

## Crisis and stabilization in Southern Europe during the 1970s: Western strategy, European instruments

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During the early 1970s the European Community was characterised by some relevant developments. The Hague summit conference, held in December 1969, marked a renewed “re-launching of Europe” that concurred in changing some of the European construction’s previous patterns. The enlargement led to the end of the so-called “Europe of the Six”, or “petite Europe”, a fairly homogeneous group that for about twenty years had been the standardbearer of the integration process, based on the functionalist approach. The “completion” favoured the creation of a unified Community budget that became autonomous from the member states’ decisions. The “deepening” led to the creation of series of new European policies: from the monetary policy to a renewed social policy, from the regional policy to the environmental one.<sup>1</sup> Moreover, although it was not a Community policy, but an intergovernmental one, the “nine” tried also to launch a common foreign policy through the European Political Cooperation (EPC).<sup>2</sup> If till the late 1960s the European integration had been mainly successful in the economic dimension, the member states, owing to the process inaugurated on the occasion of the Hague summit conference, aimed at imposing the European Community as a relevant international actor with a definite “identity”. To that end at the Paris summit in October 1972 the “nine” pointed out that social progress was a main goal for the Community, as important as economic development. One year later, in December 1973 at the Copenhagen summit the “nine” issued an official declaration in which it was stated their intention to create a European “political identity”.

Such ambitious policies were the consequences of some relevant changes that were characterising on one hand Western Europe’s economic, political and social balance, on the other hand the wider international arena. As far as the Western European internal context, the period between the late 1960s and the early 1970s was characterised by a turn to the left. In this connection the coming to power in 1969 of the Social Democrats in the German Federal Republic was a major event; moreover the Western European society was largely influenced by the 1968 “social revolution”: traditional Western values, on which the early European construction had been based, lost most of their appealing, especially among the younger

1. See the special issue of the *Journal of European Integration History*, 2(2003), edited by Jan van der Harst, J. VAN DER HARST (ed.), *Beyond the Custom Union: the European Community Quest for Deepening, Widening and Completion, 1969-1975*, Bruylant/LGDJ/Nomos, Bruxelles/Paris/Baden-Baden, 2007; M.E. GUASCONI, *L'Europa tra continuità e cambiamento. Il vertice dell'Aja del 1969 e il rilancio della costruzione europea*, Polistampa, Florence, 2004.
2. See the recent contribution by D. MOECKLI, *European Foreign Policy during the Cold War Heath, Brandt, Pompidou and the Dream of Political Unity*, I.B. Tauris, London/New York, 2009.

generations.<sup>3</sup> In the international arena the American model that had been successful during the previous decades and a point of reference for the European integration was severely tarnished by the Vietnam war and the Watergate scandal, while the transatlantic relationship was damaged by political misunderstandings and economic rivalries: from the end of the Bretton Woods system in summer 1971 to the blunder of Henry Kissinger's "year of Europe" to the differences of opinion on how to face the first oil shock and the emergence of a more assertive third world. The attempt at creating an early European monetary system, the setting up of the EPC, the ambitions at launching a dialogue between the European Community and the Arab world were the most obvious consequences of those international developments, that were largely influenced by a changing mood in Western European public opinions.<sup>4</sup>

For a long time historical contributions on the European construction have pointed out that the development of a European "foreign policy", mainly through the EPC, was doomed to failure, but more recent thoughtful studies have offered a by far different interpretation. On the basis of thorough archival research it has been argued that the EPC achieved important results in the context of the conference on security and cooperation in Europe and the Helsinki agreements, signed in 1975, were mainly the outcome of the diplomatic skill and efforts deployed by the Community member states.<sup>5</sup> Moreover between 1974 and 1975, mainly through economic instruments, the "nine" launched a different policy towards the third world, whose climax was the Lomé agreements.<sup>6</sup> Although there was no intention to break the traditional transatlantic bond such European initiatives mirrored on one hand the fears and suspicions nurtured by most Western European leaderships towards both the policies pursued by Richard Nixon's "imperial" presidency and Kissinger's plans for a bi-polar international system; on the other their ambitions at imposing the "nine" as an autonomous international actor.

Such an aspiration by the "nine" at playing an independent role in the international arena appeared to come to an end in the mid-1970s. The process that had been started with the Hague summit conference seemed to lose its driving force. Some European initiatives, such as the "snake", ended in failure. Some new policies had to confront the constraints imposed by the severe economic crisis.<sup>7</sup> Last

3. On the relevant phenomena that changed the characters of the Western world, especially Europe, during the 1970s see A. VARSORI (ed.), *Alle origini del presente. L'Europa occidentale nella crisi degli anni Settanta*, Angeli, Milan, 2007. For a wider analysis see P. CHASSAIGNE, *Les années 1970. Fin d'un monde et origine de notre modernité*, Armand Colin, Paris, 2008.

4. See the works quoted in the previous footnotes.

5. A. ROMANO, *From Détente in Europe to European Détente. How the West shaped the Helsinki CSCE*, PIE/Peter Lang, Bruxelles/Bern, 2009.

6. M.-T. BITSCH, G. BOSSUAT (eds.), *L'Europe unie et l'Afrique. De l'idée d'Eurafrrique à la Convention de Lomé I*, Bruylant/LGDJ/Nomos, Bruxelles/Paris/Baden-Baden, 2005; moreover see G. GARAVINI, *Dopo gli imperi. L'integrazione europea nello scontro Nord-Sud*, Le Monnier, Florence, 2009.

7. This appears to be the interpretation by D. MOECKLI, op.cit., pp.249 f.

but not least, in 1974 the European leaders who had been the main actors of such a different “relaunching of Europe” during the early 1970s disappeared from the political scene: in West Germany Willy Brandt was compelled to resign and Helmut Schmidt became chancellor; in France Georges Pompidou died and the presidential elections saw the victory of the Liberal Valéry Giscard d’Estaing, and in Britain the Tories lost the elections and Harold Wilson came back to Downing Street, although in 1976 James Callaghan took his place. Those leaders appeared to be less interested in furthering the integration process. Actually, if attempts at deepening supranational integration lost ground, such changes did not mean the end of the aspiration by the major countries of the EC to play a significant role in the international arena, although a different approach was developed and new policies were pursued, that, however, did not ignore the European Community. The crises in Southern Europe represent a test case that appears to confirm such an interpretation.

In April 1974 the Carnation revolution in Portugal opened a period of political uncertainty and economic and social turmoil that spread to most of Southern Europe, although in different ways and with different motivations. Complete stabilization was achieved only by the late 1970s/early 1980s. The attitude of the European Community, better of its major member states, demonstrated that Western Europe had not lost its ambition at pursuing an effective foreign policy and, although direct Community initiatives were not the major pattern, the most important European nations, especially West Germany and France, through national policies, multilateral initiatives and Community instruments, played a relevant part in effectively solving the crises that, starting in 1974, would affect Portugal, Greece, Spain, Italy, and Turkey.

Mainly as a consequence of economic difficulties and of unpopular colonial wars the authoritarian régime that had ruled Portugal for several decades suddenly fell: a group of Army officers led a military coup, openly supported by the majority of the Portuguese population. The “Carnation revolution” opened a period of great political and social uncertainty and, especially in 1975 the leading Western powers feared that an alliance between the Portuguese Communist Party (PCP) and left-wing Army officers could come to power in Lisbon, so threatening the Atlantic Alliance, of which Portugal was a member. Such events immediately caused serious concern in Washington and in 1974 Kissinger was tempted to resort to covert operations in order to counter a possible Communist take-over.<sup>8</sup> Such an attitude could lead to a Chile style scenario, a perspective that worried most Western European decision-makers, who were obviously aware of the severe damage that US intervention in the overthrow of Allende’s régime had caused to both America’s image and Western interests in Western Europe; moreover the “old continent” was not Latin America. In this connection, although the Portuguese revolution came as a surprise, very quickly Schmidt’s West Germany developed a

8. M. DEL PERO, *I limiti della distensione: gli Stati Uniti e l’implosione del regime portoghese*, in: A. VARSORI (ed.), *op.cit.*, pp.39-66.

series of effective initiatives, that are thoroughly analysed in Ana Monica Fonseca's and Mario Del Pero's articles.<sup>9</sup>

Del Pero points out that Kissinger's early policy was contrasted by the newly appointed US ambassador in Lisbon, Frank Carlucci, who was the advocate of a soft policy, that was similar to the one pursued by West Germany.<sup>10</sup> Such a policy aimed at strengthening the moderate, pro-Western Socialist Party, led by Mario Soares and to impose the Portuguese moderate democratic forces as the most obvious partners of both the US and, above all, the European Community. Moreover Del Pero shows how in 1975, although with scant enthusiasm, Kissinger complied with such a strategy, that also meant a major role for Washington's European partners. On her part, Fonseca's article demonstrates that both the German SPD and the Bonn government focussed their attention on the Portuguese situation: economic support, political recognition and diplomatic initiatives were the instruments through which the Federal Republic helped Soares and the Portuguese democratic forces in winning the struggle against Cunhal's Communist Party and the group of radical Army officers. In West Germany's strategy the European integration was a key factor as Bonn's initiatives implied that the European Community was interested in the Portuguese crisis and a future close relationship between Lisbon and the EC would be the almost obvious outcome of the Portuguese people's sound decisions: a pro-Western democratic choice would involve economic help, political recognition and a future in the comity of the Western European democracies. It is not surprising that once the Portuguese situation was stabilized, in 1977 Lisbon put forward the country's candidature to the full membership in the European Community.

A few months after the fall of the Caetano's régime, the Greek military dictatorship, that had taken power in 1967 and was facing increasing internal opposition, favoured a right-wing military coup in order to overthrow the Cyprus government led by Archbishop Makarios; Athens hoped to achieve the island's "enosis". But Makarios was able to flee while Turkish troops invaded Cyprus in order to defend the rights of the Turkish minority. Actually Turkey occupied large areas and favoured the creation of an independent Turkish-speaking Cypriot state. Greece and Turkey were on the verge of war, but the Athens authorities understood that they had lost the gamble and the military decided to leave power after seven year's dictatorship.<sup>11</sup> The new Southern European crisis opened a serious row in the Atlantic alliance as the US, which in the past had supported the Greek military, now preferred to back the most powerful Turkish ally.<sup>12</sup> The fall of the military régime opened a period of political difficulties in a

9. See M. DEL PERO and M. FONSECA's contributions in the present issue.

10. See the recent contribution by B. GOMES, T. MOREIRA DE SA, *Carlucci vs. Kissinger. Os EUA e a Revolução Portuguesa*, Dom Quixote, Lisbon, 2008.

11. On Cyprus see for example V. GRECO, *Greci e turchi tra convivenza e scontro. Le relazioni greco-turche e la questione cipriota*, Angeli, Milano, 2007.

12. B. O'MALLEY, I. CRAIG, *The Cyprus Conspiracy. America, espionage and the Turkish Invasion*, I.B. Tauris, London/New York, 2004.

country that had already been in the late 1940s and the 1950s one of the most dramatic theatres of the cold war.<sup>13</sup> It was now to France to react: president Giscard d'Estaing favoured the immediate coming back to Athens of Konstantinos Karamanlis, an influential conservative politician who from the early 1960s lived in exile in Paris. Greece's position was different from the Portuguese one as in 1961 it had become the first European country to sign a treaty of association with the EEC; in 1967, after the military coup, the European Community had decided to freeze its relationship with Athens and both the European Commission and some member states had always regarded the Greek military dictatorship as a thorn in the flesh of Western Europe's democratic tradition; especially the European Parliament had often given voice to its open condemnation of the Colonels' régime, that moreover had been compelled in 1969 to leave the Council of Europe in order to avoid an open condemnation for the violation of human rights.<sup>14</sup>

In spite of its weakness, the new government led by Karamanlis immediately regarded the European Community as the most obvious point of reference in order to restore an healthy democracy and a close link with the Western world that could also help Greece in its contrast with Turkey; moreover, as a consequence of the wave of anti-Americanism that had accompanied the fall of the military dictatorship, Karamanlis, following Charles de Gaulle's pattern, decided that Greece would leave NATO, although still being a member of the Atlantic alliance. On their part the most important members of the European Community thought that they had to support the Karamanlis government as such a policy would strengthen the pro-Western Greek moderate party of Karamanlis' "Nea Dimocratia" against the two small Communist Parties and the radical, neutralist PASOK led by Andreas Papandreu. In such a context the Association Treaty was fully restored, the European Investments Bank granted Greece some financial help that had been freezed in 1967 and West Germany offered further economic help. In late 1974 France became the staunchest supporter of Greece's candidature to the European Community,<sup>15</sup> a claim that Karamanlis openly put forward in April 1975 on the occasion of an Association Council held in Athens at the highest level. Mainly owing to France's support the nine complied with Karamanlis' request and negotiations between Greece and the European Community were opened as it was thought that such a choice would lead to the final stabilization of the Greek internal situation. Such a decision would pave the way to Portugal's and Spain's further

13. E. HATZIVASSILIOU, *Greece and the Cold War Frontline State, 1952-1967*, Routledge, London/ New York, 2007.

14. A. VARSORI, *The EEC and Greece from the Military Coup to the Transition to Democracy 1967-1975*, in: K. SVOLOPOULOS, K.E. BOTSIOU, E. HATZIVASSILIOU (eds.), *Konstantinos Karamanlis in the Twentieth Century*, vol.I, Konstantinos C. Karamanlis Foundation, Athens, 2008, pp.317-338.

15. On the conversations between the French Prime minister Jacques Chirac and Karamanlis, see Ministère des Affaires Etrangères (Paris), Europe 1971-1976, box 3321, tel. French embassy (Athens) to the Quai d'Orsay, 03.12.1974.

candidatures to the Community, that now began to be perceived as the symbol of a western democratic choice, that would not involve a mere pro-American stand.<sup>16</sup>

Greece's candidature to the European Community almost automatically raised the question of Turkey's position as in 1963 Ankara had signed an Association Treaty too and its aspiration at being recognised as a full "European" partner was a well-known aspect of Turkey's foreign policy. In this case the attitude by the "nine" was different. As Elena Calandri argues in her article, although during the 1960s the "six" had accepted Turkey as an associated partner also in order to favour its integration into the Western world, they had always been very cautious, also due to Turkey's internal political and economic difficulties and the role the military played in Turkish political life.<sup>17</sup> Although the Community appreciated the strategic role that Ankara played in the Western defence system, they could not forget the close link between Ankara and Washington. Between 1974 and 1975 Turkey's policy towards Cyprus seriously damaged Ankara's claims to be regarded as a privileged partner of the European Community; moreover Greece's candidature did not help Turkey and in 1975, on the occasion of a meeting between the President of the European Commission, François Xavier Ortoli, and the representatives of the European Council of ministers, the French delegate stated that Greece's history and culture justified its becoming a suitable candidate to full membership in the Community, so implying that, as far as Turkey was concerned, there was no reason to go beyond the Association agreement; as Calandri argues, for a long time Turkey was perceived by the Community like "any other third country".<sup>18</sup>

The relevant and effective role played by France and West Germany, with the backing of the Community, in dealing with the Portuguese and Greek crises were also the consequence of a dramatic change in US foreign policy. As a consequence of the Watergate scandal and of Nixon's resignation, the new Ford administration was very weak and the "imperial" presidency, with its foreign policy, was the target of harsh criticisms by the media and its international initiatives were attentively scrutinized by the Congress; especially the activities pursued by the CIA were the object of two congressional inquiries by the Church and the Pyke Committees. Although the crises in Southern Europe appeared to threaten US interest in this important area, the Ford administration and Kissinger chose a low profile attitude that involved the development of some form of close cooperation with Washington's major European allies. In December 1975 a National Security Council memorandum reviewed the whole situation in Southern Europe and the document pointed out that in several cases the European allies and the European Community, through political and economic instruments, could be more effective

16. A. COSTA PINTO, N. SEVERIANO TEIXEIRA (eds.), *Southern Europe and the Making of the European Union*, Boulder, New York, 2002.

17. See E. CALANDRI's article in the present issue.

18. Historical Archives of the European Union, Emile Noel Papers, box 2677, Note de dossier – Relations avec la Grèce, 06.05.1975.



in safeguarding Western interests, than US policies.<sup>19</sup> So Western Europe and the European Community could achieve political and economic stabilisation while the US would focus their attention on the defence of some military guarantees in the NATO context.

It is not surprising that a Portuguese style strategy was implemented also in the case of Spain, when it became evident that Franco's regime would not survive the disappearance of the old dictator, who died in November 1975 after a long agony. In such case the German Federal Republic, as has been demonstrated by Antonio Munoz in his article,<sup>20</sup> had already begun to show its interest in Spain's fate from the early 1970s. Like in Portugal, West German leaders tried to influence post-Franco's Spain and to favour the creation of a sound pro-Western democratic system, that could avoid both the return of a military dictatorship and the rise to power of the Communists. In this connection an important role was played by both the SPD and the CDU/CSU, also through their foundations, and the Bonn authorities looked for some suitable Spanish partner, such as the young Socialist leader Felipe Gonzalez. After Franco's death and the difficult transition period that led to a new constitution, the major Western European nations, through economic help and political initiatives, favoured the stabilization of a new democratic regime; once again the adhesion to the European Community was the most obvious prize for the implementation of a peaceful transition to democracy and in 1977 Spain put forward its official candidature to full membership.<sup>21</sup>

In the context of a changing Southern Europe, Italy's case was obviously different: Italy was a democratic country, one of the major Western European actors, an industrialised nation and a founding member of all the major European and Western organisations: from the Council of Europe to the Atlantic Alliance, to the European Community. In spite of the fact that from the late 1960s Italy entered a period of political uncertainty, economic difficulties and social turmoil that transformed the peninsula into the "sick man" of the European Community; moreover such a crisis was destined to last for more than a decade till the early 1980s.<sup>22</sup> Western concerns began to grow, however, in 1974 when it became evident that, also owing to the effective strategy pursued by the new party secretary, Enrico Berlinguer, based on the so-called "historic compromise" and "Euro-Communism", the PCI could come to power. In 1975 the Italian Communists scored an almost triumphal electoral success at the local elections and most international and Italian opinion-makers thought that the PCI could overcome

19. *Foreign Relations of the United States, 1969-1976*, vol.XXX, *Greece, Cyprus, Turkey, 1973-1976*, US Government Printing Office, Washington, 2007, Doc. n°56, US and Allied Security Policy in Southern Europe, 15.12.1975, pp.194-207.

20. See A. MUNOZ' article in the present issue.

21. F. GUIRAO, *Spain and the Integration of Europe 1950-77. A Comparative Perspective*, Oxford University Press, Oxford, 2004; A. TROUVÉ, *L'Espagne et l'Europe de la dictature de Franco à l'Union Européenne*, PIE/Peter Lang, Bruxelles/Bern, 2008.

22. AA.VV., *L'Italia repubblicana nella crisi degli anni Settanta*, 4 volumes, Soveria Mannelli, Rubbettino, 2003.

the Christian Democracy. In early 1976 the president of the Republic called for new elections. The electoral campaign was dominated by the fear – or hope – that the Italian Communists could come to power through legal means. In those months the four major Western powers tried to work out a common strategy that could bar the Communists from office.

Although the June general elections confirmed the PCI's increased strength, the Christian Democracy was able to maintain the lead, but the difficult internal situation appeared to favour the dialogue between the PCI and the DC and some Communist involvement in the future government. At the Puerto Rico G-7 summit, held in June, the US, France, West Germany and Britain stated, although in vague terms, that Italy would get the financial aid the country needed to face its economic problems only if the Communists would not become members of the future Italian cabinet. In July a secret quadripartite meeting was held in Paris; with a strong US and West German approval and a British lukewarm consent, the French delegate put forward the proposal for a secret political initiative by the four Western powers that, at the same time, would lead to a policy of bold internal reforms and to the exclusion of the Communists from governmental responsibilities; as far as Italy's international role was concerned, the Western initiative advocated a renewed link between Italy and the European Community. Such a move was partially doomed to failure mainly as a consequence of some leaks to the press and the negative reaction by influential sectors of the Italian public opinion and political milieus.

Moreover the Christian Democrat Giulio Andreotti succeeded in forming a one-party DC Cabinet that however enjoyed the parliamentary 'neutrality' of most parties, the PCI included, but no Communist became a member of the Italian government. One of the early decisions by the Andreotti cabinet was a series of economic reforms that would pave the way to international financial support and some restoration of confidence on the part of the European Community in Italy's determination to cope with the economic crisis.<sup>23</sup> If open interference had almost failed and, through Andreotti's political skill, some stability had been achieved, the major Western European nations, especially West Germany, did not give up their interest in the stabilization of the Italian internal situation, as Italy's crisis would threaten the structures of the EC, although in the Italian case a more cautious attitude was needed. In such a context, the SPD was looking for some partner, that could favour such a process like in Portugal and in Spain. As Giovanni Bernardini demonstrates in his article, the German Social Democrats' attention focused on the new party secretary of the Socialist Party, Bettino Craxi, who from 1976 onwards aimed at strengthening the Western European characters of its party and at pursuing an independent policy that rejected the perspective of the "historical compromise" between the PCI and the Christian Democracy.<sup>24</sup>

23. A. VARSORI, *Puerto Rico (1976): le potenze occidentali e il problema comunista in Italia*, in: *Ventesimo Secolo*, VII (June 2008), pp.89-121.

24. See G. BERNARDINI's article in the present issue.



If during the 1977 there was a decrease in Western concern about the Italian situation, the events that took place in 1978, especially the kidnapping and murder of the Christian Democrat leader Aldo Moro seemed to confirm Italy's position as Europe's "sick man". If, at least as an early reaction, the West appeared to accept the creation of a government of "national unity" led by Andreotti, that enjoyed the open parliamentary support of the PCI, both most Italian moderate leaders and the Western powers hoped that such an experiment would not last for a long time. Italy's statement of its loyalty to the European integration was the turning point and the Italian adhesion to the European Monetary System in December 1978 marked the crisis of Berlinguer's strategy aiming at the recognition of the PCI as a suitable candidate to governmental responsibilities, as the Communists voted against Italy's immediate involvement in the EMS. In 1979 the Communists' decision to reject Italy's commitment to the instalment of the Euro-missiles led to the PCI definitively leaving the parliamentary majority. Italy's faithfulness to both the European Community and NATO had been the major factors in the country's stabilization.<sup>25</sup>

Between the late 1970s and the early 1980s the crisis in Southern Europe had been overcome: Greece, Spain and Portugal were steadily progressing towards stable Western democratic systems. As a reward Greece became in 1981 a full member of the Community and both Spain and Portugal became suitable candidates involved in accession negotiations. As far as Italy was concerned, it was going to recover a leading role in both the European Community and NATO. Only Turkey was left out of this process, although its bonds with the West were maintained through its membership in NATO and the close relationship with the US, while a closer partnership with the Community was always in the background. Europe's Southern flank was ready to face a "new" cold war.<sup>26</sup>

As this thematic issue demonstrates, the process of stabilization of Southern Europe had mainly been the outcome of a series of initiatives of a political and economic character developed by the major Western European powers, especially West Germany and France. Although perhaps there was no long-term coherent and common strategy, the policies pursued by Bonn and Paris, and to a minor extent by London, had both "Western" and "European" characters and implications. They aimed at stabilizing Southern Europe and at maintaining the link between those countries and the Western system in a period in which the US were weaker and appeared ready to delegate such a role to their European partners, which made use of "soft power" rather than threats or "covert operations".

In such a context the European integration was a fundamental instrument, as in the case of Portugal, Greece and Spain the full membership became the final goal of their democratic apprenticeship and the recognition of their being sound

25. On such developments see E. DI NOLFO (ed.), *La politica estera italiana negli anni Ottanta*, Lacaita, Manduria, 2003; S. COLARIZI, P. CRAVERI, S. PONS, G. QUAGLIARIELLO (eds.), *Gli anni Ottanta come storia*, Soveria Mannelli, Rubbettino, 2004.

26. A. COSTA PINTO, N. SEVERIANO TEIXEIRA (eds.), op.cit., passim.

Western democracies. In the case of Italy the defence of its traditional ties with the Community was the major task of both Italian moderate leaders and the major Western European powers; actually through the demonstration of its loyalty to the European ideals Italy could recover its full role in the Western system. In spite of future difficulties and shortcomings the process of stabilization in Southern Europe demonstrated – and confirmed –, especially to Paris and Bonn, that the integration process had important international political meanings and that the European Community could be an effective instrument and a useful goal of their foreign policies.