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**Heinz-Jürgen Axt**

**Odyssey of a Momentum – How Greece’s Excessive Deficits Led to a Euro-crisis**

On 20 October 2009 Greece’s newly elected Prime Minister Georgios Papandreou declared to the public that the deficit of the Greek budget was not 3.7 % of gross domestic product (GDP) but peaked to more than 12 %. That was the starting point of a dramatic development. In January 2010 the government drafted a first stabilisation program and the member states of the Euro zone started a discussion in which way they could assist the overindebted country.

As the Maastricht Treaty, the legal basis for the European Economic and Currency Union, does not provide any transfer mechanisms in favour of Euro members which are confronted by excessive deficits and as article 125 of the Treaty on the Functioning of the European Union interdicts “bail outs”, the members of the Euro zone were at odds with each other. Some member states anticipated that the Greek debt crisis would lead to a domino effect by expanding to other heavily indebted Euro countries. Other member states stuck to the Treaty and refrained from financial assistance. Finally the Euro members decided to assist Greece in May 2010 with a package of 110 billion Euro.

As the markets were still sceptical and as they did not trust in Greece’s competitiveness, Greece is still under heavy pressure. And meanwhile the same holds true for Spain and Portugal. These countries have been devaluated by ranking agencies as it was the case with Greece earlier. Greece’s debt crisis was the straw that broke the camel’s back and leads to the brink of a Euro crisis.

**Jens Bastian**

**The Greek Crisis and the Attempt to Correct Collective Irresponsibility**

Ever since the Greek Prime Minister Georgios Papandreou took office in October 2009, the developing fiscal and sovereign debt crises in the country have fundamentally changed the government’s political and economic agenda. Faced with mounting risks that Greece may default over its sovereign bond obligations the government reached an agreement in May 2010 with the “troika” of the International Monetary Fund, the European Commission and the Euro zone members for a three-

year € 110 billion rescue package.

This multi-year program is a mixture of painful austerity measures, structural reform obligations and financial assistance. The execution of the program will be monitored by the “troika” and subject to achieving agreed fiscal targets and wide-ranging reforms in the public sector, social security funding and the operation of labor market. The success of this unprecedented reform attempt is not guaranteed. The measures will challenge and seek to change the established relationship between state, economy and citizens in Greece.

**Nadège Ragaru**

**How Do Anti-corruption Initiatives Fly ... And Where to? –  
A Bulgarian Case Study**

In the past years, corruption in Bulgaria has become a dominant issue on the international agenda. While a variety of local and international actors have vowed to sanction breaches of public morality, the results of anti-corruption initiatives remain disappointing. How can we explain this perceived failure?

The article seeks to target this and other issues relating to the politics and policies of anti-corruption: Which affairs are prioritized and why? How do legal proceedings impact the actual behavior of public officials and corporate business? – Building on the examination of a corruption case at Sofia’s heating company, the article argues that the reasons behind the low effectiveness of anti-corruption measures need to be traced to the ways in which anti-corruption has become an arena where competing networks of actors (in the police, the judiciary and the political sphere) seek to strengthen their own institutional positions, to promote divergent definitions of the public good or to settle (at times unrelated) disputes.

The selection of cases incriminated as well as the outcome of the legal proceedings are thus likely to tell us more about the balance of power between the various protagonists than about the actual map of corrupt practices in Bulgaria. In addition, although anti-corruption initiatives do have an impact on the anticipations and strategies of public officials and private businessmen – including an increasing recourse to legal expertise –, they do not necessarily result in more transparent political and economic practices.

**Ivan Janez Štuhec**

**Slovenia: A Feeble Democracy After Twenty Years of  
Independence**

In the first, historical part of the article the author covers Slovenia’s efforts to develop towards an independent and free state. The extremely conflictive situation during the Second World War, when the nation decided between waiting and fighting against the occupational forces (fascism and Nazism), was used by the communist totalitarian system for starting a revolution. Individuals and groups were entering into different compromises which have been burdening the development of democracy in Slovenia until today.

Social changes twenty years ago took place rather peacefully and with relatively few

casualties. The social order was changed, but forms of thinking and acting, imparted by the communist Titoism, remained. In the last years, under the protection of left-of-centre political forces, different forms of revitalization of old symbols and attempts to revive the communist social order have emerged. Slovenia has not performed the paradigm shift from the totalitarian attitude towards the state into the democratic attitude towards the citizens.

The burdened history as well as the remaining and revitalised communist social paradigm effect the unawareness of the people and their political culture. The latter is confirmed by public opinion researches at home and abroad. Twenty years after the democratic changes Slovenian democracy is fragile and vulnerable.