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A chance to learn from Greece

BRUSSELS

A SOCIALIST Greek premier has just done what others in Europe have conspicuously not done. To wit, he has faced down an assortment of union oppositionists, farmers, civil servants and seamen by doing nothing. When the barricades went up and the business of public blackmail by these groups began, Greece's Prime Minister Costas Simitis declared that he would go home rather than cave in. He is now free to do so.

For nearly four weeks, the farmers blocked roads and held back food supplies as they demanded lower gasoline prices, tax breaks on farm equipment, subsidies for their crops and a writedown of their debts to a state-owned agricultural bank — at a cost to one of Europe's poorest countries of $4-billion (U.S.). In the event, they did not get it. And Mr. Simitis went on to secure another victory when parliament approved a tough budget designed to move Greece a few steps closer to participation in Europe's single currency.

Mr. Simitis calls it a disgrace that his country lags the European Union in nearly every measure of well being. Thanks to him, however, its government does not lack for decisiveness — something that can't be said of such heavyweights as France's Jacques Chirac when dealing with truck drivers or Germany's Helmut Kohl when dealing with the limiting of sick-pay benefits.

At the end of one year and the start of another, it is possible to identify a

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In Europe

dormant or not-so-dormant "social" crisis that could bring people into the streets at any time in a number of Europe's capital cities.

Mr. Simitis knows he has won only a temporary truce; the strikers will be back. Much the same is true in Paris, Bonn, Madrid, Brussels and Rome, while in London, the crisis of John Major's brand of Toryism is going to be put to the supreme test of an early election. For their part, governments whether of the right or left contend that they must slog away at unpopular tasks, such as welfare-state reduction, and follow the formulas laid down in Europe's single-currency arrangement because, ultimately, it is for the best. On the other side, opposition coalesces not only around the public sector but also around a middle class that feels overburdened by high taxes and despairs of the economy's ability to work as it once did to create prosperity and jobs. The middle class may not march. But their anger and dismay registers in every opinion poll.

A simplistic solution to Europe's many crises would appear to be some kind of Thatcherism. Certainly, this is what is appealing about Mr. Simitis in Greece; he stood firm and defeated those whom previous Greek governments had turned into a privileged class.

The complication is that nowhere in Europe is there a consensus for firm action, as there was when Margaret Thatcher tackled union power in Britain in the 1980s. Worse, there is a laying off of responsibility onto a supranational Europe. It is decrees and deadlines, laid down in Maastricht and Florence and Dublin, that require us to be tough, the politicians say. So weak is the argument that oppositionists are encouraged to keep up their challenge. The crises continue and the argument for a reworking of policy in the national interest goes unheard.

For a time, in North America, the North American free-trade agreement was the proxy for a public debate about other things. It is a needed instrument for us to go global and compete, the politicians said. It will destroy our identity and damage our economy, critics said.

NAFTA, however, never conjured up half the demons that a federal Europe does. It is not just that certain people dislike the idea and are properly Euro-skeptical, it is also that Europe can be used as a weapon to resist change. While London rails against the bureaucratic power of Brussels, Paris and Bonn want a Europe that stops other countries gaining an unfair advantage by having fewer regulatory and social burdens or lower taxes imposed on their populations and their business community. Mr. Chirac and Mr. Kohl and others can, moreover, convince themselves that their economies lack only a single market or a single currency to make them work better. When that goal is achieved, Europe will prosper.

Recently, the argument has been taken a stage further. Mr. Chirac, for one, seems to fear a world given over to disorder and chaos as a result of the triumph of Anglo-Saxon free-marketism over the civilized "social" model practiced on the continent of Europe.

Put like this, there may be little to choose between the proponents of change and its antagonists. Some political leaders in Europe want Europe to maintain their status quo, just as public sector strikers and farmers want government to protect them by maintaining a local status quo. More dangerous still, Europe provides an excuse for not tackling problems in the same way Canada or the United States tackles them. When the efficiencies of a single currency come along, inflexible labour markets and unfunded pension liabilities and overblown state bureaucracies and the world's highest marginal tax rates will not matter so much. The "social" model can be accommodated. Time, and the process of European integration, will do the healing. Or so the argument goes.

Needless to say, it is wrong. Mr. Simitis of Greece gives proof of both the need for, and the lack of a substitute for, national political leadership.