George Friedman writes: The European leaders miscalculated. They thought Greece could be more flexible, and they wanted to demonstrate to any other country or party that might consider a similar maneuver in the future just what the cost would be. The Europeans feared the moral risk of compromising with the Greeks. They created a more dangerous situation for themselves.

First, in its treatment of Greece, the European Union has driven home - particularly to rising Euroskeptic parties - that it is merely a treaty organization and in no way a confederation, let alone a federation. Europe was a union so long as a member didn't get into trouble. As I have said, the Greeks were irresponsible borrowing money. But the rest of Europe was irresponsible in lending it. Indeed, the banks that lent the money knew perfectly well the condition Greece was in. The idea that the Greeks pulled the wool over the bankers' eyes is nonsense. The bankers wanted to make the loans because they made money off of transactions. Plus, European institutions that bought the loans from them bailed out those that made the loans. The people who made the loans sold them to third parties, and the third parties sold them to EU institutions. As for the Greeks, it was not the current government or the public that borrowed the money. And so the tale will help parties like Podemos in Spain and UKIP in the United Kingdom make the case against the European Union. The European Union appears both protective of banks and predatory to those who didn't actually borrow.

Second, having played hardball, the Europeans must either continue the game, incurring the criticism discussed above, or offer a compromise they wouldn't offer prior to the Greek vote. One would lead to a view of the European Union as a potential enemy of nations that fall on hard times, while the latter would cost the bloc credibility in showdowns to come. It is likely that the Europeans will continue discussions with Greece, but they will be playing with a much weaker hand. The Greek voters have, in effect, called their bluff.

It is interesting how the European leaders maneuvered themselves into this position. Part of it was that they could not imagine the Greek government not yielding to the European Union, Germany and the rest. Part of it was that they could not imagine the Greeks not understanding what default would mean to them.

The European leaders did not take the Greeks' considerations seriously. For the Greeks, there were two issues. The first issue was how they would be more likely to get the deal they needed. It was not by begging but by convincing the Europeans they were ready to walk - a tactic anyone who has bargained in the eastern Mediterranean knows. Second, as any good bargainer knows, it is necessary to be prepared to walk and not simply bluff it. Syriza campaigned on the idea that Greece would not leave the eurozone but that the government would use a "no" vote on the referendum to negotiate a better deal with EU leaders. However, all political campaigns are subject to geopolitical realities, and Syriza needed all options on the table. The EU leadership was convinced that the Greeks were bluffing, while the Greeks knew that with the stakes this high, they could not afford to bluff. But the Greeks also knew, from watching other countries, that while default would create a massive short-term liquidity crisis in Greece, with currency controls and a new currency under the control of the Greek government, it would be possible to move beyond the crisis before the sense of embattlement dissolves. Many countries do better in short, intense crises than they do in ordinary times. The Greeks repelled an Italian invasion in

October 1940, and the Germans didn't complete their conquest until May 1941. I have no idea what Greece's short-term ability to rally is today, but Syriza is willing to bet on it.

If Greece withdraws from the European Union, its impact on the euro will be trivial. There are those who claim that it would be catastrophic to the euro, but I don't see why. What might be extremely dangerous is leaving the euro and surviving, if not flourishing. The Greeks are currently fixated on the European Union as a source of money, and there is an assumption that they will be forced out of the global financial markets if they default. But that isn't obvious.

Greece has three alternative sources of money. The first is Russia. The Greeks and the Russians have had a relationship going back to at least the 1970s. It was quite irritating for the United States and Europe. It was quite real. Now the Russians are looking for leverage to use against the Europeans and Americans. The Russians are having hard times but not as hard as a couple of months ago, and Greece is a strategic prize. The Greeks and the Russians have talked and the results of the talks are murky. The BRICS (Brazil, Russia, India, China and South Africa) summit began July 6 in Russia, and the Greeks are sitting in as observers - and possibly angling for some sort of deal. Publicly, Russia has said it will not give a direct loan to Greece but will take advantage of the crisis to acquire hard assets in Greece and a commitment on the Turkish Stream pipeline project. However, bailing out Greece would give Russia a golden opportunity to put a spoke in NATO operations and reassert itself somewhere other than Ukraine. In Central Europe, the view is that Russia and Greece have had an understanding for several months about a bailout, which could be why the Greeks have acted with such bravado.

Another, though less likely, source of funds for Greece is China and some of its partners. The Chinese are trying to position themselves as a genuine global power, without a global military and with a weakening economy. Working alone or with others to help the Greeks would not be a foolish move on their part, given that it would certainly create regional influence at a relative low cost - mere tens of billions. However, it could come with the political cost of alienating a large portion of the European Union, making Chinese assistance a slight possibility.

Finally, there are American hedge funds and private equity firms. They are cash-rich because of European, Chinese and Middle Eastern money searching for safety and are facing near-zero percent interest rates. Many of them have taken wilder risks than this. The U.S. government might not discourage them, either, because it would be far more concerned about Russian or Chinese influence - and navies - in the eastern Mediterranean.

Having shed its debt to Europe and weathered the genuinely difficult months after default, Greece might be an interesting investment opportunity. We know from Argentina that when a country defaults, a wall is not created around it. Greece has value and, absent the debt, it is a high-risk but attractive investment.

The European leaders have therefore backed themselves into the corner they didn't want. If they hold their position, then they open the door to the idea that there is life after the European Union, and that is the one thought the EU leaders do not want validated. Therefore, it is likely that the Europeans, having discovered that Syriza is not prepared to submit to European diktat, will now negotiate a deal Greece can accept. But then that is another precedent the European Union didn't want to set.

Behind all this, the Germans are considering the future of the European Union. They are less concerned about the euro or Greek debt than they are about the free trade zone that absorbs part of their massive exports. With credit controls and default, Greece is one tiny market they lose. The last thing they want is for this to spread, or for Germany to be forced to pay for the privilege of saving it. In many ways, therefore, our eyes should shift from Greece to Germany. It is at the heart of the EU leadership, and it is going to be calling the next shot - not for the good of the bloc, but for the good of Germany, which is backed into the same corner as the rest of the European Union.