing and restructuring banks. The amount of 86 billion euro includes the money for the liquidation of the intermediate loan that Greece received in July 2015 from the European Financial Stabilisation Mechanism (EFSM).

3.3. Greece's Debt and Obligations

The agreement under the first memorandum, as it was officially recorded, failed to concern itself with the reduction of public debt, as it should have, since the latter constituted and constitutes a fundamental prerequisite for the IMF's participation in an adjustment program including the provision of loans (Blanchard & Leigh, 2013). In institutional terms and in terms of international governance, a decisive type of omission was recorded, which defined the course and results of the entire effort. The attempt at reducing the debt in 2012 (the PSI) was accompanied by the second adjustment program, which in the end did not have much impact on its absolute value. The adjustments to the interest rates and the time for payment that took place during the two memorandums (in the 2010-2014 period) helped reduce the volume of Greece's obligation, but they did not provide substantial relief from its obligations as a whole. In terms of national policy mainly starting from the first memorandum, the management of the Greek public debt proved harmful, since all of the "advantages" that the country possessed and had available were not used by the governments in the specific period[5] (Andrikopoulos & Nastopoulos, 2015). The conversion of the ownership of the title to the debt from private to public involved the rights and obligations of the member states of the EU in relation to the debt in both nominal and political terms. If we add to this fact the absence of institutions in the EU, their replacement by strong national entities, but also the influence of the political cycle on the debate and decision-making on this subject, the issue of

[5] Interview of G. Papakonstantinou, Greek Minister of Economics. Retrieved from https://www.youtube.com/watch?v=H7quvqefsQ4

the debt and its management became the Gordian knot of the Greek crisis. The reason for this dead end can be identified in the fact that for the entire prior period (2010-2015) the policies devised considered the issue of debt as a non-negotiable situation (sustainable)[6]. Debate on this was brought back into the forefront in the most recent period by various actors, members of Greece's interlocutors, the IMF, and the Greek government. An attempt to escape from the vicious circle of debt and the obligations that it entails, with the need to create high surplus levels for its service, requires the commitment of the entire dynamic of the economy and leads it to conditions of stagnation. Greece can escape the cycle of uncertainty as long as it is allowed to escape the burden of the pressing obligations of debt.

The schedule for repayment of Greece's debt for the next ten years is recorded in the table below.

Table 5. Debt repayment schedule 2017-2027

Year	**(in millions of euro)**
2017	21.359
2018	3.679
2019	11.939
2020	4.194
2021	4.195
2022	5.928
2023	8.117
2024	8.330
2025	6.732
2016	7.375
2027	6.410
2017-2027	**88.257**

Source: Processed data from Public Debt Management Agency and WSJ[7]

[6] Greek PM G.Samaras in Greek Parliament, Oct 11, 2014, retrieved from https://www.youtube.com/watch?v=ygXXksI2uLQ and Greek Deputy PM and Minister of Foreign Affairs, E.Venizelos interview on Skai TV, Apr 10, 2014, retrieved from https://www.youtube.com/watch?v=Q3kJHB6nuCE
[7] Data available online at https://www.thepressproject.gr/article/104562/

These amounts concern the payment of Greece's debt (debt interest) from loans in all three of the country's financial adjustment programs, as well as the bonds held by the ECB, the Bank of Greece, and private investors. Based on the conditions valid until the end of 2016, the time frame for the full repayment of Greece's debt extends to 2059.

4. THE EUROPEAN UNION AND THE GREEK CRISIS: AN APPRAISAL

The handling of the crisis of 2008 in Europe, but also the way that the latter managed the Greek crisis, was the result of composite parameters that went beyond the strict limits per se set by prevailing economic analysis. It was the product of a synthesis of factors connecting the structure and formation of the European Union with its weaknesses, the policies that prevailed over the entire preceding period and guided it in its decision-making, the strong highlighting of forms of economic nationalism at the expense of united Europe when making decisions, but also the strong financial interests indelibly linked to the reality of the globalized economy, in which new actors (countries) emerge continuously, disrupting the current balances as known until then, such as China, India, Pakistan, and others.

Lastly, one particular but no less important factor is the action and involvement of institutional or other factors acting under the guidance of self-interested personal or group goals.

4.1. The Formation and Structure of the EU

The formation and the structure of the European Union, with their current weaknesses, constituted a particular obstacle to substantial progress in economic and political terms for the creation of the euro zone, but also for the treatment of aspects of the crisis. Economic unification was never the goal pursued at the Union level, a fact that significantly affected the performance of national economies with lower levels of economic sustainability and performance (for example, Greece). On the contrary, the emphasis was placed on maintaining the strict commitments set by the Maastricht and Stability Pact criteria, which had an adverse impact at all stages on the possibilities of adjustment at the national level to balance out the impact of the economy's inability to respond to the competition of the increasingly open economies both inside and outside the Union (Andrikopoulos & Nastopoulos, 2015; Melas, 2013).

4.2. EU Policies

The policies created and instituted had a clear neo-liberal slant, since they attached importance to performance and competitive production under the auspices of a currency that worked better for the strong economies (Lapavitsas, 2010). If we jointly consider the fact that without the tools of currency policy, the national entities that did not comply with the criteria were forced to adopt limiting policies under conditions of continuous pressure and limited economic means, which almost as a natural law, led to growth of public spending and debt, even in the case of countries that were competitive in the international economy.

Of course, in the case of Greece, its economic problems were the specific nature of its fiscal issues, but also the chronic imbalance of its balance of payments and its trade balance.

The adoption of an Adjustment Program with the participation of the International Monetary Fund led to the adoption of measures and application of policies that were a *de facto* result of the Fund's practice and perception, which could not fulfill the expectations set from the beginning, since they worsened the situation rather than leading to a solution. If we consider together with this fact a) the already well-known stipulations of the Fund, omitting the basic prerequisites that it set itself for participation in loan programs - the canceling of debt - (Mavridakis et al, 2016), but also b) its inability, as was proven, to engage in a substantive evaluation of the particular features of the Greek economy on a continuous basis, but also to estimate the impact of its internal devaluation measures with precision, the result was that they made the application of the program through the policies chosen at best uncertain and at worst a failure (Dovas et al, 2012).

To a great extent, the memorandum of 2010 determined the evolution and results of the measures adopted in the case of the Greek crisis by the EU and the IMF. The focus on improving macro-economic figures, mainly those of the public sector (deficit) led to the onset of multiplier effects on national income (a decline of 25%-28% in the period from 2009 to 2014) and the degrading of the country's reputation, leading a significant part of its population to economically and socially marginal conditions. The pursuit of the improvement of competitiveness through the choice of deregulation in multiple markets, whether effective or not, evidently did not have the determined (expected) result. The improvement of macro-economic indices (2010-2014) did not constitute the basis for economic recovery.

The second (2012) and the third (2015) memorandum placed an additional burden on the Greek economy (debt), but also set requirements such as the determination of specific levels of fiscal surplus, but also growth targets mainly after 2017 (the third program). In substance, following seven years of austerity policy (2010-2017) and the obtaining of surpluses, besides the fact of the improvement of fiscal indicators and the relative normalization of the balance of payment, a consequence of the decline of internal demand, the Greek economy has been kept under conditions of constant waiting and pressure, as the result of the country's obligation to produce surpluses, first of all by obeying the agreements. It is easily understood that this type of demands, as stated by the EU and the IMF, cannot lead to an exit from the cycle of uncertainty as it has been constructed since 2010 (Mavridakis et al, 2014 and 2015).

4.3. The Dominance of Economic Nationalism and the Absence of Institutional Europe

The crisis of 2008 emphatically established that the EU is facing substantial problems and inabilities to function as a true European union: the case of Greece was a characteristic example of this. The weaknesses of the national economy and the system of governance cannot be ignored or underestimated in any way. However, it is by now evident, over the course of the years and after the adoption of three memorandums (2010, 2012, 2015), that the persistence of the problem seven years after taking measures to deal with it, displays the insufficiency of the system built for this purpose. The failure of the first two memorandums and intensifying pressure for continuously high rates and goals in the third one proved the obsession of an entire mechanism with essentially dealing with the problem by constantly maintaining opinions and assumptions that went beyond the boundaries of economically "correct" discourse, even in the form in which the latter is prevalent.

The discussion of multi-annual production of high surpluses and growth rates was not supported by economic history and its results. The absence of institutional Europe was illustrated eloquently by the statements of the entire Brussels-based bureaucracy regarding Greece during the eight years of the crisis (Hughes, 2011). The positions stated by institutional and political actors went beyond the limits of their roles and demonstrated national and ideological stereotypes, which make one think of alternating dichotomies that are emerging at the European level and unfolded visibly during the crisis period. The EU was not successful in dealing with the Greek crisis, as the economic results themselves prove, but its inability was of an institutional and political nature at the same time (Kyriakopoulou, 2014).

The shortcomings of and insufficient support for the existing European institutions, which were essentially replaced by occasional combinations of a small group of countries or states (leaders), emphatically displayed the inability of an entire system to deal with issues in institutional, political, and economic terms (Kotios & Roukanas, 2013).

The prevalence of the economically dominant states over the institutional rules is undermining the EU's prospects, regardless of economic success. The absence of institutional leadership and choice is worsening its problems and their handling even further.

The market, as prevalent economic theory claims, is affected, among other things, by stability and the prevailing economic climate (Keynes, 1936). In the case of the EU, this condition is continuously subject to removal, with the greatest victim being the economy and the country itself (Greece) and the culprits being leading institutional or other actors in the European hierarchy, supported by similar national figures, guided by various forms of self-interest. The synthesis of interests is one further painstaking exercise that in the case of the EU, has not come to a good end in favor of economic nationalism and the political leadership supporting it.

4.4. The EU in the Globalized Economy

It is an indisputable fact that the crisis of 2008 proved in practice that the unfettered functioning of the market puts the entire system at risk. The action of public entities in order to deal with the crisis, besides the burden placed on the public sector, proved once again the failure of the ideas of deregulation and the need to create institutions capable of handling it (Stiglitz, 2016). On one more occasion, the EU showed that it lags behind in undertaking significant action, in contrast to the United States or China, competing countries in the globalized environment, attaching a disproportionate importance to the case of Greece than was warranted by the event itself and its gravity. The lessons of crises prove that the reactivation of an economy requires an inflow of new capital into it. The demand of absorbing surpluses or creating wealth by increasing competitiveness, and that it will be created domestically and autonomously, under simultaneous conditions of uncertainty, limited means, and competition, cannot be the sole path.

The EU's pursuit of survival in international competition under conditions of deregulation and abolition of the entire twentieth century's conditions and conquests for society cannot flourish within it, thereby undermining its comparative advantages (human resources, infrastructure, culture, etc.) compared to the rest of the world.

4.5. The Involvement of Actors and Persons with an Institutional or Informal Status in the Decision-making Process

The concept of interest groups (lobbies) is particularly well-known in theory. The contribution of these groups and the possibilities available to them in the framework of operations and decision-making are also undeniable. In the process of the Greek crisis and the response to it, the continuous involvement of interest groups has been documented in various ways, with them leading and guiding decisions by the European mechanisms to predetermined specific areas of reference e.g. labor relations, pensions, salaries, etc.) (Giannitsis & Zografakis, 2015). At a further level, at which institutional actors were involved in or supervised the decision-making process at the European or national level, they were connected with the provenance of the arrangements and measures adopted (Panico & Purificato, 2013). For evident reasons, they pursued and insisted on maintaining guidelines and measures that "legitimated" the choices and actions already adopted by them in the past. In other words, they were systematically active in defending their "choices" from the past, but also in taking care of their future as active players. In the framework of these corporatist and personal strategies, they attempted to rid themselves of the burden of their "responsibilities", transferring them to the remaining participants, with the ultimate recipient being Greece itself. It is clear that such practices and forms of intervention caused an upheaval in the climate of discussions and negotiations and weakened any efforts undertaken for the creation of conditions of "compromise", but also the ultimate stability of Greece's economy, the country, and even the European Union itself.

5. CONCLUSIONS

The need to create three adjustment programs records the inability of the plan devised by the EU to deal with the crisis in Greek very eloquently.

The violation of rules by the European institutions was a practice recorded on multiple occasions during the application of the programs.

The continuous changes to the programs, weak estimates of results, instances of ideological insistence and obsession, but also insufficient knowledge of Greece's situation made solving the problem even more difficult.

The debt needs to be reduced, since maintaining it at its current level binds the entire performance of the Greek economy to its servicing, therefore keeping the country under conditions of stagnation.

The crisis of 2008, but also its handling at the national and European level has brought the divergence between the national interest in the broad sense of the term and globalized economic activity back to the forefront with increased intensity and in practice demonstrated the inability of national formations to stop globalized and very powerful capital, while in parallel the latter "requires" them to support its activity.

The EU proved itself unable to deal actively with the consequences of the crisis, guided by the formal dogma of the German "miracle", without it being exportable, at the expense of institutional Europe.

The enlargement of the EU in expansive terms evidently did not constitute as much progress as was announced during the entire previous period, a fact that is recorded by contemporary reality at multiple levels of socioeconomic life in Europe.

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