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Turkey Might Help

Her Aegean Sisters and Brothers

after the Collapse of Hellenic Responsibility

to Protect Its Citizens

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The political stability of the Turkish Republic, its geo-strategical reliability, and its brilliant economic performance lead to a reflection by which means the Turkish People might help its Aegean sisters and brothers.

The latter are now injured by a state system which is not any longer able to assume its responsibility to protect the citizens. 192 years of Greek statehood have shown an impressive flexibility to react on chaotic situations. On a personal level, they displayed an extraordinary humanity. But this time the state's situation is beyond internal remedies.

Before we sketch a re-integration of the Aegean territories to the Turkish Republic (part 4), we have to analyze the reasons behind the dismantling of the Hellenic Republic (part 1), to discuss some possible other scenarios (part 2), and to reflect about the judicial situation after the divestiture of states (part 3).

Transforming an entity, seven generations of men and women have sacrificed life and money for, is at first hand unthinkable. Only a fair merger can end negative mentalities on both sides and give a lasting peace to the Aegean.

1 Causes

1.1 “I promise to pay back our liabilities” (Antonis Samaras, 23.08.2012)

What does it mean when the Greek Prime Minister Antonis Samaras declares: “Of course we will pay back our liabilities, I promise it.”¹?

Per 30 June 2012, the public debt² of the Greek state amounted to 303.5 bn EUR.³ The debt is now classified under English law, so it is out of reach of a unilateral Greek declaration of default. One might add the early 2012 hair cut of 107 bn EUR from private loans mostly under Greek law which currently are being brought to court, in summa 410.5 bn EUR. At an optimistic interest rate of 5% p.a., it would need one generation or thirty years with an annuity of 26.4 bn EUR to pay back these liabilities. Within this time, the interest would amount almost to the original sum due (another 382 bn EUR). Loan and interests would accumulate to a total of 793 bn EUR to be paid altogether (remember the loans of 1825/26).

The annuity of 26.4 bn EUR would correspond to 12.3% of the 2011 GNP of 215 bn EUR. In 2011, Greek public expenditures were 68.8 bn EUR plus 2.8 bn EUR net contributions to public investment programs

1 Bild-Zeitung 23.08.2012.

2 Additionally to the loans at the market, one has to note that since its accession to the EU the country has received from the European Union EUR 92.603 million over what it has contributed. Net income from the EU in 2010 was EUR 3,183 mil.

3 <http://www.faz.net/aktuell/wirtschaft/eurokrise-griechenlands-schulden-steigen-stuendlich-um-10-millionen-euro-11859056.html>

plus 6.9 bn EUR social payments and others, in total 78.5 bn EUR. Net tax income 2011 on the other hand was 49.9 bn EUR which makes a 2011 deficit of 28.6 bn EUR, even without considering the loans. Serving the said annuity, too, would add up to a new public deficit of 55.0 bn EUR every year to be carried without foreign help from the market or from states.

The situation emerges as even worse, when we ask who will be the ones to actually pay back the loans. The population has seriously decreased. Whereas Eurostat still publishes a figure of 11.20 m as at the end of 2011, the Greek government published per 30 June 2012 a figure of 9.7 Mio. Each of them is then burdened with liabilities of 42.000 EUR. But only a small part of them is positively contributing to the Greek economy. The others obviously can't pay.

According to Eurostat, the employment rate within the population of 20-64 years was 56.4% per 31 July 2012.⁴ Since 19% are below 30 years and 19.3% are above 64 years, this means that 34.49% of Greek population are actually at work. Only 75% of these are working in a non public area. This corresponds to a ratio of 25% contributing population versus 75% profiting population. Each Greek actually at work is so burdened with a liability of 168,000 EUR. At the said interest rate of 5%, serving the debt through the real working individuals would absorb 10.500 EUR a year per person which is more than half of the 2011 gross average wages of 20 435 EUR, leaving virtually no income tax money for the state.

In other words: the declaration "we will pay back our liabilities, I promise it" lacks any substance. It would have been more realistic for Samaras to have quoted the Greek Prime Minister Charilaos Trikoupis who declared in December 1893: "Δυστυχώς επτωχέυσαμεν – I am sorry, we are broke".

1.2 A short history of Modern Greek public expenditure

The Provisional Greek Government in 1824 had floated a loan of 472,000 £, in 1825 an additional one of 1.1 m £. Both defaulted in 1826 and were settled only 52 years later in 1878, by then having increased with an accrued interest to over 10 m £.

Within the London Protocol 1830, Russia, England and France agreed to acknowledge a Greek Kingdom under Otto I, the son of Bavarian King Ludwig I, and to grant a loan of 60 m Francs. Only the first two rates of 20 m Francs each were ever paid, since 1833 payments stopped partially, in

⁴ Eurostat 31.07.2012.

1843 payments were stopped completely. Historians tell that after the Synagma revolution, Mavrokordatos allegedly claimed: “Now let’s have a look, how we pay our debts!” Kolettis allegedly answered: “No, let’s see how we do not pay them.”⁵

Ludwig I helped his son out with seven loans accumulating to 1.5 m florins. After the 1849 Munich revolution and his abduction, he was forced by the Bavarian parliament to use almost his complete private fortune to pay back these Bavarian loans. He never saw the money return. Only after his death, Bismarck at the Berlin Congress 1878 forced the Greeks to settle the Ludwig loans.

In 1879, new loans of 630 m francs were issued, and defaulted in 1893. In 1898, foreign pressure led Greece to accept the creation of the International Committee for Greek Debt Management, administering the country’s economic policy as well as the tax collection and management systems of Greece. The plan to pay back the loans was served by the Greek governments till 1932, when Greece declared default lasting till 1964.

Within the 191 years since the Hellenic resurrection of 1821, Greece was shut out from the international capital markets for some 77 years, or a third of its existence as a national state. Greek State default is clearly not an exceptional state of emergency, but something almost normal – you just have to define rationality differently. What idea of state lies behind that?

1.3 Philhellenism and the Non-Idea of State

The Napoleonic Empire was based on the Ancient Roman idea of a strong state which had served as a model to France since the early 16th century, cumulating in the French Revolution. Napoleon’s coevals looked for a different model. They found it in Antic Greece and in the idea of individual freedom. The Greek-oriented German gymnasium and the Humboldtian University are two typical outcomes of what Paul Cartledge calls intellectuals’ “self-identification with the Glory that was Greece”.⁶ Now, in the Metternich restoration period, the unfulfilled political hopes of literates and bourgeois turned into a broad philhellenic movement. The first associations were founded in August 1821 at Bern and at Munich, only a few months after the insurgence of 28 March 1821, when the Orthodox Church had declared *Ελευθερία ή Θάνατος* – Freedom or Death. King Ludwig was that

5 Seidl, Wolf: *Bayern in Griechenland*. Munich 1981, p. 263

6 Quoted by Cahill, Thomas: *Sailing the Wine-Dark Sea: Why the Greeks Matter*. New York, Nan A. Talese, 2003.

fond of Greek matters, that he even changed the official name of his country from “Baier” to “Bayern”.

Greek policy since 1821 can be understood to serve the hetero-stereotypes of taking modern Greeks for the antique ones. As a defining difference from other states emerging from the Ottoman Empire, e. g., the Serbic principality (1804-1817), re-establishing the Greek nation became a matter of “Europe” and has stayed that since. How can “we” leave Greece alone, since Europe is erected on Attic philosophy? Help from abroad to establish a Greek nation is basically not a political but a cultural phenomenon. Nowadays, difficulties of the European Union how to treat Athens adequately are deeply rooted in early 19th century when British, French and Bavarian intellectuals forced their government to sustain the Greek resurrection.

Already within the Greek independence war of 1821-29, Greeks immediately diffused in a pro-Russian, pro-British and a pro-French fraction, a civil war broke out as later in 1946-1949. Bavarian troops were asked to interfere not against the Sultan but in this civil war. From 1832 onwards King Otto I had to work without a pro-Bavarian fraction. Chased away in 1863, he was replaced by another German, this time from the Danish royal family, George I from Schleswig-Holstein-Sonderburg-Glücksburg. His son Konstantin I resigned in 1917, was called back in 1920, had to leave finally in 1924; his grandson George II was called back 1935, and had to leave in 1967, being deposed in 1973. Military dictatorships lasted 1936-1941 and 1967-1974. Since the democratic renewal 1974, Conservative and Socialist governments served their clients and lead the country step by step into the current budget disaster with 10.86 % of the GDP spent for central bureaucracy stipends plus 1.25% for local administration stipends.

Arcadic illusions of North-West European intellectuals have pathed this way. If these intellectuals would have wanted to learn from history, they could have easily seen that in Classical Antiquity there has never been an idea of state but only a local idea of polis – deciding on matters you can touch and see; one polis against the other. Federation of poleis were rather short-lasting. The federation of “Athens and her federates” (so its decidedly un-equal official name) was in 454 the place of the first recorded bankruptcy in history. 13 cities had borrowed funds from Apollo’s temple in Delos, ten of them couldn’t pay back; the funds of the temple had reduced for 80% when Perikles moved the treasures to the Athens Acropolis. About the same time Aischylos in the *Hiketides* for the first time combined the words δῆμος (people) and κρατεῖν (to rule). Plato, to whose writings we owe the word politics essentially, went to the court of Sicilian dictators; within

attic democracy there was no place for him besides an academic one. Only with the Macedonian Alexander a tribe from outside the mainland installed a state; but following oriental principles. The last king of Macedonia was Perseus who in 168 B.C. finished Greek – or better para-Greek – statehood having lasted mere 165 years. Samaras is going to become a second Perseus of Macedonia.

The poleis system though continued for the next two millennia especially within the Ottoman Empire. It was set out of force by the new royal regime after 1832 sq. which gave way to one of the most centralized states of Europe right now. So, one lesson of history would have been that even in Antique times there was rather a Non-Idea of State upon which the modern Hellenic sovereign was to be based.

Another lesson of Antique history would have been to show that what was called democracy mostly was oligarchic domination.⁷ This situation was repeated during the several years' preparation of the 1821 insurgency having started with a Russian steered revolt in 1770, and nearly all the years to come after gaining sovereignty in 1830. On the one hand, there were the phanariots, an upper class claiming to be descendents of the Komnenes Byzantine emperor family and living in the Constantinople quarter of Phanar (Lighthouse). Prokritoi (in contemporary writings called Primates) served the sultan as tax collectors from the Christian communities within the millet system. Since 1711 some Phanariots had been appointed Gospodars (vice-kings) by the Ottoman Sultan to nowadays Romania with a very sparse Greek population. In March 1821, the insurrectionists hoped for help from co-orthodox Russian troops, but which waited at the border and watched the revolutionaries being slaughtered by Ottoman troops. On the second hand, there were similarly rich shipowners and merchants from Aegean and Ionic islands, taking actively part in the insurrection. Tertio, there was the Orthodox Church with a clear interest to inherit the ample crown and Muslim lands – a project which went rather well. Quarto, the difficult economic situation on the mainland especially at the Peloponnese had urged rather many to gain their existence by robberies as κλέπτης (thief).

The word Kleptes became first an honorific title, similarly as it had happened to the Geusen (beggars) in the Netherlands. Recently it became a standard term within the political sciences when AFP correspondent Patrick Meney described the late Soviet Union under Jelzin as Kleptocracy meaning elites stealing a country's fortunes, and when 1998 Pulitzer Prize

⁷ Cf. Schulz, Raimund: *Kleine Geschichte des antiken Griechenlands*. Stuttgart ²2010.

winner Jared Mason Diamond⁸ used this terminus to describe political systems where elites confiscate power to the disadvantage of the ordinary people. Applying the term kleptocracy to the current Hellenic Republic, one has to realize that the situation is different. On the one hand, the traditional elites are still ensnared into the traditional Balkan system of refusing state taxes but enriching themselves by now estimated 200 bn EUR hidden abroad. Though *quod licet Iovi, licet etiam bovi* - tax evasion has become notorious throughout society. “We estimate a lower bound of 28 billion EUR of unreported income for Greece. The foregone government revenues amount to 31 percent of the deficit for 2009. Primary taxevading occupations are doctors, engineers, private tutors, accountants, financial service agents, and lawyers. Testing the industry distribution against a number of redistribution and incentive theories, our evidence suggests that industries with low paper trail and industries supported by parliamentarians have more tax evasion.”⁹

The Hydra island’s collective fight against tax collectors on 19 August 2012 fits too perfect into this stereotype for not being reported incorrectly. The underground economy is estimated to make up another 40% of the official GDP. Within the Corruption Perception Index 2011, which covers 182 countries, Greece is in 80th place.

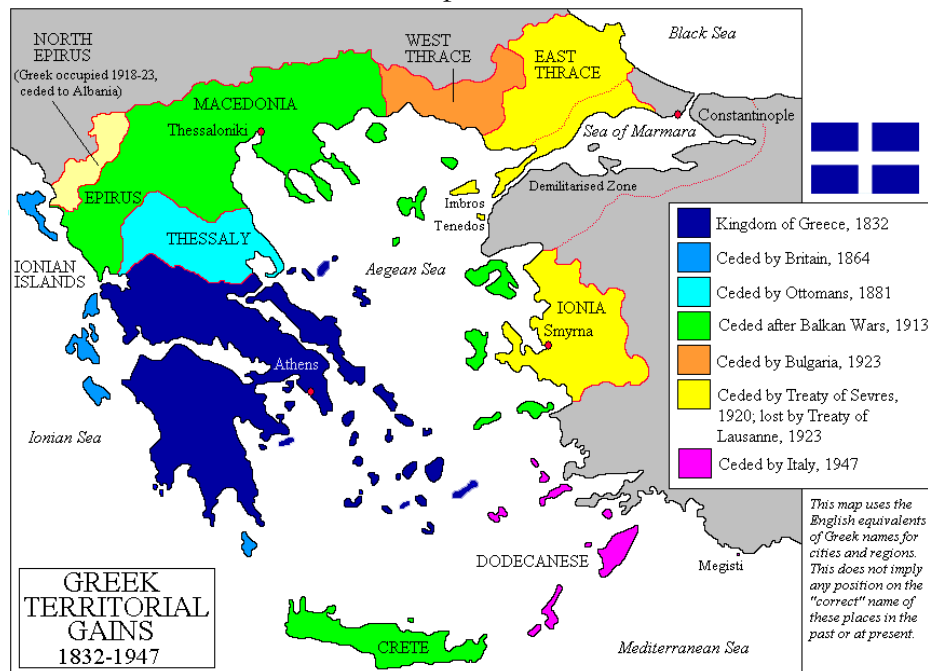


Fig. 1: Cagé, Christophe: *Greek Territorial Gains 1832-1947*. 2006

⁸ Diamond, Jared Mason: *Guns, Germs, and Steel: The Fates of Human Societies*. New York 1997.

⁹ Artavanis, Nikolaos; Morse, Adair; Margarita Tsoutsoura: *Tax Evasion Across Industries Soft Credit Evidence From Greece*. University of Chicago Booth School of Business 2012.

One might argue this is basically a cultural phenomenon. Greek national ideology was based on the Μεγάλη Ιδέα, the Great Idea of revenge for the 1453 fall of Constantinople, and to bring back the Greek language Byzantine Empire. Establishing a Greek kingdom 1830 was seen as a first step only. There always was a positive enthusiasm to enlarge this territory in the old axis Athens–Constantinople (see the map of enlargments 1864, 1881, 1913, with the climax of the Sevres treaty 1919). This Enosis idea led to the 1922 march on Ankara stopped by Mustafa Kemal (Atatürk.). The Lausanne treaty 1923 and the exodus of Greeks after 3.000 years settlement on the East side of the Aegean made an end to all illusions. Since almost 100 years this traumatic experience has given way to pessimism, political distrust, and disorientation. Greeks have a national “No!”-day, but a “Yes!”-day lacks. Loyalty primarily is expressed within the family and to friends, not to a state being founded on the shipwrecked Great idea. Why pay taxes to such a state?

A state is a rather abstract institution – at the difference of a visible and touchable polis. In Greece it is not founded in individual duties but based on a clientelism “known as ‘the System’”(Steven W. Sowards) ¹⁰ in action since 1844. A system which promises personal advantages and which is operated by the grand parties excessively.

1.4 The Idea of a Mono-Ethnic State

The Hellenic Republic has not been and is no longer able to take the responsibility to protect its citizens throughout its territory. It has been described as a tiger economy since its EU accession 1981. This is not true for the weaker half of the Hellenic Republic’s territory, the rural one.

The Gini co-efficient of inequality in Greek rural regions had been already very high in 1951 (0.41 of a maximum inequality of 1.0). Instead of shrinking down, it has ever since increased and amounted in 2001 to 0.59 which almost equals the situation in the Central African Republic, and gives it the seventh worst position worldwide.

10 “In 1843, the army responded to budget cuts with a military coup (the first of many in modern Greek history). The result was a new Constitution in 1844 under which King Othon shared power with an upper chamber of oligarchs appointed for life and a lower chamber elected by a very wide manhood suffrage. Kolettis then used this arrangement to create a mass political machine known as “the System” which delivered votes to the ruling party in return for patronage and favors for the voters. No prefect, tax official, judge or policeman served without an exchange of favors with party leaders. The System was corrupt, but it was also a mass organization that made the Greek people participants in the political system.” Sowards, Steven W.: *Twenty-Five Lectures on Modern Balkan History. Lecture 6: The Greek Revolution and the Greek State*. University of Michigan 1996/2009. <http://staff.lib.msu.edu/sowards/balkan/>

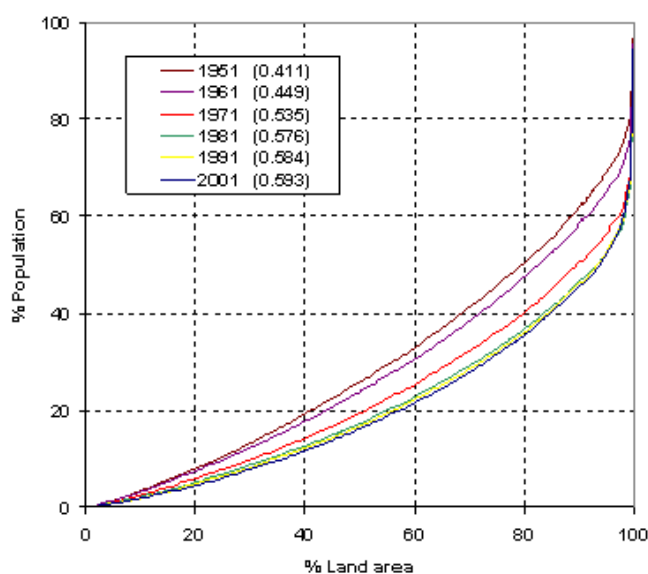


Fig. 2: Lorenz curves and Gini coefficients derived for small geographical areas for the period 1951-2001 in Greece. The further a curve from the diagonal (resulting in a higher the coefficient value), the more concentrated the population is. This graph provides evidence of an urbanisation slow-down from 1981 onwards (green, yellow and blue curves are closer), but limited evidence of counter-urbanisation trend in more recent years, as the coefficient values are still increasing. See Alvanides, Seraphim; Mostratos, Nikolaos: *Geographical Analysis of Population Changes of Communities in Greece: 1940 to 2001*. Newcastle University. <http://www.staff.ncl.ac.uk/s.alvanides/grpopchange/>

Geographically, the Greek peninsula is part of both, of the Balkans and of the Aegean Seas. The linguistic and ethnic map has been a very complex one. Fallmerayer's much discussed statement: "Not the slightest drop of undiluted Hellenic blood flows in the veins of the Christian population of present-day Greece"¹¹ is exaggerated, but one has to see that at his time an Albanese dialect (Arvanitika) was dominant in Attica and was so even after 1900. It is still spoken. Right now, Albanians are an indispensable part of the Greek work force.

The emphasis on the idea of a Greek nation makes it difficult for Greek governments and the Greek population to accept the fact that there are other ethnicities than the Hellenic one on the Republic's ground.¹² All

11 Fallmerayer, Jakob Philipp: *Geschichte der Halbinsel Morea während des Mittelalters. Teil 1: Untergang der peloponnesischen Hellenen und Wiederbevölkerung des leeren Bodens durch slavische Volksstämme* (History of the Morea Peninsula during the Middle Ages. Part one: Decline of the Peloponnesian Hellenes and repopulation of the empty land by Slavic peoples). Stuttgart 1830, p.55. Compare Veloudis, Giorgos: *Jakob Philipp Fallmerayer and the birth of the Greek historicism*, Athens 1982.

12 Athanassiadis, Nikolaos Alexandros: *Die rechtliche Stellung von Minderheiten in Griechenland. Unter besonderer Berücksichtigung der aktuellen Entwicklungen im internationalen und europäischen Minderheitenrecht*. Veröffentlichungen aus dem Institut für Internationale Angelegenheiten der Universität Hamburg, Bd. 32. Mannheim 2008. Pan, Christoph: *Die Minderheitenrechte in Griechenland*, in: *Christoph Pan und Beate Sibylle Pfeil: Minderhei-*

Greek parties including the Communists recently argued that there would be no Slavic minority within the Greek region Macedonia. The *Handbuch der europäischen Volksgruppen* shows quite a different image:

Ethnicities 2006	Members	Ratio	Other assumptions	Languages
Greek	10.508.690	97,4 %		Modern Greek
Turkish	59.000	0,5 %		Turkish
Macedonian	40.000	0,4 %	120.000–150.000	Macedonian, Aegean-Macedonian
Aromunes	40.000	0,4 %	80.000–120.000	Aromunic
Pomakes	39.000	0,4 %		Bulgaric
Armenians	30.000	0,3 %		Armenian
Çames and Arvanites	23.000	0,2 %		Albanese, Arvanitika
Roma	22.000	0,2 %	120.000–300.000	Romani
Meglenoromanians	10.000	0,1 %		Meglenoromanian
Sarakatsanes	10.000	0,1 %		Modern Greek Sarakatsanic
Jews	6.000			Ladino (also Greek)
Minorities Total	279.000	2,6 %		

Three of these minorities have a special fate. The Pomaks, Mountain Bulgars in the North East, because they are Muslims. The Makedonians/Macedonians because they can not exist since Alexander had undiluted Hellenic blood and since, therefore Greece declares/continues to declare her veto to on the Former Yugoslavian/Yugoslavian Republic of Macedonia/Macedonia.

The most difficult though is that of the Turkish minority in the North East which is not even allowed to bear this name despite the Lausanne treaty but which is called “Muslimic minority”.¹³ The situation especially of women is rather dreadful, since they are excluded from modernity by both, a patriarchal system at home and the Hellenic xenophobia outside. Change is necessary.

tenrechte in Europa, Zweite überarbeitete und aktualisierte Auflage (Handbuch der europäischen Volksgruppen, Band 2), Wien 2006.

¹³ Clogg, Richard (ed): *Minorities in Greece: Aspects of a Plural Society*. London 2002.
Ackermann, Michael: *Die türkische Minderheit in West-Thrakien: Geschichte und Gegenwart*. Ulm 2000.



Fig. 3: Atlas Général Vidal-Lablache: *Ethnic composition of the Balkans*, Librairie Armand Colin, Paris, 1898. The Albanian-speaking regions (including Arvanitika at AttikaAttica and south of CorinthCorinth) are indicated in a shade of very light blue. Macedonia north of Thessaloniki is marked green (Bulgars incl. muslimicMuslim Pomaks), red (Turks), black (valachs) and jewish.Jewish. The entire Aegean east coast, the Marmara coast, the majority of nowadays nowadays European Turkey and the nowadays Turk-Bulgarian Black Sea coast up to Varna are marked blue (Greek).



Fig. 4: Ethnologue: *Languages of Greece*, ethnologue.com; Euromosaic: *Le (slavo)macédonien / bulgare en Grèce, L'arvanite / albanais en Grèce, Le valaque/ aromounne-aroumane en Grèce*, and Mercator-Education: *European Network for Regional or Minority Languages and Education, The Turkish language in education in Greece*. cf. also P. Trudgill: *Greece and European Turkey: From Religious to Linguistic Identity*, in S Barbour, C Carmichael (eds.), *Language and Nationalism in Europe*. Oxford: Oxford University Press. 2000.

The weakness of Greek statehood has contributed to make the Greek territory a much looked for place of often illegal immigrants. The government estimates that by mid-2012, 1.3 to 1.5 mio foreigners lived in Greece. (E.g. the 2001 official statistics comprised 22.875 immigrants from Georgia, whereas the Georgian Statistical office in the spring of 2012 estimated the number of Georgians in Greece at 150.000.) As it often happens at a breakdown of states, the ordinary people of the demos become furious against “strangers” – more than 200 racial delicts have been counted within July and August 2012, including an Egyptian pulled across a town by a car for several kilometres. Already right now, the police is no longer able to stop the people’s outbursts.

An instability on the Greek territory is an enormous loss of security for the neighbouring countries as well. One therefore has to ask whether the sovereignty conceded by the three powers in 1830, should be withdrawn in order to defend not only the people living on the territory – be it Greek speakers, national minorities or immigrants – but the region as a whole.

2 Possible Scenarios

2.1 Scenario A: Collapse of statehood

The most probable scenario for the Greek future is a collapse of statehood. Economy and statehood are in a circuit, especially in modern times. When the state can not guarantee order and justice anymore, can not pay pensions, wages, hospitals and welfare anymore, the economy stocks and there is an almost complete default on taxes.

Civil war status in Greece would have serious inflictions on the NATO. In his well known address before a joint session of congress on March 12, 1947, President Harry S. Truman remarked: “It is necessary only to glance at a map to realize that the survival and integrity of the Greek nation are of grave importance in a much wider situation. If Greece should fall under the control of an armed minority, the effect upon its neighbour, Turkey, would be immediate and serious. Confusion and disorder might well spread throughout the entire Middle East. [...] The future of Turkey as an independent and economically sound state is clearly no less important to the freedom-loving peoples of the world than the future of Greece.” Half a century later, with the Arab Spring in full evolution, the need for peace in the Aegean and the Ionic seas, as a geostrategic bridgehead, is greater than ever. Stopping the Greek fears by melting the two states of Greece and

Turkey, would end a couple of tensions in the Aegean and the Eastern basin of the Mediterranean, NATO would become stronger than it is now.

Civil war status at Greece and the loss of order would make the surrounding countries vulnerable, struck by mafia structures. The immigrant problems would multiply when nobody could care for the gate.

So, by all means, the breakdown of statehood on the Hellenic territory has to be averted for the sake of the people on the islands and the peninsula but as well for the sake of their neighbours.

2.2 Scenario B: financing Greece by external markets and states

A haircut of 100% to the international liabilities and a transfer of 28.6 bn EUR every year for the deficit of the current public and social structures are politically not acceptable for the EU populations. One question would immediately arise: Why Greece?

An International Committee for Greek Debt Management, as installed 1898, leaving a certain rest of sovereignty to the Hellenic Republic and maintaining the Euro, could not pay back the said Greek liabilities of 410.5 bn EUR; could not fill the pension funds in a way actually stolen by the Greek government; could not solve the incompetitiveness of the Greek economy as a whole which needs a devaluation of 31%; could not solve the dysbalance between 43.7 bn EUR goods imported and 22.8 bn EUR goods exported; could not resolve the problem of Greek agriculture with 12% of the labour force contributing to 3.6% of the GDP; could not change the traditional business micro-structure (“Greece essentially is a society made up of micro-craftsmen and public service people, being catapulted into the world of global industry and information age.” Karl Brenke)¹⁴; could not resolve the quota of unemployed youth of more than 50%; could not resolve the Gini inequality of 0.59 in rural regions; could not prevent pogroms on immigrants, etc.

2.3 Scenario C: Military Rule

As reported by British sources, the Greek Military in February 2012 was on the way to solve the crisis by taking over power, bringing Greece out of European Union and the euro system, defaulting all international liabilities and reintroducing the drachma.

¹⁴ Brenk; Karl: *Nötige Modernisierung der griechischen Wirtschaft: eine Herkulesaufgabe*. Bonn, 2012.

Apart from all considerations concerning democracy and similar things, economically this will be impossible. Greece is not Argentina (2001); its territory is by far too small for a self-sufficient domestic market. The Greek economy is not any longer based on extensive farming with little capital with a small or no connection to the outside world as it was the case in the 19th century with the Corinthian currant as the only export product and nearly the whole population living on a subsistence level.

In the un-splendid isolation of a Military Rule having lost international confidence, the greater part of the Greek population working in private or public services wouldn't have work any more. Without an individual social perspective, riots and a destabilization of the whole region are programmed.

Greek Economics 2011		100%
Primary Sector		3%
Agriculture, forestry and fishing:	3%	
Secondary Sector		16%
mining & manufacturing:	12%	
construction:	4%	
Tertiary Sector		81%
commerce, transport & tourism:	23%	
finance, real estate & insurance activities:	16%	
information & communication:	4%	
professional, scientific and technical activities:	5%	
arts & entertainment:	4%	
public administration, defence, education, health services & social security:	17%	
taxes less subsidies on products:	12%	

Fig.. 5: Greek Economics 2011: Hellenic Statistical Authority, Piraeus 2012.

2.4 Scenario D: Re-Introducing the Drachma

The most discussed scenario right now, is the re-introduction of the Drachma by leaving the republic's structures intact. At a conversion rate of one to two the Euro-liabilities would double, making up an equivalent of 52 bn ELD a year and consuming more than the whole tax income.

Declaring complete default, would make a "haircut" to the international economic and political intertwinings, too (see above), so on the long run the debt has to be returned to the lenders (remember the 1825/26 loans).

All in all, it is hard to see how the Greek economy could re-start to grow in social peace at “normal” structures without a political class able to lead the people through the recession, and with elites never having sustained the state.

The economist Markus C. Kerber: “Greece needs a state, a state which sets rules. Greece is a country without a state. And a state you can not construct by economic programs but only in the long run over one generation through the complete exchange of the political class”.

But where one could find such a rule-setting state?

2.5 Scenario E: Help from Turkey

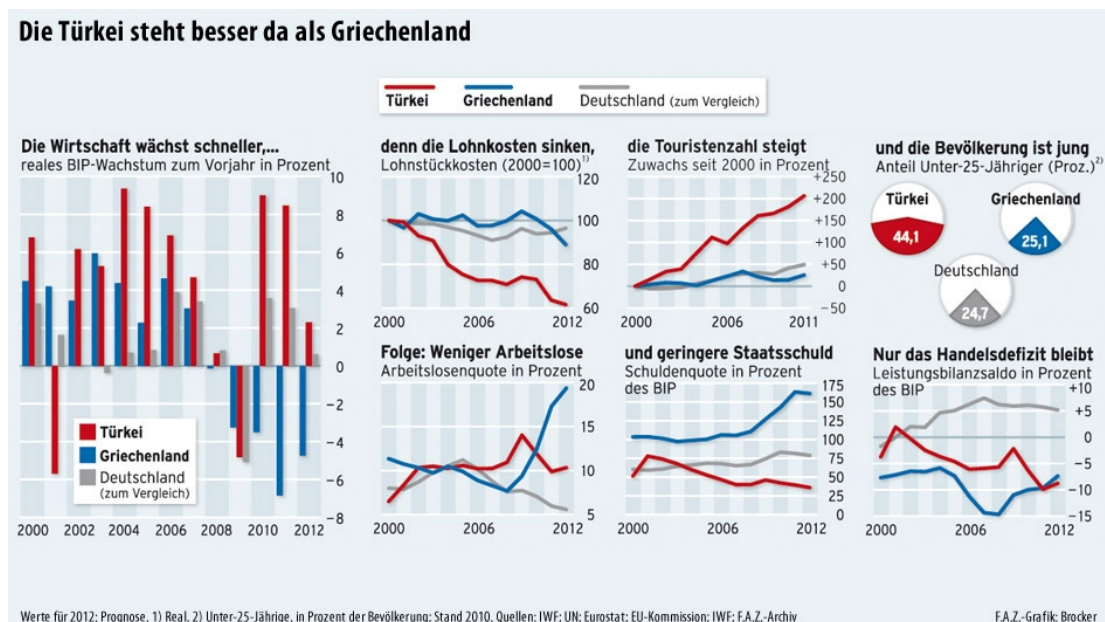


Fig.. 6: The Frankfurter Allgemeine Zeitung compared some key figures of Turkish and Greek economy: (1) The Economy grows faster at Turks – percentage of real GND growth, (2) because the cost of labour sinks – unit labours costs (2000 = 100%), and (3) the number of tourists increases – percentage of growth since 2000; (4) and the population is young – percentage U25. Consequences: (5) less jobless – percentage jobless quota, and (6) less state liabilities – GND percentage public debts. (7) Only the trade deficit remains. Frankfurter Allgemeine Zeitung 18. August 2012.

Bringing together both economies, would give a secure port for the Greek ship which by now is at rough seas and almost certainly going to sink.

Bringing Greece into the Turkish economy should be combined with a devaluation of interior prizes. The Economist Sinn calculates a need of -

31% to bring Greek unit labour costs to the Turkish level.¹⁵ Instead of changing 1.00 Greek EUR to 2.2951TRY as of 6 September 2012, 1.00 Greek EUR should be changed to 1.5836 TRY or so. All cash accounts belonging to Greeks at foreign banks would have to deduct 31% as an extraordinary tax; the same for items bought outside Greece like houses ecc. For money hidden abroad, the possibility should be offered to pay the extraordinary tax plus the normal taxation of the rest, and on such a declaration the state then would cancel criminal prosecution. All money invested in regular economic activity abroad and officially recorded, should be exempt. Foreigners buying houses and items other than industrial investments should be charged likewise for a couple of years till the markets have regained function. Taking away 31% from citizens sounds awful at the first moment but it only mirrors the rise – unrivaled in Europe – in wages of yearly 5% since 2003 parallel to the nominal doubling of the GDP (the minimum wage rose at 65% in the period 2002-2010). A reduction of wages within the Euro for the said 31% would kill the economy, Sinn added; therefore a clear hair-cut is hard but preferable to a complete outfall of the economy.

Devaluation alone does not perform miracles. Greece, where since Odysseus intelligence is regarded as a proper brand, has a crop of mere 24 European patents (0.11% of 21.000 in the Euro zone; with 2.2 patents per million inhabitants Greece holds place 16 of 17).¹⁶ The pursuit of happiness by one's own means has not worked within "The System" (Sowards), structural changes are unavoidable.

For qualifying the products, the producers must be qualified. A system of 0 international universities, 24 national universities in 36 cities and 45 technical colleges in 40 cities (around 500 departments have been opened 1999-2009 with the help of European money) which in the last years often opened the gate for a future without job, must be re-thought. The contempt for the blue-collar in the young generation poses severe problems. It seems to be easier to finish lyceum and go to university than to find a good vocational training; whereas the bottom of a sane economy is a sane vocational training system. The micro-structure of too many unaffiliated self-employees is within the commercial economy the parallel to the not enough productive public administration. Within five years the alignment shock should be settled, within ten years a sensible growth should be felt.

¹⁵ IFO-Institut Munich, 17 february 2012.

¹⁶ Heinsohn, Gunnar: *EURO-Nations with a future (green) correlate high with smart-fraction-IQ, and very high with patents per million inhabitants.* 2012.

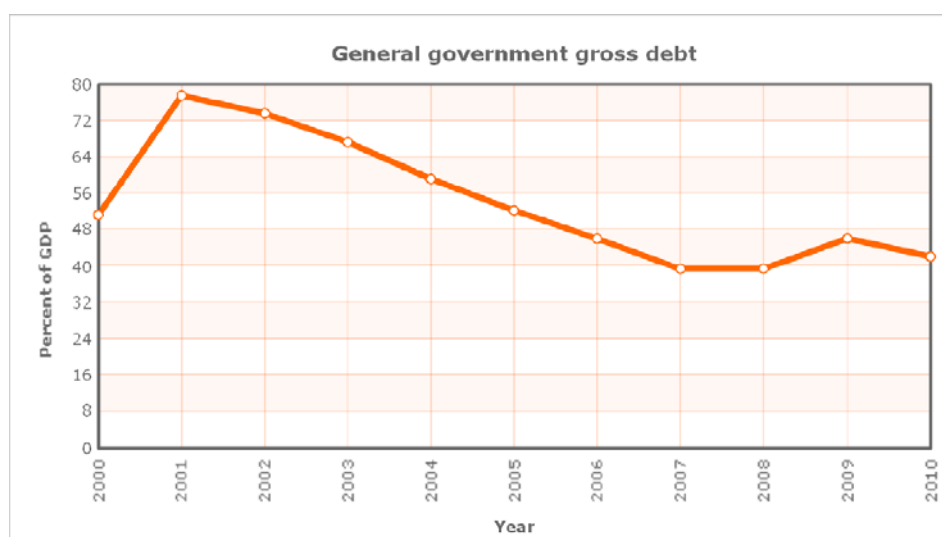


Fig.. 7: Turkish general government gross debt. Source: IMF, Washington.

If the Turkish Republic would accept the succession in title of the Hellenic Republic, it would have to discuss the fate of the Greek liabilities of 410.5 bn EUR. The problem of Greece was that it had to lend money from the markets which eventually lost confidence and penalized the Greek System with extra-ordinary rates of interest. This is not the problem of Turkey which even at the peak of the 2001 crisis stood well below 100% with it's debt, and now stands at 42% of GDP (2011 est), parallel to Sweden (40%) or Switzerland (38%) e.g.

At a GDP of 607.5 bn EUR (2012est) the debt is 255 bn EUR. Calculating the maximum of 60% according to the Copenhagen criteria, the maximum additional debt (for the now Turkish territory and its economy) would be 109 bn EUR.

1: Greece had accumulated private liabilities of 200 bn EUR by spring 2012. The March agreement eventually foresaw a haircut of 53.5% (107 bn EUR). This can neither juridically nor politically be annihilated despite certain efforts. 107 bn EUR are lost. [Subtotal old Greek debt 410.5 - 107 = 303.5 bn EUR as by 30 June 2012].

2: The other half (93 bn EUR) was dealt with by 30 bio. EFSF loans directly from Brussels plus 63 bn EUR in new Greek state papers. Interest rates start at 2%, increase slowly, and will after 2020 go to 4.3%. (Since these interest rates have been not as high as before with the old papers, the real hair-cut was not 53.5% but around 70%.) Given the situation at Greece with the illiquidity of the whole System at the end of 2012, there is a clear risk of a 100% black out. It would therefore be in the interest of private debtees, to change these risky Greek papers plus the EFSF loans into safe Turkish papers. Interest rates might stay as they are.

Such a step of Turkey would have a great positive impact on the reliability of the Aegean. One has to see very clear how extraordinary such a step would be since it would take over debts from a formerly third party, and would do so with respect to that part of its territorial economy which already now is Turkey. [Subtotal old Greek debt: 210.5 bn EUR].

3: An ultra-realistic view on the Hellenic economy would estimate it declines to a state not deeper than the level of the Turkish economy per capita. This would mean a valley of tears at 87 bn EUR GDP which is equivalent to a maximum debt capacity of 52 bn EUR (within the Copenhagen criterion of 60% GDP). A more optimistic scenario would see it shrink not more than the 31% of devaluation, reaching the bottom of the recession at 148 bn EUR. This scenario is rather probable, since in 2000 the GDP was 138.9 bn EUR and the productivity increase since that year has been almost zero. A GDP of 148 bn EUR would allow a Hellenic debt of 89 bn EUR.

Here again the Turkish government would have to take over the obligations. Since Ankara is outside the European Union, art. 123 European Treaty concerns only member states, therefore a bilateral agreement of repaying these 89 bn EUR within 30 years directly between Brussels and Ankara without the markets would be formally possible. At an interest rate of e.g. 1% this would mark an annuity of 3.4 bn EUR to be paid from taxes deriving from the normal economy of the Hellenic part of the Aegean. [Subtotal old Greek debt = 121.5 bn EUR].

4: Since the failing of the Greek state is a central danger to the European political and economical system, the EU member states should be most grateful to the Turkish Republic to take over this burden. The European Central Bank alone has loans of 50 bn EUR. All in all, the EU member states should declare pending the final 121.5 bn EUR and resign for the moment. Theoretically, there are state owned properties worth 240 bn EUR which could compensate; but the Acropolis is not a "real" estate, selling it is beyond the market's competences. Before not each square meter of the whole Aegean territory is marked in a cadastre, one can only speak about physical possession at Greece but not about legal ownership. And modern statehood starts with granting private ownership of property. The Aegean has an extremely long path yet to go. Till then, the said 240 bn EUR of state owned properties have only virtual value. This may change after some years; but for now it would be better to bunker the final 121.5 bn EUR in a sort of shadow budget at European Central Bank, and to wait.

Doing so, this is firstly much cheaper than the 500 bn EUR disaster which might arise from the Greek collapse. Secondly, Turkey is one of the most important partners of the European Union. One can be rather sure

that Turkey – since decades closely linked through the Customs Union with the European Union – will settle the Aegean problem and bring new economic life into the region. The profit of this will be of benefit to the rest of Europe, too.

Detecting hidden money on Swiss accounts and the like, or from the 31% extra tax mentioned above, should be used for reducing this part of the liabilities in the shadow budget.

5: Since the Aegean territory will no longer be part of the European Union, the yearly net contribution amounting to 4 bn EUR can't be paid anymore. It would be fair, to sign a special agreement with the Turkish Republic that for a ten years period this amount will continue to flow. But there should be the condition that it will be exclusively spent on the poorer half of the territory at a minimum distance of 50 km to Athens and of 30 km to the next nine biggest cities Thessaloniki, Patras, Iraklio, Larissa; Volos, Acharnes, Chania, Ioannina, Chalkida (see the Gini figure above and compare down the program Megalo Idea). 57% of the rural population is older than 55 years. The often bare mountains are further destroyed by five millions goats (a stake of 37.2% of the whole European Union goat's population) or by fires often occasioned by the carelessness of the "owners" of around 1 mio illegal weekend houses. A change is necessary in the periphery no less than in the bigger cities.

3 The Judicial Situation after the Divestiture of States.

All that has come into existence, will die. This law of nature is true not only for human beings, but also for what man creates, especially for his political creations like states. The rise and "Decline of the Roman Empire" (Edward Gibbon) is the most quoted example, a similar fate happened in 1917/18 to the Osman, the Romanoff, the Habsburgian and the Hohenzollern Empires giving way to a number of spin-off states. One of them declared it's non-concernment and didn't pay off the debts from the Zaristic era; the French government had to wait until 1997 when the Russian Federation finally settled the cause (remember the 1825/26 loans). Outside the socialist experiment to create The New Man, the other new states accepted the succession in title and developed mainly to secularized liberal democracies. So constant transformation is not only a law of economics, but creative destruction *vulgo* Schumpeter's gale is the bottom of politics. States can die, too.

Despite these facts, positive law pretends to be based on eternity and to last forever. Since the Westphalian Treaty of 1648, the idea of sovereignty prevailed – a state can do what it wants with his subjects and will not interfere into the matters of other states. There are only a very limited number of states to which another state will be suzerain like the Habsburgian Empire did and Switzerland is doing now for currency and foreign affairs of the Principality of Lichtenstein or the Ottoman Empire had been doing for the surrounding territories of limited self-rule. But the basic principle of the United Nations is that sovereignty is ruling inter-national relations which are mainly inter-state relations. Remember that international law or *jus gentium* does not know a central legislative agency as is the case within nation-states.

Recently the notion of the *jus gentium* has changed substantially. After a strongly contested procedure, on 16 September 2005 the UN General Assembly adopted the new legal position of a Responsibility to Protect (R2P): “138. Each individual State has the responsibility to protect its populations [...]. The international community should, as appropriate, encourage and help States to exercise this responsibility [...] “. Concludenter, sovereignty has limits: a state has as its first duty to protect against harms not only its citizens but all populations on its territory. The World Summit 2005 defined these harms as genocide, war crimes, ethnic cleansing and crimes against humanity, but the judicial consequences are much wider than the traditional *jus cogens* delivering the leaders of failing states’ to the International Criminal Court at The Hague. Understood to the full, the R2P principle means that a state is regarded as a trustee for human rights, and that it is only allowed to act as long as it is a guarantee against harms. Otherwise it could cease to exist and give space for a new situation.

Traditionally, military and diplomatic interventions by third parties will lead to a new distribution of internal powers. The right of self-determination is regarded as *jus cogens*, as recognized by the International Court of Justice in the East Timor case (*Portugal vs. Australia*) in 1995. But this remains mostly theoretical since the community of states tries to hinder the centrifugal falling apart of a state’s territory and the rising of new states – Russia’s fears in the Kosovo case, or China’s centripetal acting in Xinjiang are well known. For a re-merger of states it would be difficult to find examples. The point is: who is the subject of self determination?

What we are used to call a state, mostly is a nation state based on a linguistic coherence of a certain majority which will give its name to the territory and the public body. The need of such a fictitious entity (Anderson calls it an Imagined Community) arose in the French Revolutionary era with

its levée en masse. Somehow the general public had to be convinced that it would be sweet and glorious to die for the fatherland, a job up to then done by professionals acting on a king's order. Now, countries had to become de-secularized and to be gifted with para-religious pathos in order to make whole generations march to the front – the simplification of tragedies gave birth to slogans like Ελευθερία ή Θάνατος (Freedom or Death, 28 March 1821), or to the blessing of canons by virtually all confessions. When we look around we can see that the poison of ultra-nationalism isn't terminated at all.

Modern sociology paints a much more prosaic picture. It tries to analyze the advantages or disadvantages which a certain historical situation gives or gives not to the different actors within a given society. When someone wants to sell cars, he will study the different milieus and he will see that rich people will buy similar classy cars regardless of the nation they belong to; the same is true for the middle class or for farmers etc. – within each so-called nation we can observe similar attitudes in dependence from the milieu. Who wants to enjoy the advantages of a global scale economy has to go beyond nationalist slogans and to accept diversity.

Creating nations from linguistic diversity becomes absurd when two men drink coffee and the one orders Turkish café and the other Greek café, the first drinks Raki and the second Ouzo, which are essentially the same drinks from the same macro-regional tradition – and how to declare an ethnic conflict when Λουκουμάδε or Lokma are even etymologically identical? Ordinary people want to eat and to drink, to live and to work in peace, and to pursue their dream of happiness.

In 1821, the fights were carried on by the Kleptes who had nothing to loose and all to win; the Ottoman army was not able to gain prevalence against their guerrilla. The Constantinople phanariots on their part stepped immediately back from revolution – they had much to loose, being in a rather privileged situation and staying so more or less till 1923. Their self-determination was the wealth offered to them via the central functions of the court. So, in a modern perspective one should pay all respect possible to the linguistic and confessional self-determination as expressed in the fundamental rights of the Council of Europe (both, Greece and Turkey have joined in the foundation year 1949) but one should not necessarily blend this with the political, economical and judicial sphere.

Greece and Turks are military in the same sphere both being part of NATO. A merger is basically possible.

On both territories the same Business Right is applied, that of the European Union. A merger is basically possible.

On both territories, similar behaviour rules are observed; at least between the coast and the Istanbul region on the one hand, the mountains and inner regions of both countries on the other hand.

So, from a sociological, micro-economical, macro-economical or military point of view, a re-merger would be all in line with the right of self-determination of the ordinary people themselves.

Such a perspective leaves apart the interests and the privileges of the political class living most comfortably in “The System” in action since 1844. As we have learned above, “primary tax evading occupations are doctors, engineers, private tutors, accountants, financial service agents, and lawyers”, many of them pay higher interest to their bank than they officially declare as income. This leads to the question on what a nation is built upon. As a purely imagined community it does not exist in a physical sense (even laws are just paper as money is, if you do not believe in it). Any trust towards a nation is directly derived from the trust the members of this nation exercise towards the same. Böckenförde notes: “The liberal secularized state draws on resources, the existence of which it cannot guarantee. This is the great risk, which, for the sake of freedom was taken by the (nation-)state. On the one hand, as a liberal state, it can only exist as long as this very freedom, which he grants to its citizens, is regulated ‘from within’, i.e. from the moral substance of each individual and a certain homogeneity of society as a whole. On the other hand, it is unable to even attempt to guarantee such inner regulatory forces by itself, i.e. by way of strictly enforced legal mechanism and authoritative order, without giving up its liberal nature and –on a secular level – fall back into a totalitarian stage from which it led during the religiously motivated civil wars of earlier days.”¹⁷

Within almost two centuries, these inner regulatory forces have not been established within the Greek nation, so there are no resources upon which a liberal secularized state could be erected. Even a Troika can not unfold the necessary pressure to make the Greek work on the moral prerequisites of statehood. The class has made its choice – instead of a nation’s *Ελευθερία* they choose the *θάνατος* of Greek statehood.

What about the judicial situation after the divestiture of states? Well, the answer is very simple: there is no law governing such a rather unique situation. It depends on who goes in action and on the trust he commands within the community of states. A state’s power is not necessary military, the stronger power is the trust which makes others work in mutual interest.

¹⁷ Böckenförde, Ernst-Wolfgang (1991): *State, Society, and Liberty: Studies in Political Theory and Constitutional Law*. Berg, New York. Böckenförde, Ernst-Wolfgang: *Staat, Gesellschaft, Freiheit*, Frankfurt, 1976, p. 60.

4 Re-Incorporating the Aegean Territories into the Turkish Republic

4.1 The Orthodox Church

The Orthodox Church is probably the most important player, concerning the question: Who might convince the Greek population not only to accept a Turkish offer but even more while implementing the matter? From the Church's side, the symbolic point is to re-open Saint Peter's Gate at the Constantinople Patriarchate. The gate is closed since Easter Monday 1821 when the Sultan had the ethnarch of the Greek millet, Patriarch Gregory V (1746-1821), hanged, because he accused him not to have stopped the Greek insurrection.

In the Ottoman millet system, non-muslimic minorities were classified not by regions, ethnicity or professions but by their confessions, and granted the right of self-administration within the legal bodies of their millet. The Christians following the Chalcedon rules, be them Greeks, Slavs or Georgians, were headed by the Ecumenical Patriarch living up to now in the Constantinople quarter of Phanar; the non-Chalcedon Christians were headed by the Armenian Patriarch residing at Constantinople, too. The Ecumenical Patriarch was appointed by the Sultan and had the rank of a pasha with three horse-tails equivalent to a field-marshal (only the Sultan had four horse-tails) whereas Muslim clergy never bore the title of Pasha. In the Lausanne treaty of 1923, the Turkish state acknowledged two minorities: the Orthodox and the Jews. But after the expulsion of most Orthodox, and after the Istanbul riots 1955, there are only some thousands believers left within the Ecumenical Patriarch's proper diocese, and his theological faculties are closed since decades. It is a church in ruins. Officially he is the head of Orthodox Christianity with around 300 million believers, but his claim has the background of a very poor situation. Recently there is severe progress in the relations between the Turkish government and the patriarch which now might be used for the project of a merging of the two nations. After all, Bartholomew I is the spiritual leader of 97% of the Greek population. A melting of the two republics would allow to bring the church back to the unity which it had until 1833.

Within the Hellenic Republic, the structure of Orthodox Church is heterogeneous. Nevertheless, it is both cultural-politically and economically one of the central players. It is part of the state itself, mentioned at Art. 3 of the Greek Constitution as the counterpart to the government structures which does not fit in any respect to the state definition of the other Euro-

pean Union members nor to the Turkish state structures.¹⁸ Its fortunes are estimated at “more than 500 monasteries, 7,945 parishes, 130,000 hectares of land and 1.5pc stake in the Bank of Greece – worth €7bn to €15bn”.¹⁹



Fig. 8: Structure of the four Greek Orthodox Church structures: the Constantinople Ecumenical Patriarchate (marked lilac), the Archbishop of Athens as primus inter pares of the Holy Synod (marked blue), the Cretan Church (marked grey) and the several Monks Republics of Mountain Athos (marked red).

The autokephalos Greek Orthodox Church controls only part of the Greek territory. It was founded in 1833 by Otto I shortly after his enthronement. He could do so only within the borders of his kingdom. It was acknowl-

18 THE CONSTITUTION OF GREECE. In the name of the Holy and Consubstantial and Indivisible Trinity. P A R T O N E: Basic Provisions.

SECTION I: The Form of Government, Article 1 and 2 [...]

SECTION II: Relations of Church and State, Article 3

1. The prevailing religion in Greece is that of the Eastern Orthodox Church of Christ. The Orthodox Church of Greece, acknowledging our Lord Jesus Christ as its head, is inseparably united in doctrine with the Great Church of Christ in Constantinople and with every other Church of Christ of the same doctrine, observing unwaveringly, as they do, the holy apostolic and synodal canons and sacred traditions. It is autocephalous and is administered by the Holy Synod of serving Bishops and the Permanent Holy Synod originating thereof and assembled as specified by the Statutory Charter of the Church in compliance with the provisions of the Patriarchal Tome of June 29, 1850 and the Synodal Act of September 4, 1928.

2. The ecclesiastical regime existing in certain districts of the State shall not be deemed contrary to the provisions of the preceding paragraph.

3. The text of the Holy Scripture shall be maintained unaltered. Official translation of the text into any other form of language, without prior sanction by the Autocephalous Church of Greece and the Great Church of Christ in Constantinople, is prohibited.

19 Malone, Jasmin: *Cash-strapped Greece turns to God for help. As with any disaster, humans regularly turn to God for help and it seems the Greek government is no different.* Financial Times 12 Oct 2011.

edged by the Constantinople ecumenical patriarchate in 1850. In 1881, Ottomans had been forced by Western powers to concede Thessaly which became part of the Greek Orthodox Church, too. But with this enlargement (in the diagram marked blue; called Old Lands) ended the territorial development of the *Εκκλησία της Ελλάδος* which stands under the *de iure* primacy of the Athens metropolit and the *de lege* primacy of the Holy Synod of the Church of Greece, the congegration of the 43 (+34) bishops with metropolitan status.

In 1898, Crete became an autonomous state under Ottoman suzerainty. The much belonged *Ένωσις* (union with Greece) was realized *de facto* 1908; formally the political Crete was incorporated in 1913. But up to this day, the Church of Crete, which was founded in 1893 (in the diagram marked grey) is a semi-autonomous body under the jurisdiction of the Ecumenical Patriarchate of Constantinople. It is not part of the Holy Synod.

In 1913, the Ottoman Empire had to cede what the Church now, a hundred years later, still calls the New Lands comprising Macedonia, Epirus, Thrakia (in the diagram the north-west part of what is marked violet). They make up 34 metropolits of the Holy Synod metropolits, but nominally and spiritually they are under the jurisdiction of the Ecumenical Patriarchate of Constantinople (in 2004, the Archbishop of Athens tried to claim the right of choosing the bishops, and therefore was deposed for a while by the Patriarch).

The several monk republics of Mount Athos, the Diocese of the Dodecanes (given from Italy to Greece in 1947) and the Exarchat Patriarchal Patmos are governed by the Constantinople Patriarchat, too.

After independence 1830, the properties having been owned by Muslim religious officials were given to the Orthodox Church and added to the former Christian ones. This let's one understand the church's vast wealth and – via its fortunes – the role it plays in politics.

Within a secular Republic, as the Turkish example shows, it is not a formal problem to pay priests through the state. The amount of 265 mio EUR a year given to the around 10.000 popes and their bishops by the Greek state (0.1% of GDP), is not really much when the role of the clergy for the social peace of a society even in the smallest communities is regarded in an objective way, beyond any secularistic rage.

The essence of Christianity is charity with the weak, one of the pillars of Islam, too. As it seems, in early Byzantine times there had been an Imperial vice-governor for each region who had to care for the weak. “Look after” in ancient Greek is *epi-skopein*, hence the name *Episkopos*, which is now understood as bishop. Actually the church never stopped its charity tradi-

tion. Giving assistance for the poor is a public duty which not necessarily needs to be done by the state itself. Like in the millet times, the state could charge the Orthodox Church to care for the poor. In such a perspective, taking the church out from the state, transforming it to an autonomous public right foundation with clear management rules, paying the clergy from tax money as it happens now, and spending the properties' earnings for the assistance to the poor, all this would not diminish but even strengthen the role of the Church for society.

With the offer of such a clear settlement of rights and duties, the clergy might become in favour of the Turkish-Greek union. The fate of Orthodoxy in a chaotic destabilization of order can't be better than a healing of wounds remembered as integral part of Church identity since 1821. It was a Bishop who on March 28th, 1821, coined the phrase "Freedom or Death" which both are celebrated every year. It could now be Bartholomew who might coin the words "Liberty and Life", together with the Aegean sisters and brothers. The Turkish constitution wouldn't create any problem in giving an important role to the Orthodox Church,²⁰ it would be wise to invite the Jewish communities to accept a similar role.

4.2 Military

The Greek military is probably an equally important player, concerning the question: Who might convince the Greek population not to let the country fall in ashes but to accept a Turkish offer?

²⁰ Turkey Constitution, adopted in: 1982, Last Amendment: 10 May 2007, University of Bern.

Article 24 Freedom of Religion and Conscience

(1) Everyone has the right to freedom of conscience, religious belief and conviction.

(2) Acts of worship, religious services, and ceremonies shall be conducted freely, provided that they do not violate the provisions of Article 14.

(3) No one shall be compelled to worship, or to participate in religious ceremonies and rites, to reveal religious beliefs and convictions, or be blamed or accused because of his religious beliefs and convictions.

(4) Education and instruction in religion and ethics shall be conducted under state supervision and control. Instruction in religious culture and moral education shall be compulsory in the curricula of primary and secondary schools. Other religious education and instruction shall be subject to the individual's own desire, and in the case of minors, to the request of their legal representatives.

(5) No one shall be allowed to exploit or abuse religion or religious feelings, or things held sacred by religion, in any manner whatsoever, for the purpose of personal or political influence, or for even partially basing the fundamental, social, economic, political, and legal order of the state on religious tenets.

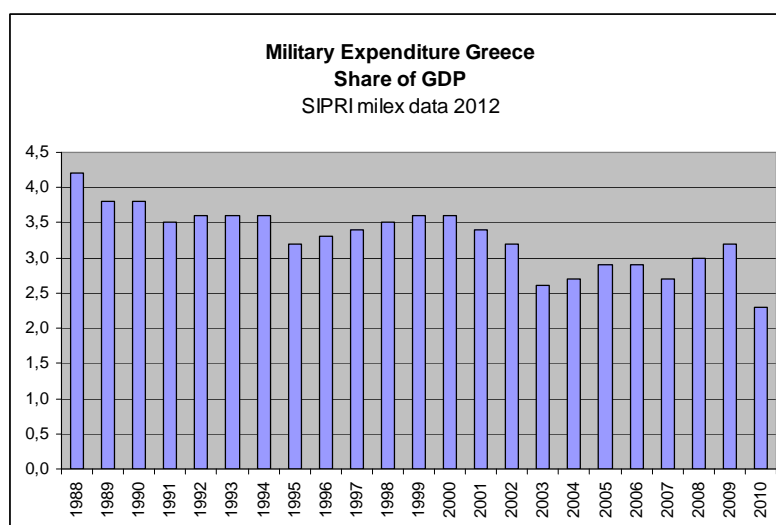


Fig. 9: Military Expenditure Greece, Share of GDP (percent). SIPRI milex data 2012.
Own graphics.

Greek military is a sort of state within the state, with an abnormous share of 3.28% of GDP in the period 1988-2010 and a total expenditure of 98.107 bn EUR in these 23 years.²¹ “The Guardian said if Greece had spent the EU average of 1.7% over the last 20 years, it would have saved a total of 52% of its GDP – meaning, instead of being completely bankrupt it would be among the more typical countries struggling with the recession. Turkey has on several occasions proposed a mutual reduction in arms spending, something Greece has repeatedly refused to agree to although relations between the countries have markedly improved over the past few years and Greece supports Turkey’s entry into the EU.”²²

21 Data after SIPRI Military Expenditure Database, Stockholm 2012.

22 Dabilis, Andy: *Despite Economic Crisis, Greece Is EU’s Biggest Arms Buyer*. Greekreporter March 22, 2012: “The Guardian newspaper in England reported that in 2006, as the financial crisis was looming, Greece was the third biggest arms importer after China and India [...] although, apart from occasional mock dogfights with Turkish fighter jets, Greece faces no potential for war with any country. The Guardian said if Greece had spent the EU average of 1.7% over the last 20 years, it would have saved a total of 52% of its GDP – meaning instead of being completely bankrupt it would be among the more typical countries struggling with the recession. Turkey has on several occasions proposed a mutual reduction in arms spending, something Greece has repeatedly refused to agree to although relations between the countries have markedly improved over the past few years and Greece supports Turkey’s entry into the EU. Greece has also said it needs to defend its borders against growing unlawful immigration, but clearly it doesn’t need tanks, fighter jets and submarines to do so. The Guardian said that one reason for Greece’s continued spending on weapons is pressure from Germany and France. Greece buys 15 percent of all the weapons made by Germany. Greece is surviving on a first bailout of \$152 billion from the Troika of the European Union-International Monetary Fund-European Central Bank (EU-IMF-ECB), and a second just approved bailout of \$172 billion. When the first was being negotiated, Greece was spending 7.1 billion euros, or \$9.38 billion, on its military, including \$1.32 billion on weapons from French and German companies, such as 223 howitzers from German manufacturers.”

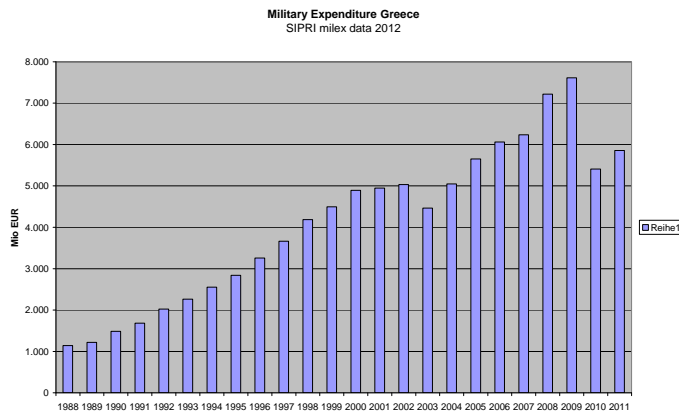


Fig.. 10: Military Expenditure Greece (m EUR). SIPRI milex data 2012. Own graphics.

Per capita, 1988-2011 Greece has spent 3.12 more than Turkey, partly because of higher EURO-wages, partly because of its excessive buyings, mostly because of a malign combination of national phobia against the Ottoman/Turkish and the weakness of the political class.

At a merger of the two NATO countries, the great risk for Europe to loose it's much needed geostrategical flank would be healed.

Turkey might drastically reduce the import of weapons since both have almost identical furnishers and for quite some time Turkey could use the Greek stocks. This together with the fact that the Aegean arms race would disappear, would lead to important (relative) savings which in turn would allow to incorporate the Greek military at the full into the Turkish army apart from the wages now paid in Lira. NATO would be stronger than it is now.

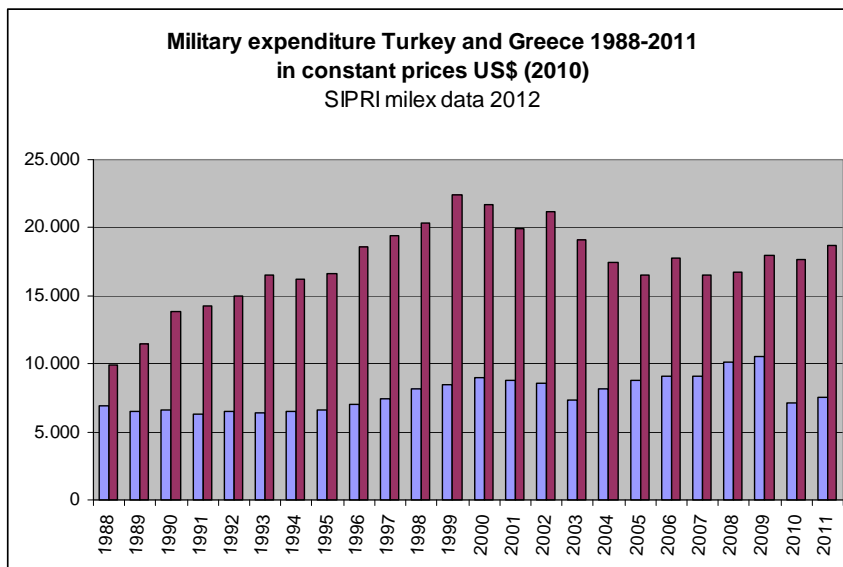


Fig.. 11: Military expenditure Turkey and Greece 1988-2011 in constant prices US\$ (2010). SIPRI milex data 2012. SIPRI milex data 2012. Own graphics.

4.3 Federalization – Re-shaping the poleis and the regions

A Revolution has happened at Greece in January 2011 without that the world took much notice upon – for the first time in modern Greek history, centralisation was contrasted by a strong program of decentralisation. Instead of 54 departments, installed by central government very much like to the old French system of départements, now there are 13 regions. Together with the 325 communes (municipalities) they form the third actor which might actively be able to support the Re-Incorporation of the Aegean Territories into the Turkish Republic.

Steering the regions is done by an entire new class of politicians. With the one exception of the Peloponnese, being elected was so unattractive for the political class that only women and men from the second row came into office. The regions' and municipalities' share in administration costs is 4.67 bn EUR every cent well worth.

Since the incorporation of the Hellenic territories into the Turkish Republic must be based on local autonomy (regardless which ethnicity is living in the borough), the poleis and the regions should be developed to strong bodies and examples of good governance. All regions have immediately withdrawn the central governments planning for their respective region, they are right now protesting sharply against the cutting schemes in the saving packet.

The Alto Adige Region in Northern Italy is a perfect example of giving an 80% tax autonomy to an extremely poor landscape which within a few decennia grew to one of the richest of the country. Leaving the municipalities and regions with their tax policy, would give an excellent light to the modesty by which the Turkish state is treating its new citizens.

On the other hand has to be analyzed profoundly: What could be the function left to a parliament at Athens or Nauplia? Wouldn't it be better to bring together all 325 mayors and the 13 region presidents as a legislative chamber? So for the first time in modern Greek history, all parts of the country would be assembled without the Attic preponderance.

At the Ankara Parliament, a fixed share according to the population share should be reserved for Greek members of the parliament (out of 85.5 mio inhabitants by 31 December 2011 there would be a share of 12.6%).

For the huge ministerial apparatus at Athens there would be no need any more. Local things can be decided there; currency, military, foreign affairs are a matter of the state aiming to develop within one generation the country to a new standard of security, peace and wealth. The same share as in Parliament should be reserved to Turkey state officials from Greek origin.

This, too, would make it clear that the issue is a fair one treating all on the base of Art. 10 of the Turkish Constitution.

It would be wise by the Turkish government to settle the merger with the help of a neutral party which is neither part of the Euro-zone nor linked by military interests to the region. Switzerland might offer its “good services” having several centuries experience with a multilingual state organization. Such a neutral party would make the consent of Greek, Turkish and European Union citizens easier.

4.4 Μεγάλη Ιδέα– A Young Professionals’ Program

Statistically, 53% of the Greek youth are without a regular job. Such a figure underestimates the informal network of families and neighbourhoods and grey parts of the underground economy, but nevertheless the figure is extreme. Turkey should work out a program aiming to make the young academics and non-academics friends of the state fusion.

Nowadays the ethnic chart of Turkey is an a-historical one. Similar to modern true Global Cities like New York or London, quite a number of confessions and languages were gathered in Ottoman cities. Trapezunt and the rest of the Black Sea shores had a strong Greek population, Izmir and the Mediterranean Levante shores till Iskenderun the like. To bring all the places where Greek was spoken together was the great dream of the so-called Great Idea (*Μεγάλη Ιδέα*, *Megali Idea*). But already at the very first moment, when Alexander Ypsilantis thought that Rumanian peasants would fight against the Ottoman yoke, the Greeks have been misled – in the spring of 1821 the Wallachians did really fight, but against the Greeks and not against the Sultan. With the Lausanne contract of 1923, a new chapter of international law was opened – it became legal to expulse people from where their ancestors had been living for thousand years and more. So both states have tried to become mono-ethnic as one can see in the respective constitution.

Turkey is now in a situation of huge efforts not only to boost Istanbul and its facilities as the new Economic Centre but also to develop the Eastern and South Eastern parts of Anatolia economically quite behind the Western parts. Since the state can never do all alone as the history of federalist economy teaches clearly, the Turkish state needs allies.

Why not to invite the Young Greek Professionals to settle outside the now Hellenic territories in the regions of their ancestors? Why not develop a program of sustaining them under two conditions: (1) taking for seven years their personal plus working residence in a city of their choice, (2) re-

ceiving a seven years grant which depends on the size of the city – no money at all in cities with more than 500.000 inhabitants, full money in a distance of more than 50 km to the next metropolitan city. Such a program would bring benefit throughout the Turkish territory especially to the neglected peripheries²³ and help to modernize Turkey outside Istanbul, Ankara, Izmir, Bursa, Adana, Gaziantep and Konya. Since the economic class of Greece is very well cross-linked in the international economy, such an investment in people would re-establish that international network which for centuries had been the brand-label of the Ottoman Empire and which now works very good at the seven metropolitan cities of Turkey but not yet enough at the peripheries.

The name of the programm might be Μεγάλη Ιδέα.

4.5 The economical elites

As the ferry system or the express bus system operated by the ferry owners as well shows, efficiency can be found at Greece even now. Since antic times, Greek ships formed one of the leading flotillas. Quite a number of Greek entrepreneurs are linked with the Turkish economy. They are the ones who have to loose most in the case of a complete breakdown of Greek statehood. What they would need would be a clear offer from the Turkish side. Once this is settled, it would be up to them to steer the public discussion in Greece and not to leave it to the political class.

4.6 Fostering Greek Culture

At its core Hellenism is neither an economical nor a political phenomenon but a cultural one.

Transforming an entity, seven generations of men have sacrificed life and money for, is at first hand unthinkable. The manoeuvre can only result luckily when the three spheres of Law, Economy and Culture are treated separately without humiliating the Hellenic honor. Fostering the Orthodox Church and bringing it's center back to Phanar, is one of the more symbolic than costly acts to be undertaken. Offering a solid Law system on the base of the Council of Europe's human rights goes without saying as one of the prerequisites of the merger. Encapsulating the Aegean into a prospering economy offers a certain perspective of wealth and social peace sharply

²³ Cf. Vogt, Matthias Theodor: *Ubi Leones / Wo nichts als Löwen hausen. Zu Begriff und Problem der Peripherizität*. In: Matthias Theodor Vogt, Beata Mikolajczyk, Jan Sokol (ed): *Peripherie in der Mitte Europas*. Frankfurt 2009. pp 9-50.

contrasting with the inevitable chaos to which the Hellenic System the country will bring soon. But Man lives from more than bread; his dreams are equally important. And the Hellenic dream which has been taught for seven generations at school was that of a nation of free men (scarcely women) in an own state. It needs a strong re-compensation.

Greek language necessarily should be added as a national language in the constitution of the New Turkish Republic. Otherwise, it would not be a serious invitation.

Greek literature has an extraordinary number of Nobel Prize winners. Nobody would be harmed, when at Turkish schools, their poems would be read, as Turkish literature might be taught on the other side of the Aegean. Re-reconciliation starts at schools and in television, the school books have to be re-written on both sides, TV-programms have to give attention to the respectively other. Fostering translations of Greek modern and contemporary literature to other languages like the Chinese market, would have a similar positive touch. Bringing Greek musicians, theatre people and fine artists on tour at Istanbul and in Anatolia, explicitly charging them with the task of re-reconciliation, would give them a most honorific duty very different from their nowadays existence in a squeezed system.

But the Greek Pride needs more. It must be a project greater than its pain. One might remember that Orthodox Church has as its emblem the Byzantine emperor's eagle. One might remember that the Hellenic flag has been adopted from a Primates family claiming direct descent from the Emperor Nikephoros II Phokas. The Greek court was in reality an international one; as early as 972 the court sent the porphyrogeneta Theophanu to Rome, an Armenian princess (who eventually became the most important German empress for centuries). So, the remembrance of the Byzantine times and the glory of it is in a way even dearer to Greeks than their 19th century – Byzantium is the centre of the *Μεγάλη Ιδέα*. Again, it would mean no harm for any Turk when the Renewed Republic might foster the memory of Byzantium–Constantinople, starting with the name of the city Istanbul which is not Turkish at all, *εις την πόλιν* means “into the town”. To bring back these memories would open a new field of dreams, would satisfy the orthodox clergy, and would renew the interest of the world to that fascinating city at the Bosphorus which for a long time had been the most important town of Europe.

Turkey helping her Aegaeon sisters and brothers by re-renewing the peaceful co-existence of the Hellenic and the Turkish language will grow even more important than it is now.