Greek Politics in the Era of Economic Crisis: Reassessing Causes and Effects

Christos Lyrintzis

GreeSE Paper No 45
Hellenic Observatory Papers on Greece and Southeast Europe

March 2011
Table of Contents

**ABSTRACT** ................................................................................................................... iii
1. *Introduction* ............................................................................................................... 1
2. *Partitocrazia and “bureaucratic clientelism”* ................................................................ 2
3. *A Critical Decade* ....................................................................................................... 8
4. *The Advent of a Foretold Crisis* .................................................................................. 11
5. *Party Strategy* ............................................................................................................ 13
6. *Defining the Crisis* ..................................................................................................... 16
7. *A Crisis of the Political (?)* ....................................................................................... 21
References .......................................................................................................................... 24

---

**Acknowledgements**

I would like to thank the Hellenic Observatory at the LSE for hosting me as a senior research fellow from September 2010 till February 2011. Part of this paper was produced during my stay at the LSE. I would also like to thank Vassilis Monastiriotis for his useful comments.
Greek Politics in the Era of Economic Crisis:
Reassessing Causes and Effects

Christos Lyrintzis*

ABSTRACT
The economic crisis and the threat of default have had significant repercussions on the Greek political system. The handling of the crisis by the new PASOK government has led to a new political and has added new problems to the party system. The purpose of this paper is twofold: First, to trace the course and the causes that led to the present day crisis by pinpointing the major socioeconomic and political developments that paved the way to the crisis. Second, it seeks to explore the political management or mismanagement of the crisis, to identify the strategies of the main political actors, and to assess the problems facing the Greek political system. It is argued that apart from the obvious economic crisis, Greece is undergoing a protracted and serious political crisis.

* Department of Political Science and Public Administration, University of Athens, Greece

Correspondence: Professor Christos Lyrintzis, Department of Political Science and Public Administration, University of Athens, 6 Themistokleous Street, 10678, Greece, Tel. 0030-2103688902, E-mail: lyrintzis@pspa.uoa.gr
Greek Politics in the Era of Economic Crisis: 
Reassessing Causes and Effects

1. Introduction

Greece has often attracted international attention though not always because of the country’s achievements. In 1974 it was the fall of the seven year dictatorship and the establishment of the Third Greek republic and the subsequent development of a stable and consolidated democratic political system. In 1981 it was the rise in power of the socialist party (PASOK) that attracted much discussion; PASOK dominated the Greek political scene during the eighties and the nineties and its controversial performance became the subject of scientific analysis and debate (Clogg 1991, Lyrintzis 1993 and 2005, Spourdalakis and Tassis, 2006). The 2004 Olympic games provided an opportunity for positive comments. By contrast, Greece attracted attention in December 2008 when, at the beginning of the economic crisis, the Athens riots expressed the, thus far, latent frustration and resentment of the Greek youth. Last but not least, during the last two years Greece achieved notoriety not as a tourist destination but as a country at the brink of bankruptcy, and a member of the family of PIGS. The economic crisis and the possibility to default became much discussed topics both in the media and in the academic circles. The current debate concerns both the causes of the current predicament and the
effectiveness of the adopted course of action. The purpose of this paper is
twofold: First, to trace the course and the causes that led to the present day
crisis by pinpointing the major socioeconomic and political developments that
paved the way to the crisis. Second, it seeks to explore the political
management or mismanagement of the crisis, to identify the strategies of the
main political actors, and to assess the problems facing the Greek political
system. It is argued that apart from the obvious economic crisis, Greece is
undergoing a protracted and serious political crisis. It is a crisis whose effects
are partly evident today, but which works in latent manner underneath the
apparently normal surface of Greek politics. The goal is to explore the content
and the dimensions of this crisis.

2. Partitocrazia and “bureaucratic clientelism”

The causes of the present situation go back to the past decades and have to do
with much discussed questions as the fiscal profligacy of the Greek state,
clientelism and corruption, the populist practices of the Greek political parties,
the inefficiency of the state machine and last but not least with the
institutional and political problems within the EU and the euro -zone. Whether
the reforms implemented under the pressure of the economic crisis will help to
remedy some of these problems is an open question. What follows is an attempt
to evaluate the impact of these factors and to assess the problems and
weaknesses of the Greek political system during the last thirty five years.
The political system established after the fall of the junta has been dominated by the antagonism between the two major political parties, New Democracy (ND) and PASOK representing the centre right and the centre left respectively. The party system was complemented by the communist left (KKE) as well as by minor parties, which, with the notable exception of Synaspismos (a left-wing party originally formed as a splinter group of the KKE), all proved stillborn. Both ND and PASOK were new political formations with considerable links however with the pre-junta political system. Despite the impressive renewal of the political personnel and the development of a mass base the new political parties proved worthy heirs of the legacy of the past, namely clientelism. Patronage and clientele networks have marked Greek politics since the creation of the modern Greek state and have been used as major analytical tools for the study and interpretation of the Greek political parties. During the last thirty five years the two major parties reinvented and reorganized the patronage networks through the use and abuse of their mass party organizations which were exploited in order to penetrate the state machine as well as the organized interests and parts of civil society. Irrespective of the term used to describe the new system of clientelism (bureaucratic clientelism, party statism, or machine politics), the fact is that the voters’ loyalty benefits the party rather than individual politicians and the party

---

1 Pappas and Asimakopoulou (2011) have produced a detailed study of the ways in which the parties have exploited their power to reinforce and expand their patronage networks in the different levels of the wider public sector; their study has also illuminated the role of political entrepreneurs that thrive inside the two major parties.
in turn allocates favours through its organization to both individual voters and to collective groups (Lyrintzis 1984, Mavrogordatos 1997, Pappas 2011).

Two major developments facilitated and enhanced the development and reproduction of this system. First, the Greek party system, despite the presence of minor parties, functioned as a typical two-party system especially since PASOK’s victory in 1981. The alternation of the two major parties in power led to political polarization and after each governmental change to massive allocation of favours to the party’s clientele. Second, the expansion of the Greek state during the last three decades of the twentieth century almost in all areas of public life has been the outcome and at the same time the motive for the extensive structure of patronage politics in Greece. The tradition of state centralism and of the extreme politicization of the bureaucracy continued in a renewed and intense manner in the post junta period. The often irrational growth of the public sector was the result of both PASOK’s attempt to create a welfare state and of the subsequent strategy of the major political parties to create new public structures – universities, hospitals, new administrative services and public agencies, research centres – on the basis of electoral rather than rational economic/functional criteria. This party strategy brings into the discussion the much debated concept of *populism* and its use in Greek politics (Lyrintzis 1987 and 2005, Pantazopoulos 2006). For the purposes of this paper let us only note that one aspect of the populist logic is the adoption and implementation of policies on the basis of electoral and narrow party criteria; by claiming that a policy is beneficial to the people, the political parties
succumbed to the particularistic demands of the party base and/or specific clientele groups and introduced policies that were to have in the future severe negative implications for Greece. The end result was an oversized and over crowded public sector subservient to the political parties whose size kept increasing until the beginning of the twenty first century.\footnote{There are many studies of the role, development and overgrowth of the Greek state. An excellent summary of its growth and of the relevant interpretations is offered by Iordanoglou (2010).}

By using state channels and state recourses the political parties were able to penetrate and often to control almost all areas of public life including the organized interests (Lavdas 1997 and 2005), the civil service (Sotiropoulos 2001), local and regional authorities and the universities. The latter provide an illuminating and probably unique example of how party competition was transferred into the students unions – as it is the case with trade unions – which are organized explicitly along party lines. Moreover, the number of universities increased from 6 in the seventies to 23 at the beginning of the twenty first century, thus creating departments all over Greece with serious problems and often with no demand from the students. Even the private sector developed close links with the parties as private entrepreneurs sought assistance from party and state mechanisms to secure loans, business licences and lucrative deals (Pelagidis and Mitsopoulos 2010, pp.41-258). It is characteristic that all private big media corporations in Greece depend on the state for their licences and for advertisement profits.
It can be argued, therefore, that the terms “partitocrazia” and “bureaucratic clientelism” accurately describe the functioning of the Greek political system. There is of course a debate both about the analytical terms and the substance of the argument: namely, is it the parties or the state that has the upper hand in this situation? It can be argued that during the seventies and eighties the parties were powerful actors able to influence policies and socioeconomic developments in all areas. In the nineties, and especially under PM Simitis, state mechanisms expanded and new responsibilities were added to old or newly created state agencies. This movement can be seen as an attempt by the Simitis modernizers’ team to outflank the power of the party’s (PASOK) base (Kazamias, 2005). In other words it was the control of, or access to state mechanisms that secured the power position of specific persons or groups. Yet, despite its expansion and power the Greek state was at the same time weak and fragmented, a victim of its own role and responsibilities, “a colossus with feet of clay” (Sotiropoulos, 1993). Moreover, it has to be noted that the Greek state was never much bigger than its European counterparts (Iordanoglou, 2010). The percentage of the public sector employees among the whole population was always close to the European average. It was the way it functioned therefore that caused significant problems.

There are several major implications from the situation described above. First, political parties have been held responsible for all the problems confronting Greece today (Mouzelis, 2005). Patronage and corruption, the inefficiency of the public sector, the weakness of civil society and eventually the huge foreign
debt of the country are associated with the manner political parties performed and with their special relationship with the state aimed at satisfying their own interests. It is true that political parties failed to establish and develop a democratic internal functioning that would integrate them with their social base without the intervention of patronage networks. They leaned on the state and abused it as political entrepreneurs who subsumed the general to the party interest; thus they had the leading role in creating the image of a political system riddled with graft, bribery and corruption. It is the dominance of this image that led to today’s endless allegations and recriminations between the political parties about the involvement and guilt of their members in economic scandals.

It has to be stressed, however, that although there is much truth in the above image, this does not mean that all Greek political personnel was corrupt and subservient to patronage networks. It could be said that the majority of the political elite did not accept bribes nor was involved in political and economic scandals. Moreover, a situation like this is not Greek exclusivity. Italy provides a very similar case where despite the serious efforts to combat corruption the results were poor (Della Porta and Vannucci, 2007).

A second major effect of the above situation has been the repeated failure of reforms in Greece. In fact, during the last twenty years Greece witnessed a series of ill-fated and/or ineffective reforms in all areas including education, transport, health, the labour market, local government and the social security

7
system. The question “why reforms fail in Greece” became a central one in social sciences and gradually a significant literature has been produced on this issue. The complex relationship between parties, the state and the fruitless process of reforms in Greece became particularly evident and acute during the first decade of the twenty first century.

3. A Critical Decade

As the new century began Greece was in the middle of the political project of “modernization” introduced by Prime Minister Simitis and his team (Lyrintzis, 2005). The socio-political climate was positive and the prospects of economic development were good: Greece was ready to join the EMU and preparations for the 2004 Olympic games were under way. Yet the government’s attempt to “cut the Gordian knot of pension reform” failed miserably having caused the most massive demonstrations Athens had seen for a long time (Tinios 2005). The same fate had attempts to reform transport, the higher education, health and the labour market. The endless list of ill-fated reforms shows firstly the limited degree of success of Simitis’ modernization project and secondly, the effectiveness and power acquired by party and organized interests groups. The latter had to support their interests and therefore opposed any attempt to reduce the role of the state and to rationalize public services, as this would mean loss of benefits and the undermining of their power position. As it will be discussed

---

below, it was only under the pressure of the economic crisis that it was possible to introduce sustainable reforms in all the above mentioned areas. The failure to reform the public sector was a major factor for the electorate’s growing resentment and frustration with the Simitis government; the majority of the citizens felt that the government had failed to improve their every day life and especially to improve the citizen’s relations with the state. On top of that there were allegations about economic scandals involving some leading PASOK members. The New Democracy party was quick to grasp the opportunity and started a long pre-electoral campaign based on the pledge to reorganize the state (the re-foundation of the state was the main party slogan), to end the clientelistic practices of PASOK and to introduce transparency and a new morality in the political life of the country. The March 2004 election gave a landslide victory to the New Democracy party which returned to power after eleven years in opposition.

Once in office, the New Democracy government, despite the impressive public opinion support it enjoyed for at least three years, did not manage to fulfil its pre-electoral promises. No major reforms were introduced, appointments to the public sector continued as in the past, public expenditure increased while public revenues decreased and the deficit kept increasing to reach the unprecedented level of 15% of the GDP in 2009.\textsuperscript{4} The measures taken by the government once the 2008 global economic crisis was evident can be described

\textsuperscript{4} It must be noted that when ND left office the official figure was 5.4% ; at the time the Bank of Greece was projecting it at 10%. Officially, as approved by the Eurostat, the deficit figure for 2009 is 15.4%.
as a too little too late attempt to protect the vulnerable Greek economy (Pagoulatos and Triantopoulos, 2009). After five and a half years in office, and after having won a second parliamentary election in 2007, the New Democracy government was forced to call for an early election in September 2009 amidst allegations for several economic scandals. It was obvious that the economic crisis was imminent and that Prime Minister Kostas Karamanlis was not willing to continue in office and confront the implications.

It can be said that the first decade of the twenty first century was a “lost decade”, in the sense that a very good opportunity to introduce reforms and to reverse the course leading to bankruptcy had been lost. The two major Greek parties both failed to take the necessary initiatives and proved inferior to the task they had promised to fulfil. What is more important is that Greek society was not prepared or informed about the risk of an economic crisis. Significant cultural changes had taken place during this decade which led to complacency and indifference.

During the last decade all major surveys including the European Social Survey (ESS, 2003) registered increasing percentages of political apathy, distrust of the political parties and a disenchantment with politics. It is not surprising therefore, that Greek society followed the political and economic development with embarrassment yet without showing any clear willingness for change. The three decades of populist and clientelistic practices had managed to diffuse an apolitical discourse that breeds atomization and political alienation. The idea
that it is easy to acquire quick and easy profits provided one has the right contacts and the necessary access to the state mechanisms became dominant in Greek society. This meant an explicit or implicit acceptance of the clientelistic system which large sections of the population tried to exploit. The end result was a curious and dangerous mixture of political distrust and alienation with the widespread attitude that the system could be used to extract personal or collective favours and spoils. The economic crisis came as a shock to the Greek society which was forced to realize in a very short period of time that old certainties were undermined and old practices had to be abandoned.

4. The Advent of a Foretold Crisis

A few words should be said about the uses and abuses of the term crisis. The economic use of the term is rather clear as it refers to the fiscal and sovereign debt crisis of the Greek state. The political use is much more complicated as it may refer to a legitimacy crisis, to a governmental crisis or to the crisis of the political parties. In any case the term is ambiguous and vague and one has to clarify and determine the criteria according to which the crisis is defined. Otherwise the term simply refers to a vague and undefined problem. In the following pages an attempt is being made to clarify the criteria and the context in which we may speak of political crisis or of the political parties’ crisis.

The PASOK government that emerged from the September 2009 election was aware of Greece’s fiscal problems. Even if the Prime Minister (George
Papandreou) was not fully informed, it should not take more than a month to grasp the full extent of the problem. Yet the government was very slow in its reactions and avoided taking drastic measures. During the electoral campaign no party acknowledged the seriousness of the situation nor was it ever stated that the country was at the brink of bankruptcy. It has been argued that it was the new government’s procrastination that led the spreads to unprecedented high rates. Irrespective of the responsibility of the new PASOK government the fact is that it was only at the beginning of 2010 that a serious package of economic measures was announced. The delay may be attributed to political and communication considerations as it was thought that public opinion was not prepared for the draconian measures that were to follow. Moreover, PASOK’s pre-electoral pledges were different. Of course Papandreou acted the way Greek political leaders did before: He accused the previous government of leaving a mess which his government had to clean up. It is not within the scope of this paper to assess the role of the New Democracy government during the 2004-09 period in exacerbating the foreign debt and thus facilitating the way to the economic crisis. Certainly its performance played a crucial role and this is what the majority of the electorate expressed in the 2009 election.

Having realized the extent of the problem, the government finally decided to rely on the IMF and the EU and to negotiate a plan to save the Greek economy. The process resulted in Greece’s acceptance in May 2010 of the terms of the IMF, which together with the EU and the ECB (the so-called Troika), secured the financing of the Greek economy for the next three years under the terms of
a memorandum that was voted by the Greek parliament. It has been said that Greece’s bargaining position was extremely difficult. This may be true, but it is equally plausible to argue that the Prime Minister could have negotiated better terms; moreover it has been argued that he could have blackmailed his European partners who had significant reasons to keep Greece alive and in the euro zone. Leaving aside the speculation about the possible scenarios, the fact is that in May 2010 Greece accepted a complex agreement, which ended the country’s capacity to decide on its fiscal policy and provided for a large number of harsh measures in almost all areas of social and economic life. The implications will be further discussed below. First let us examine the strategy of the Greek political parties.

5. Party Strategy

Two crucial decisions define the PASOK’s government strategy during the first year in office. First, the government decided to confront the crisis relying exclusively on its own forces and refusing any kind of cooperation or alliance with the other political forces. While admitting that the situation was close to a state of emergency, the government did not seek the creation of a broader political front to cope with it. Papandreou and his government accepted the task to save the country from default and, despite the delays, proceeded to a range of unprecedented economic measures that seriously and indiscriminately hit the middle and lower strata of Greek society. At the same time Papandreou failed
to put pressure on the opposition parties in order to clarify their positions and policy plans on the crisis: the government was thus easily accused by all opposition parties that it had easily accepted the IMF’s harsh terms. It may be true that the government could have negotiated better terms in the memorandum; with a broader political support behind him, Papandreou might have achieved better results. However, the point is not the slightly better or worse terms but the fact that there is no guarantee that after the year 2012 Greece will be able to go to the markets and to proceed with a sustainable economy. In other words the government has nothing to say and in fact did say nothing about the day after. It is characteristic of the uncertainty and opaqueness regarding the future that since the beginning of 2011 there has been recurrent discussion about the renegotiation of the terms of the loan and the need for a new austerity programme for the post – memorandum period. It remains to be seen how this extension of the memorandum will be implemented.

The second major decision was to set up parliamentary investigating committees which would investigate the so called scandals of the previous government. (Chief among them the Vatopedi scandal involving accusations of bribes for land swaps between the church and the Greek state and the Siemens scandal involving mainly PASOK ministers who received money from the company either as bribes or as donations to the party). It is true that a number of scandals topped the political agenda during the last years involving both the PASOK and the ND governments; yet, past experience shows that
parliamentary investigations never resulted in naming any minister as responsible for a specific crime and thus to proceed with the legal procedure at the special High Court. The relevant legislation about the penal persecution of cabinet members has plenty of loopholes and it is well known that such parliamentary committees never reach any definite conclusions. (In the Vatopedi case the committee did conclude its work by proposing legal action against several New Democracy and few PASOK former ministers and the parliament voted for their persecution; as expected, however, the ministers have been acquitted by a court decision due to legal – procedural problems).

The investigation of economic scandals by parliamentary committees increases the polarization of the political system, undermines the prospects of political alliances and disorients public opinion leading to political gossip and fruitless discussions about political morality. Above all, however, the functioning of these committees blurs the political confrontation and leads to personal antagonisms and unnecessary political turmoil. The popular demand for justice and transparency could be better served through the normal institutional channels of the judiciary and the independent authorities. The parliamentary investigation of scandals created a political climate marked by allegations and mutual recriminations between the two major parties. The leader of the opposition party, Mr Samaras (who succeeded Kostas Karamanlis at the party leadership after the 2009 elections), recently stated that his party will ask for a special committee to investigate how Greece arrived at the brink of bankruptcy and the responsibilities of the Papandreou government in handling the crisis
and in drafting the terms of the memorandum. It is an odd proposal in the sense that for the first time there will be an investigation about political decisions. The end result is that in the middle of an unprecedented economic crisis and hard economic measures political parties operate and quarrel as if it is business as usual. They try to obscure the fact that they form the same political elite that ruled the country for the last 35 years. One can speak of a political crisis as well as of crisis of the political parties. Clearly, the Greek case bears no resemblance to that of Ireland, where despite party antagonisms there has been a clear attempt to achieve the wider possible consensus on the management of the crisis.

6. Defining the Crisis

What happened in Greece during the last year bears all the characteristics of a “state of emergency”. How else can one describe a situation in which the state is virtually bankrupt, sovereignty on fiscal policy has been lost, pensions and salaries have been severely reduced primarily in the public and also in the private sector resulting in a drastic deterioration of the economic conditions for the majority of the population.

The political scene is further complicated by the paradoxical situation of the PASOK government: PASOK implements an unprecedented austerity policy of neo-liberal flavour, which not only contradicts the party’s ideological profile and pre-electoral pledges, but, and this is more important, it contradicts the
party’s whole historical course and past political practice. Greek society was taken aback by this wave of changes and follows developments with justified insecurity and embarrassment, unconvinced about the effectiveness of the new economic policy. The government and the PM present their policy as the outcome of a state of emergency and on several occasions have explicitly stated that they adopt measures they don’t agree with. As they put it: “It is the memorandum or default”. This development has led to a radical realignment of the traditional cleavages in Greek politics: The traditionally dominant old Left-Right cleavage has been substituted or complemented by the new one: for or against the memorandum, which means PASOK on the one hand and all other parties on the other. It is interesting, if not ironic, that the New Democracy party concurs with the Left in opposing the memorandum. Under its new leader it follows a short-sighted populist strategy. The party did not vote for the memorandum and blames the government for its harsh terms, declaring that the party has elaborated an apparently magic plan that will reduce Greece’s debt in a two year period. Thus we have the paradox a liberal party opposing a liberal set of measures in an obvious attempt to differentiate itself from the government and to present a positive image to the electorate. Above all it is a strategy aimed at saving the two parties’ dominance in Greek politics for the last 35 years. It is doubtful whether ND will be able to convince the electorate given the blatant failure of the ND government during the 2004-09 period. The party has adopted a comprehensive condemnation of every act of the government, a fact that undermines its credibility and creates the image of an
old fashioned opposition with populist practices. This strategy of the ND party is partly explained by the presences of a far Right party (LAOS) which has initially voted for the memorandum but ever since is equally critical of both ND and PASOK.

On the Left side of the political spectrum the Greek Left is in an awkward position characterized by introversion and fragmentation. The traditional communist party (KKE) follows a consistent anti-European and anti-euro position – without clarifying of course the possible effects of the country’s exit from the euro and the EU. The other political groups of the left, Synaspismos and Democratiki Aristera (Democratic Left, a splinter group from Synaspismos) are restricted to an unqualified opposition to the memorandum and to the old type rhetoric against capitalism. Though the share of the vote of KKE rose in the recent local government elections, the overall appeal of the Left remains stagnant.

It is an interesting question why in a period of economic crisis and austerity the ideas of the Left about equality, social justice and solidarity do not succeed to appeal to the masses. One possible explanation of this apparently paradoxical situation is that the political agents of the Left are not competent and convincing representatives of the ideals of the Left. A second explanation has to do with the ideological defeat of the Left at the wider European level: the Left has not managed so far to confront the dominant liberal ideology about the prevalence of the market and the related view that a small State and free
competition provide the solution to all problems. On top of that the major problem of the Greek Left is that it has not managed to translate the general values about equality, justice and solidarity into a concrete and coherent programmatic discourse which could attract the electorate. The vague proclamation of the necessity for socialist change is not convincing anymore.

The Greek Left suffers from the same problems facing its European counterparts; namely, lack of inspiration, imagination, and finally vision. It is very difficult to construct a political discourse with several concrete and appealing propositions that could be perceived by the electorate as possible solutions to existing problems. Hence it is limited to a sterile and old fashioned discourse while at the same time it is engaged in endless discussions about which agent is the best and sincere representative of the Left. It is perhaps high time that the Left will abandon the pathless search for the right agent as well as the search for the revolutionary subject. The much sought-after unity and appeal of the Left can be achieved by designing new common actions, by attracting movement organizations and by creating front line resistance themes that may attract massive support. All these of course presuppose the abandonment of personal ambitions and group antagonisms. This situation reveals the more general problem regarding the crisis of the political parties.

The major element defining the crisis of the political parties is their inability to articulate and present a coherent and concrete set of proposals – policies which can offer solutions to existing problems. Indeed Greek political parties run out
of ideas, they lack concrete policies and above all they have no vision for the future. Political parties are therefore limited to the management of everyday politics. In fact they present their ability to provide better management as their major asset; management, administration and deliberation are the key words in their political discourse. Of course these are positive and important elements in the parties’ agenda, but this is not enough as they do not offer a vision for the day after. It is not surprising, therefore, to register attitudes of alienation, cynicism and distrust towards not only the government but the political parties as well. One has to accept of course that some of the reforms introduced by the PASOK government were overdue. However, the rapid rate of economic and social change increases instability and the social cost. It is interesting to note that so far the only reason to reform is to fulfil the terms of the memorandum, which is widely seen as imposed by the Troika. But in order for change to take hold the government and the political parties have to come up with their own project for the economy and the future. Such a project simply does not exist.

The country’s political elite has been thoroughly discredited because of its performance during the last years and it is very difficult for the PASOK government to instil trust to the existing political institutions.

It is important to note, that after the initial shock and embarrassment due to the draconian measures announced by the government, Greek society began to show signs of reaction and political mobilization. The often demonstrations organized by the trade unions and the organized interest groups reached a peak in May 2010 (when three bank employees died when their offices took fire
during a demonstration); such demonstrations continue to take place without however attracting massive support. What is more important is the awakening civil society with the emergence of non partisan “civilian” movements and face-book organized demonstrations. The most prominent action comes from the so-called “Den plirono” (I don’t pay) movement; it is a movement that refuses payment of tolls at Greece’s under construction or in very poor condition national roads, and more recently refusal to pay the Athens public transport fares which have increased by 40%. Although the parties of the Left swiftly endorsed these actions, their organization and development was not party controlled. The government was quick to codemn this movement as irresponsible, illegal and one that creates a climate of anomie in the country. Irespective of the manner in which one politically evaluates such action, the fact is that we have the emergence of a civil disobedience movement in Greece. This movement can be seen as an expression of social dissatisfaction and frustration caused by the severe measures introduced by a government which had no clear mandate to do so. In this sense it is a clear manifestation of a legitimacy crisis whose effects are difficult to foresee.

7. A Crisis of the Political (?)

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.

Similar situations in the past have nurtured the rise of extreme forces with disastrous results. This however is a remote possibility for the time being. History shows that in times of economic crisis societies turn their electoral preferences to conservative rather than radical political formations. In any case there is enough evidence to suggest that we are finally close to what can be termed the end of the Metapolitefsi (The term used in Greek for the system that emerged after the restoration of Democracy in 1974). There are clear signs of fatigue of the political forces that dominated the Greek political scene for 35 years. Their practices, decisions and omissions have been registered in the collective social memory, and it is reasonable to assume that this will be registered at the forthcoming elections. The most probable result will be the
end of the era of the autonomous one-party governments and possibly a realignment of the political forces.

In any case there is enough evidence to suggest that we are finally close to what can be termed the end of the Metapolitefsi. There are clear signs of fatigue of the political forces that dominated the Greek political scene for 35 years. Their practices, decisions and omissions have been registered in the collective social memory, and it is reasonable to assume that this will be registered at the forthcoming elections. The most probable result will be the end of the era of the autonomous one party governments and possibly a realignment of the political forces.

At the level of virtual reality there are multiple possibilities and various political scenarios are possible. The rise of the far right parties in Greece and all over Europe poses a worrying prospect. Similarly, the Italian experience is not very promising. But predicting and forecasting the future is a job for oracles and fortune tellers.
References


Pelagides Theodore and Mitsopoulos Michalis, (2010), He Stigma tis Strofis gia tin Elliniki Oikonomia, (The moment of turn for the Greek Economy), Athens, Papazisis.


Sotiropoulos Dimitris, (2001), He Korifi tou Pelateiakou Kratous, (The Peak of the Patronage State), Athens, Potamos.


Other papers in this series


43 Apergis, Nicholas, *Characteristics of inflation in Greece: mean spillover effects among CPI components*, January 2011

42 Kazamias, George, *From Pragmatism to Idealism to Failure: Britain in the Cyprus crisis of 1974*, December 2010

41 Dimas, Christos, *Privatization in the name of ‘Europe’. Analyzing the telecoms privatization in Greece from a ‘discursive institutionalist’ perspective*, November 2010

40 Katsikas, Elias and Panagiotidis, Theodore, *Student Status and Academic Performance: an approach of the quality determinants of university studies in Greece*, October 2010

39 Karagiannis, Stelios, Panagopoulos, Yannis, and Vlamis, Prodromos, *Symmetric or Asymmetric Interest Rate Adjustments? Evidence from Greece, Bulgaria and Slovenia*, September 2010


37 Vraniali, Efi, *Rethinking Public Financial Management and Budgeting in Greece: time to reboot?*, July 2010


35 Markova, Eugenia, *Effects of Migration on Sending Countries: lessons from Bulgaria*, May 2010

34 Tinios, Platon, *Vacillations around a Pension Reform Trajectory: time for a change?*, April 2010

33 Bozhilova, Diana, *When Foreign Direct Investment is Good for Development: Bulgaria’s accession, industrial restructuring and regional FDI*, March 2010

32 Karamessini, Maria, *Transition Strategies and Labour Market Integration of Greek University Graduates*, February 2010

31 Matsaganis, Manos and Flevotomou, Maria, *Distributional implications of tax evasion in Greece*, January 2010


29 Monastiriotis, Vassilis and Petrakos, George *Local sustainable development and spatial cohesion in the post-transition Balkans: policy issues and some theory*, November 2009
28 Monastiriotis, Vassilis and Antoniades, Andreas, *Reform That! Greece’s failing reform technology: beyond ‘vested interests’ and ‘political exchange’*, October 2009


24 Bozhilova, Diana, *EU Energy Policy and Regional Co-operation in South-East Europe: managing energy security through diversification of supply?*, March 2009


22 Christodoulakis, Nikos, *Ten Years of EMU: convergence, divergence and new policy priorities*, January 2009


20 Lyberaki, Antigone, *“Deae ex Machina”: migrant women, care work and women’s employment in Greece*, November 2008

19 Ker-Lindsay, James, *The security dimensions of a Cyprus solution*, October 2008


14 Psycharis, Yannis, *Public Spending Patterns: The Regional Allocation of Public Investment in Greece by Political Period*, May 2008


11 Featherstone, Kevin, *‘Varieties of Capitalism’ and the Greek case: explaining the constraints on domestic reform?*, February 2008


3 Zahariadis, Nikolaos, *Subsidising Europe’s Industry: is Greece the exception?*, June 2007


**Other papers from the Hellenic Observatory**

Papers from past series published by the Hellenic Observatory are available at [http://www.lse.ac.uk/collections/hellenicObservatory/pubs/DP_oldseries.htm](http://www.lse.ac.uk/collections/hellenicObservatory/pubs/DP_oldseries.htm)