

## **Crisis Regime in Greece and some notions on the role of space**

### **1. The specific context / general background information**

In order to describe current crisis trends or characteristics, we will try to convey some idea about the post-war and more recent processes of socio-economic development in Greece. That's because we believe that the historical context and the local social and political circumstances are crucial for understanding the current transformations taking place in Athens as well as in other Greek cities; and it is equally crucial for the mutual understanding of "crisis" in cities of Southern Europe. Since it's mostly in the "urban condition" where crisis is most severely experienced and reflected. That's the main reason why we'll examine the relation between the urban transformation patterns and the mutations of political and economic programme implemented.

In the following slides we will provide some background information regarding Greek society, its economy and production system, focusing particularly on the production of space, and will try to discuss the role of the state in this process.

- One of the major transformations throughout the entire post war period is rapid urbanization all over Greece, with Athens being the most emblematic example, in terms of all development indicators. (GDP, population, income, consumption, infrastructure, etc.)
- Another major transformation, relevant to that of urbanization, has to do with processes of social integration which resulted in the creation of a – disproportionately for some- wide "middle class", which has been highly interrelated with the prevailing urban patterns and processes.
- Thus, key factors for the production of urban space were small-scale ownership, small family enterprises and private housing construction, self built and informal for the poor and built through a small-scale commercial construction system for the lower and middle classes.
- Within a context of mediocre industrialization (up to the 80s) and rapid urbanization process, the tertiary sector, -with a particular significance attached to the public sector, construction and tourism- became primary field of economic growth.
- The role of the state has been ambivalent since on the one hand, it provided a flexible framework to support this kind of economy and was tolerant to informality, on the other, it did not actually provide significant welfare services or efficient regulatory mechanisms. Thus, for example, social housing and planning remained marginal and catered only for particular groups.
- This kind of small scale semi-formal development, widely sustained by family or local social networks, has to some extent substituted the weak welfare state and functioned as a safety net, creating opportunities of social and economic mobility for broader social groups.
- Apart from negative side effects of this more or less "informal" and not so much regulated urban development (such as lack of public open or green space, pollution of all sorts etc.), one of the most beneficial ones is reflected upon the form of urban space, esp. in the downtown areas. Greek cities developed into a relatively coherent urban system, due to social mixture and multifunctionality of urban space, more compactly in their central areas, less so in their periphery.

More recently (around the 80s that is):

- Negative economic trends such as deindustrialization as well as population ageing became gradually all the more obvious.
- It's more or less since the 80s when we start discussing the inefficiencies of public sector, the wide spectrum of corruption and cliental relations, whereas "informality" is considered a slump in the road to "development". This stage coincides more or less

with Greece becoming an official member-state of the EU (1981) and one of the most prominent “clients” of the Social Cohesion Fund.

- All along the 80s and 90s we’re witnessing a gradual rise of living standards as well as a significant diffusion of a consumerist lifestyle.
- Following the neoliberal project of the 90s, and based upon the financial aid from the EU, the economic restructuring produced an all the more weakened primary and secondary sector in favour of services, a new construction boom and respective development of the real estate sector. It also intensified speculation on land and enlarged the involvement of banks in construction, either in housing (mainly through loans), or in large scale infrastructure projects mainly focused around road networks and even more so in the region of Athens. (This trend was further intensified by major milestones of the time, i.e. the country’s entry in the Eurozone in 2002 and Olympic Games in 2004.) In the context of urban development, inefficiency of planning and gradual degradation of the built environment in big cities, have been systematically interrelated with a suburbanization process already there from the beginning of the 80s, and further intensified as urban dispersal since late 90s.
- Another major transformation is the significant influx of migrants since the early 90s, first and mostly from neighbouring Balkan countries and East Europe, later on from Central and East Asia, as well as from Africa. The integration of cheap (and mostly informal) labour in the labour market, has unquestionably sustained development sectors of the time, mainly construction, but also personal services that still and all the more substituted the weak or inexistent welfare state (house keeping, baby sitting, assistance for old, weak or ill people etc.).
- Depending on labour market needs, immigrants had to cope –among other things- with a broader or more faint resurgence of racist reflexes and practices stemming from social groups all along the socioeconomic spectrum.
- Last, from the perspective of ideology and politicization, the post-war polarization between ‘left’ and ‘right’ started to fade away during the 80s. Especially during the last twenty years two main political formations (PASOK and New Democracy) interchange seats in power, though with their respective differentiations in socio-economic rhetoric and practice fainting to the degree of extinction.
- This contributed to the consolidation of particular socio-economic elites, highly related to and dependent upon political personnel; it also contributed to the gradual depoliticization of the discourse.
- Throughout the entire post-war period “modernization” stood as a permeating ideal of varying emphasis. Particularly in the 90s, a new version of modernization rhetoric emerged, giving precedence to “rational” administration and “experts’ authority” while, in essence, neglecting participatory processes.
- Maybe, the only traces (that weren’t few) of radical political perspective can be spotted mainly in the reasoning and practice of social movements concerning matters of special interest (social, ecological or other) and mostly at the local level.

## **2. Crisis in Greece: crucial transformations and processes**

All those circumstances allowed for both the event of “crisis” and the major rhetoric about it. In 2010, when Greece turned for help to troika (IMF, EC, ECB), the “crisis” was announced as a depoliticized mismanagement result, as a systematic mistake mostly produced by the “people”. No official explanations of the crisis were offered in the context of a broader, even global economic system. The “crisis” had to be perceived as a locally determined inefficiency for which locals are bound to blame and pay.

Apart from financial indices and statistics “crisis” is more than anything else the wide repercussions of “crisis’ therapy”. Again, ideology is mobilized all along the official public

discourse so as to conveniently justify both crisis and therapy; conveniently for the most powerful elites that won't give way to their status and respective privileges so easily.

More specifically, in order for therapy to be endured without resistance or even subversion of actual socio-political hierarchy, a tremendous effort has been invested upon achieving social consensus, mainly via the political personnel and the mainstream media. All sorts of "cuts" and dissolution or dismantling 'experiments' are presented as an "one way" solution, a TINA programme for the encounter of financial deficit, or "the debt". Main attributes of the discourse are the systematic defamation of public sector, the "phantom" of tax evasion, the propagated collective guilt of "we all stole together" mainly aiming at the middle class's conscience, the implementation of 'divide and rule' through the demonization of the 'other', namely the public servant, the immigrant, the syndicalized, etc.

In that context, and apart from the propaganda and consolidation of adequate preconceptions, of crucial importance is also the process of sweeping revision of all legal framework, in the name of "debt", of "saving the country", of "remaining in Eurozone", "competitiveness for FDI", "attractiveness" or just "development". With a highly unstable political elite in govern (supported by bankers), the legislative breakthroughs throughout those 2,5 years of "crisis" are being achieved by seemingly legal, yet profoundly antidemocratic parliamentary procedures (even to the extent of being against important constitutional provisions)

In the socio-political agenda of the crisis, last but not least, comes the systematic capitalization of fear against poverty and dispossession mainly of the relatively loosely politicized middle strata, by encouraging both a sense of self-conservation within a family, locality or nation and the hatred against the 'other' who's criminalized as stealer of one's development prospects. The totality of that fearful hate allowed for the rise of fascist groups' popularity, which even achieved their ultimate legalization by winning a substantial number of parliament seats. Moreover, capitalization of fear combined with the necessity of "passing" very painful measures dictated by the Memoranda, paved the way for prioritizing the "repression of lawlessness" ('anomia'), which provided the necessary legitimization for extensive use of state violence.

Yet and despite propaganda and social repression, and apart from traditional forms of social resistance and organization (such as strikes, demonstrations, occupation of state buildings, etc.) new forms of mobilization emerged, prevalent expression of which was the creation of multiple exchange and solidarity networks and, certainly, the Indignados and the Movement of the Squares. The Movement of the Squares in Greece is tightly connected to its south European equivalents, as well as to the dynamics inherited by December 2008 insurgence which also shared the particularity of intense expression of social rage coming from an unconventional social mix, that broadly represented middle class's agony towards lack of perspective.

### **3. Promoted reforms and strategies in the context of crisis**

In other words what stands as a description of "therapy". Under the Memoranda between the Greek state and the Troika, the Greek state signed obligations for major structural reforms that seem to transmute neoliberal development towards an ultra-neoliberal direction. The therapeutic menu seems to include well known strategies of selling and degrading that have been already put on practice elsewhere, from Chile of the 70s since nowadays, with relatively ambiguous results to say the least.

These reforms could be codified as follows:

- Privatization of strategic public sector companies (water, electricity, communication, train transport, air transport, and more) as well as state owned real property.
- New legislation framework that deregulates space production by lifting all sorts of limitations and preconditions for land development, thus facilitating and accelerating large-scale investments on public or private land at the investor's taste.

- Vast cuts of personnel, salaries and resources from the public sector (ministries, local government, education, welfare state, health services, etc.).
- Significant (and practicably unsustainable) immediate or indirect tax increases, mostly on property, aiming at middle and lower strata, whilst at the same time tax relief for the few high-income.
- New legislation framework that disintegrates labour rights in the name of the all prevalent notions of “flexibility” and “competitiveness”, thus increasing precariousness of labour, especially in the private sector.

#### 4. Main effects of crisis

The crisis comes as multidimensional phenomenon that affects everyone in multiple ways, increasing existing inequalities and creating new ones, based primarily on people’s access to work, housing and social services. To illustrate, we now offer a spectrum of crisis’ main effects upon Greek society:

##### Devaluation of labour and living standards

- Rapid increase of the percentage of people falling below the poverty line (official estimates for ‘relative poverty in 2013 around 24,8%) and rapid decrease of middle class’s disposable income (around 50%, compared to 2008, for employed and pensioners)
- Substantial devaluation of living standards for the many (access to food, housing, public services, leisure, education, health)
- Increase of private debt due to new taxes, housing loans, and subsequent price increase
- Substantial degradation of public services (i.e. health, education, transport etc.)
- Rapid rise of unemployment, esp. for the young (At this moment, unemployment of the young in Greece has rise to more than 50%. As to the general unemployment, official estimates for 2013 calculate it around 28-29%, whilst real unemployment is expected to reach 34%, i.e. 1,4 million people)
- Significant emigration flows, esp. highly qualified young people, plus internal reverse migration from big cities to small cities and villages (Mostly doctors and engineers. Greece exports migrants at the fastest increasing pace in Europe, 78% of annual emigration increase for the 1<sup>st</sup> semester of 2012, with Spain following with a 53%)
- Degradation of all environmental standards and / or indicators
- Disintegration of family networks that stood as a substitute of welfare state provisions
- Rapid rise of precariousness and un-affordability for small and medium scale property
- New inequalities between generations

##### Towards humanitarian crisis

- Humanitarian crisis : poverty, malnutrition, diseases, homelessness, inadequate housing, etc. (more than 20000 homeless people in Athens, 250000 people resorted on a daily basis to church’s sub-kitchens in 2011)
- Increased vulnerability and precariousness for the most vulnerable groups
- Emergence of “new poor” social groups which include former middle class people, increase of marginalization
- Rise of insecurity and despair, an extreme evidence of which is the dramatic increase of suicides and suicidal attempts
- Rise of public resentment and social “depression” and further consolidation of a social feeling of “unjust”

##### Polarization and violence

- Increased polarization between haves and have-nots, or the ones perceived as such.

- Polarization between opposed political orientation groups based upon the questionable way out of the crisis (i.e. pro- or anti- memorandum)
- Respective diffusion and adoption of reactionary ideas and practices.
- Open and outright fascist and racist social and political expression and relevant rise of racist criminal attacks against particular ethnic groups
- Relative radicalization of particular social groups, irrespective of their actual economic situation
- All the more often violation of human rights, particularly of the most vulnerable groups
- Unprecedented recourse to violence by the state police used against demonstrators, immigrants (esp. the coloured ones) and antifascists: numerous official and media reports condemning Greece in relation to police brutality, violation of human rights etc.

### **Athens in the spotlight**

Athens has been the emblem of socioeconomic development throughout the entire post-war period, the major agglomeration node for the accumulation and reproduction of labour, capital, knowledge and investment. Athens is the seat of power in a highly centralized state. Following global trends of urban development, since the late 90s, Athens became a field for large-scale urban projects and had been celebrated in 2004 as the flashy city-host of a global event, such as the Olympic Games.

It doesn't then come as a surprise that it is mostly in Athens where the effects of crisis became obvious in the most blatant and violent way, with the first signs spotting particularly the city centre.

The crisis is reflected on closed shops, vacant flats or buildings, dilapidated built environment and public space, even more so in the downtown areas. Follows a short description :

- Same areas characterized as nodes of multiculturalism of the mid-00s, soon begin to stand as examples of "ghetto" in the dominant public discourse even before the official start of the crisis.
- Rather immediate official response was one based upon the adoption of ghetto rhetoric, thus formalizing spatial segregation in ethnic or economic terms, reproducing fear and calling for security, namely against criminal "others" (i.e. the immigrants).
- At the same time, organized crime, prostitution, drug trafficking and use, become all the more visible in the public space and hold a central part in the mainstream agenda mainly associated with immigrants.
- As to the scenery, among the main characteristics are dilapidated built environment, neglected public space, deteriorating environmental conditions esp. in the centre, inactive real estate market: thousands of vacant dwellings, offices and commercial spaces, reduction of land prices, huge stock of unsold new-built houses, primarily in the periphery
- Together with the real estate and urban renewal visions that emphasize on improving physical environment, what mostly came as an actual practice (and physical "decoration") was extensive and aggressive forms of policing rather against people that do or seem to think differently than against criminal circuits (despite rhetoric of "zero tolerance").
- When the real crisis entered the official discussion and the scenery, Athens became the theatre for the most numerous evictions, foreclosures, auctions, closed shops numerous homeless, drug addicts, etc. In short, Athens turned into the most painful reflection of the humanitarian crisis.
- For the ones that still endure sustaining a normal life, the overall deterioration of public services (street cleaning, transport, child care, education, health service etc) makes things even worse.
- Last, the wartime analogy of crisis dimensions is also reflected upon the broad revival of practices such as the sharp increase of pawnshops esp. in areas of lower income people, the 'flourishing' fire-wood business etc, and on the other hand people eating in sub-kitchens or making a living from informal recycling.

## 5. Some conclusive remarks and open questions

Main transformations taking place in terms of socio-economic and spatial arrangement is the dispossession of both public and private –mainly small scale- property and the facilitation of its reallocation, namely in larger sums and among fewer owners: That is the idea of “redistribution, revisited”, or, largely, what D. Harvey would call “accumulation by dispossession”.

The object of dispossession in this time of crisis is on the one hand (and primarily) common goods and public property (i.e. common facilities and social services, infrastructure, land and natural resources etc.), on the other, directly private property, as well as human, labour and citizenship rights.

The most dispossessed are being pushed to the edge of the system, they get excluded, marginalized. The entire society becomes rather exclusive, expelling the ones that cannot meet their own needs on their own economic or other resources. Whilst dependency for survival is on sharp increase, the state is retreating.

Within the context of crisis and dispossession, space acquires a central role either as one of the most important development factors for the reactivation of real estate and the economy, or as a source of revenue for paying-up the debt.

Privatization, dispossession and socio-political control need the state to sell or to guarantee the process and the success of the restructuring. Hence, apart from selling off property, state has to withdraw and redefine its own purpose, by giving way to the “markets”, and all private investments. The process of this withdrawal can be seen as deregulation.

Within the context of cities during the crisis, urban space can be seen as loot, as assets, as places or objects of making profit. It can also be seen though as shelter, as a field of social inclusion, solidarity and interaction, as a scene for collective expression and formation of new collective claims. The right to the city is put under question, therefore becomes anew a very important claim. Spatial implications or expressions of crisis in our cities make it more obvious than ever that, in fact, “There Is No Alternative” for societies than to defend space.