SUMMARY

Topic: «The research on key causes of the contemporary political crisis in Greece»

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The importance of the research: The economic crisis and the threat of default have had significant repercussions on the Greek political system. In the current socioeconomic context Greek politics revolve around the dilemma “memorandum or default” advanced by the government. Irrespective of the manner one reacts to the above dilemma, the point is that by focusing on the management of the crisis one misses the fact that we are also confronted with a political crisis with unforeseen effects. The parties do not generate a discussion about the future development of Greek society and politics. The lack of a serious debate as well as the lack of a confrontation of ideas and political projects reveals a crisis of the political level and reflects a deep depoliticisation. The combination of the economic and political crisis creates an explosive mixture and provides fertile ground for the well-known aphorism that all parties and politicians are the same. The legitimacy of the political system is seriously challenged as a significant part of the population identifies a democratic deficit in the management of the crisis and is confronted with a very bleak and worrying image for the future.

Goal of the paper to conduct a comprehensive analysis of the causes of the current crisis in Greece, as well as the study of its impact on the integration process in the European Union and the consideration of possible scenarios of development of political and economic processes in a united Europe.

Tasks of the paper:

– to scrutinize the nature, function, and structural elements of the modern state;
- to analyze the scientific approaches on the role of the state in the modern economy;
- to study the key causes of the crisis in Greece;
- to consider the impact of the crisis in Greece on the development of European integration.

**Scientific novelty:** The author systematically analyzes the key causes of the Greek crisis, compares the weak and strong points within analytical perspectives on the issue and works out a new theoretical framework for the understanding of the contemporary crisis in Greece.

Also the author studies possible scenarios of the future development of the European Union.

**Structure:** The paper consists of two chapters and four paragraphs, the introduction, conclusion, literature list and appendixes.

**Summary:** The reasons for the Greek crisis are not only economic but also social and political. In the last few decades employment in the public sector grew excessively, for economic but also clientelistic reasons. The strategic advantage of the Greek economy in sustainable agriculture and tourism was damaged through bad investments into mass tourism and unsustainable farming including the misuse of EU funds. Key reasons for the high indebtedness of the Greek state were the excessive increase of government expenditure caused by bad economic policy, corrupted and inefficient tax authorities, widespread tax evasion as well as crisis related costs.

Given the Greek crisis, Europe is looking at three paths:

- The first and most traumatic is a disorderly collapse of the Eurozone, starting in Greece but spreading to Spain and Italy;
- The second course is that Europe muddles through while continuing to grope toward banking and fiscal integration;
The third course would see a daring leap toward much closer integration: the "economic convergence" promised by Maastricht but never realized as governments allowed debt to rise and failed to liberalize their labor markets, supervise their banks or harmonize their tax systems.