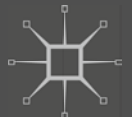


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DIMITRIS KATSIKAS,
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new perspectives on south-east europe

**SOCIOECONOMIC FRAGMENTATION
AND EXCLUSION IN GREECE
UNDER THE CRISIS**



New Perspectives on South-East Europe

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Socioeconomic
Fragmentation and
Exclusion in Greece
under the Crisis

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PREFACE

This book is largely based on the analytical ideas, data and findings produced in the context of the research programme *Fragmentation and Exclusion: Understanding and Overcoming the Multiple Impacts of the Crisis*—‘Fragmex’ (<http://www.fragmex.eu/>). The programme was funded by the Greek General Secretariat of Research and Technology and the German Ministry of Education during 2013–2015. The Greek part of the programme was implemented by the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP) and the Hellenic Open University (HOU). We would like to thank the management and the administrative officers of ELIAMEP as well as the team of HOU and its coordinator, associate professor Achilleas Kameas; their support during the course of the project was indispensable.

The basic idea that inspired the project was that economic crises produce both a deterioration of living conditions, which lead parts of the population to socio-economic exclusion, and a cognitive or discursive fragmentation, which can also produce new kinds of exclusion. The aim of the project was to test this idea for the case of Greece and uncover empirical evidence for these parallel processes. Greece constituted an ideal case study because of the depth and duration of the crisis it experienced but also because of its already deeply fragmented political economy and society. This analytical framework called for a combination of different theoretical and methodological approaches, which we feel contributed to a richer set of findings and interpretations.

During the transition from the research programme to the book, the material was re-organized, expanded and updated, while other researchers

who had not participated in the programme were invited to join. Professor Tsakloglou, one of Greece's foremost experts in the economic analysis of phenomena of poverty, social exclusion and inequality, and his long-time research collaborator, Eirini Andriopoulou, who is an established researcher on these issues and who works at the Council of Economic Advisors of the Greek Ministry of Finance, agreed to contribute a chapter on poverty and inequality. Alejandro Pérez, PhD fellow, also joined the team and contributed greatly in the analysis of civil society organizations' discourse on poverty and social exclusion. We would like to thank them for accepting our invitation to participate in this book. We would also like to thank the rest of the authors, who were in this endeavor from the beginning, and Pery Bazoti for her excellent research assistance and her help in getting the final manuscript together.

Hopefully, the end result is a useful contribution to the study of the socio-economic crisis in Greece but also more broadly to the study of processes of fragmentation and exclusion in modern societies during crisis as well as in times of prosperity.

Athens, Greece

Dimitris Katsikas
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Introduction

Dimitris Katsikas

1.1 AN UNPRECEDENTED ECONOMIC CRISIS

For the past decade, Greece has been going through a deep economic crisis of a magnitude unknown for any developed country in the post-war period. The first signs of an economic downturn came in late 2008, following the breakout of the global financial crisis. In 2009, the crisis deepened, as the developed world experienced a sharp recession, which negatively affected Greek exports and inward Foreign Direct Investment. At the same time, the troubles of the international financial system and widespread economic uncertainty affected the provision of credit to the private economy by the Greek banks. This contributed, among other things, to a significant drop in domestic investment, particularly in the—crucial for the economy—construction sector. From the end of 2009, the Greek crisis becomes increasingly decoupled from the world economic crisis, which is gradually overcome, acquires its own dynamic and proves to be a catalyst for the Eurozone debt crisis that follows.

The story is well known by now. Following revelations about the unsustainable size of its fiscal deficit in late 2009, the country's long acknowledged (but largely ignored by Greek governments as well as the institutions

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of the Eurozone and the financial markets) structural problems came to the fore, and its already weak credibility quickly deteriorated. In an unfavourable international economic environment, in the aftermath of the global financial crisis, when investors shunned risky assets, Greek government bonds could find no buyers. With the conduits of market credit closed off, the heavily indebted Greek state teetered on the brink of bankruptcy.

The Greek government sought official funding, which came in the form of a bailout agreement in May 2010. The funding was accompanied by a Memorandum of Understanding (MoU), or ‘Memorandum’, as it is now known in Greek common parlance, under the supervision of three organizations—the European Commission, the European Central Bank and the International Monetary Fund—the so-called Troika.¹ The adjustment programme called for a combination of harsh front-loaded fiscal adjustment, internal devaluation policies,² and a wide array of structural reforms in order to restore fiscal sustainability and international competitiveness.

Given the extraordinary size of the fiscal deficit (15.2 per cent of gross domestic product (GDP) in 2009), this meant the implementation of a fiscal consolidation programme, which has truly been without precedent.³ The aggressiveness of the fiscal adjustment programme, which reduced wages in the public sector, cut benefits and pensions across the board and curtailed public investment, in combination with internal devaluation policies (mainly through labour market reforms), and a pervasive climate of uncertainty regarding the prospects of the economy and its place in the Eurozone, which discouraged both domestic and foreign investment, led to a sharp decline of per-capita income and an explosive increase of unemployment. The ensuing collapse of economic activity undermined the government’s fiscal consolidation efforts since tax revenues and social insurance contributions plummeted. To make up for the deviations in the fiscal targets, the government was forced to introduce new austerity measures, which however deepened the crisis. This vicious cycle plunged the country into a downward economic spiral. Unsurprisingly, the programme’s targets could not be met, the debt dynamics worsened and eventually the country went on to sign a new bailout agreement in 2012, accompanied by a debt-restructuring deal.^{4,5}

Despite differences in the fiscal consolidation mix and an increased emphasis on structural reforms, the second programme effectively followed the same recipe, resulting in a further deterioration of the economy, before the latter showed some signs of recovery in 2014. In terms of politics,

however, it was too little, too late; following two consecutive elections shortly after the signing of the second bailout agreement in 2012, popular anger and frustration with the austerity programme led to a complete subversion of a long-established balance in the political system. The political shifts which upset the status quo created new political players and pushed to the fore ‘anti-Memorandum’, Eurosceptic parties from both ends of the political spectrum.

The signs of recovery in 2014 were not enough to change the political dynamics, and in January 2015, Syriza, a radical-left party, won the elections on an aggressive, anti-memorandum campaign and went on to form a coalition government with the nationalist right-wing party of ‘Independent Greeks’, which had also led, though from a different perspective, an anti-memorandum, Eurosceptic campaign. After a failed six-month negotiation, which sought a solution outside the ‘Memorandum framework’, in July 2015 the new coalition government ended up signing a third bailout agreement, accompanied by a new Memorandum, which in terms of policy continued where the previous two had left off,⁶ promoting austerity policies, which are now projected to be continued for decades after the completion of the programme.⁷

Meanwhile, the implementation of structural reforms progressed slowly throughout this period. On the one hand, the design of reforms was far from optimal; in a number of cases, reforms proved at best ineffective and at worst counter-productive.⁸ On the front of labour market reforms in particular, internal devaluation policies (e.g. the reduction of minimum wage) have contributed to further income reductions, without having the expected effect on Greece’s international competitiveness, as other equally crucial reforms (e.g. in the product markets) did not progress fast enough. On the other hand, the scope and speed of structural reforms stretched the resources of a state apparatus, already known (even before the crisis) for its poor record in designing and implementing reforms.⁹ Public administration was further constrained by the aggressive fiscal adjustment, which reduced state services’ budgets and led many public servants to early retirement, leaving these services seriously understaffed. Political uncertainty and consecutive changes in government did no favours for policy continuity, while all the governments in the period under examination exhibited to varying degrees a tendency to avoid politically difficult reforms.¹⁰ To an extent, the procrastination in reforms has been tolerated by the Troika, as throughout the programmes, the overriding priority has always been fiscal consolidation (Manasse 2015; Petralias et al. 2018).

All in all, the scope and depth of the problems facing Greece, mistakes and omissions in the design of the MoU's policies,¹¹ a record of partial and often superficial implementation of reforms by the Greek governments and intense political polarization, which sustained a climate of permanent political and therefore economic uncertainty, led to the derailment of the bailout programmes and the gradual collapse of the economy to a degree which is truly astonishing. During the crisis years, domestic investment collapsed, while foreign investment stayed away; mean disposable income decreased by more than 30 per cent, while private consumption declined by 25 per cent; approximately half of the deposits left the banking system, while 45 per cent of all loans are in the red; unemployment rose to more than 27 per cent at its peak in 2013, remaining above 23 per cent in early 2017. All in all, GDP fell by more than 26 per cent during this period. Despite official projections for a moderate recovery in the medium term, the economy remains subdued and prospects seem uncertain.

1.2 FROM ECONOMIC CRISIS TO SOCIAL DEGRADATION

The economic collapse led to a deep social crisis. Although, in principle, a severe economic crisis is expected to negatively impact living conditions, a deterioration such as the one witnessed in Greece is by no means a necessity. Beyond the intensity and duration of the crisis, the causes of this development are also to be found in the weaknesses of the Greek welfare state, which proved incapable of alleviating the impact of the crisis.

Traditionally, the welfare state in Greece has been criticized for being inadequate and fragmented and operating on a clientelist basis.¹² Not surprisingly, researchers have found that its contribution to the reduction of poverty, social exclusion and inequality has been lacking, particularly when compared with other central and northern European countries (e.g. Dafermos and Papatheodorou 2010; Balourdos and Naoumi 2010). What is more, most of the reduction in poverty in Greece comes primarily through pensions, which make up almost half of the total social expenditure in Greece, while the contribution of other types of transfers (e.g. disability, family or housing benefits) to the reduction of poverty is much less significant (Andriopoulou et al. 2013). This is due to the fragmented nature of the Greek welfare system, which does not provide universal social services to the entire population; rather, the provision of services is differentiated among different occupational groups and different types of social protection (Papatheodorou and Dafermos

2010; Petmesidou 2014). The inefficient operation of the welfare system in Greece is made worse by the lack of resources since traditionally the expenditure for social protection has been below European averages. For the period 2000–2008, Greece spent on average 19.7 per cent of its GDP on social protection, while for the same period, euro area-19 countries spent on average 26.2 per cent of their GDP.¹³

During the crisis period, these problems seem to have been further aggravated. Concerning resources (billions in 2010 constant prices), in 2010 total expenditure on social protection was reduced to 59.2 billion euros, from 61 billion euros in 2009, before declining further in the following years to a low of 47.6 billion euros in 2014, the lowest level since 2005.¹⁴ What is more, the uneven character of the Greek welfare system became even more pronounced during the crisis. Expenditure for old-age pensions increased from 9.9 per cent of GDP in 2009 to 13.3 per cent in 2014,¹⁵ while expenditure as a percentage of GDP for other types of social protection, such as those for family and children, housing and social exclusion declined during this period, making the system even more unbalanced. In view of the above, it is not surprising that poverty rates after social transfers increased in Greece, albeit at a lower rate than poverty before social transfers. By contrast, in EU-28, poverty rates after social transfers have declined since 2011, although, on average, there was also an increase in poverty before social transfers.

The increase in poverty rates during the crisis has been documented by a number of studies. Leventi et al. (2010) focused on the comparison between policies in 2009 and 2010. They used the micro-simulation model EUROMOD¹⁶ to study the impact of austerity policy measures on poverty and inequality. According to their estimations, the implementation of austerity policies in 2010 reduced median income in Greece by 2.4 per cent and led to an increase in poverty rates by 2.7 percentage points to 23.1 per cent. Matsaganis and Leventi (2013) analysed the anatomy of poverty in Greece also using EUROMOD, based on data from the EU Survey on Income and Living Conditions (SILC) 2010 (incomes of 2009),¹⁷ and they presented poverty rates by using a floating and a fixed poverty line. According to their findings, relative poverty in Greece (60 per cent threshold) in 2013 increased to 22.3 per cent, up from 19.4 per cent in 2009.¹⁸ Using a fixed poverty threshold changes the picture completely.¹⁹ By employing a fixed poverty threshold at 60 per cent of the median equivalised income of 2009 (adjusted for inflation), Matsaganis and Leventi (2013) obtain a dramatic increase in poverty rates, which for the total

population reaches 44 per cent in 2013. The authors also estimated an index of extreme poverty, based on a basket of basic goods, and found that it had increased dramatically, to 14 per cent for the total population in 2013 from 2.2 per cent in 2009. Similar are the findings of Katsikas et al. (2015), who report poverty rates of 40 per cent for 2013 by using a fixed poverty line (60 per cent of the median disposable income reported in 2009—income of 2008, adjusted for inflation). The latter study also reports a deterioration in the depth of poverty (i.e. the percentage of poor people who are far below the poverty threshold has increased), particularly during the early years of the crisis. Using a different methodology, Giannitsis and Zografakis (2016) also report a significant increase in the depth of poverty for the ‘new poor’ (i.e. the people who fell under the poverty line after the onset of the crisis). Moreover, the authors, through the use of tax authorities’ data, demonstrate the strong link between poverty and unemployment during the crisis. These studies also show that poverty has hit different groups of people disproportionately; single-parent families, the young, the immigrants and the unemployed²⁰ are typically among the worst-hit categories. These findings dovetail with the findings concerning the depth of poverty and also hint at the potential of the crisis to create poverty traps, as studies have shown that, even before the crisis, these groups faced an increased risk of poverty (e.g. Andriopoulou et al. 2013). On the other hand, this does not mean that all the people in these groups became worst off or that other people not belonging to these groups did not experience poverty. As Giannitsis and Zografakis (2016) demonstrate, during the crisis there were substantial movements, both upwards and downwards, within and between all income and occupational groups.²¹ As a result of all these developments, there is a substantial divergence of Greece’s poverty levels from European averages during the crisis.

Still, monetary poverty as described above does not paint the whole picture. In developed states, the measurement of poverty is gradually related to a conceptualization of ‘deprivation’ of a number of goods and services, access to which defines the attainment, or not, of a more general conceptualization of well-being (Kahneman et al. 1999; Stiglitz et al. 2009; OECD 2011). Often, the criteria which are used to determine the level of well-being are non-monetary and refer to conditions that affect the ability of individuals to attain both a decent a standard of living but also their prospects and potential for the future. This broader approach to the standing of individuals in a society is closely linked to Sen’s (1985) theory of capabilities and functionings, which link poverty and deprivation

to the capability of individuals to attain certain fundamental conditions such as being healthy or having access to education. This multi-dimensional approach to the social condition of the individual, in combination with the emphasis on the relative aspect of poverty or deprivation, where these are not measured in absolute terms but always in relation to the standard of living in a society as a whole, constitutes the core of what is generally conceived as social exclusion (Silver 1994; Byrne 1999; de Haan 1998; Burchardt et al. 2002; Fischer 2011). Social exclusion in the EU today is measured by the percentage of people at risk of poverty or social exclusion (AROPE), which has become the leading indicator for assessing the fulfilment of the EU 2020 strategy's headline target of reducing poverty and social exclusion by 2020.²²

In Greece, between 2010 and 2013, the AROPE rate increased substantially, from 27.6 to 35.7 per cent, and has remained stable thereafter. Given that during the same period, relative poverty increased rather mildly, from 19.7 to 22.9 per cent (because the entire income distribution moved downwards, as previously explained), it is obvious that most of the increase of the indicator is due to an increase in social exclusion. This is not surprising, given that the decline in incomes has been larger than the decrease in the prices of goods and services, which did not start falling until the spring of 2013. This means that real disposable income fell dramatically during the early years of the crisis, impairing the ability of people to purchase desirable or even necessary products or services and forcing people to switch to lower-quality or -serviceability solutions. This difficulty is partly captured by the data on material deprivation, which shows a tremendous increase in the percentage of materially deprived people from 23 per cent in 2009 to 40.7 per cent in 2015, while severe material deprivation more than doubled in the same period, reaching 22.2 per cent in 2015.

A particularly worrying aspect of material deprivation is food insecurity. While little is known about the true extent of the problem, daily soup kitchens organized by municipalities, non-governmental organizations (NGOs) and the Church across the country, which cater to the needs of an increasing number of citizens, have become a commonplace phenomenon in recent years. The problem seems to be particularly intense for the people below the poverty line; EU-SILC data reveals that poor individuals' ability to eat a meal with meat, chicken or fish (or vegetarian equivalent) every second day decreased dramatically during the crisis. While in 2008 29.7 per cent of the poor could not afford a meal that met the aforementioned specifications, by 2012, such a meal was unavailable for

almost half of the people below the poverty line (Katsikas et al. 2015). The plight of the poor in this respect comes into sharper focus when we review evidence from a programme which provided meals to children attending schools in underprivileged areas, implemented under the auspices of the Ministry of Education. According to a survey conducted by Prolepsis, an NGO responsible for running the programme, among the participating households, 64.2 per cent were found to be food-insecure²³ while 26.9 per cent were found to experience hunger. In households in which both parents were unemployed and not retired, food insecurity with hunger was up to 50 per cent (Katsikas et al. 2015).

Another worrying aspect, not captured by the relative poverty rate, is the impact of the crisis on the access to social services. Healthcare services is a prime example of an issue area where the combination of expenditure cuts due to fiscal consolidation requirements, structural reforms (much-needed but not always appropriately designed) and economic deterioration led to increased difficulty of parts of the population to access much-needed services. More specifically, policy measures such as the increases in co-payment for medicines, the introduction of a 5-euro ticket for accessing public hospitals, the restrictions to entitlements for certain treatments or medicines, and reductions in benefits have led to an increase in healthcare costs for patients (Economou et al. 2014). Moreover, cuts in public funding for public health structures at a time when demand for public healthcare services has increased (as patients cannot afford private services) have meant that access due to geographic distance has been impaired, particularly in remote areas, while waiting times have also gone up, as more people have sought assistance from the same structures (Economou et al. 2014).

This situation is captured by EU-SILC data on self-reported unmet needs for medical care; the data shows that, in Greece, the percentage of the population which reported that it needed some kind of examination or treatment but did not seek it due to financial difficulties, long waiting lists or long distances to travel reached 12.3 per cent in 2015, more than double since 2009. A particularly telling piece of evidence about the disproportional distribution of the impact of the crisis on the lower socio-economic strata in this respect is that, according to EU-SILC data, for the self-reported unmet needs due to financial reasons, the percentage for the first income quantile has increased to 17.4 per cent in 2015, compared with 10.9 per cent for the entire population and less than 3 per cent for the fifth quantile. This percentage has more than doubled since 2009 and is more than three times the respective EU-28 average.

Finally, another important aspect of the social situation in Greece, not captured by poverty and social exclusion indicators, is income inequality. The issue of inequality is closely related to those of poverty and social exclusion since increased inequality often means that more people in the lower socio-economic strata face the risk of poverty and social exclusion. Accordingly, linking the two areas provides for a deeper and more comprehensive understanding of the social consequences of the crisis. Income or economic inequality is a theme that has come to dominate the public discourse internationally in recent years, not only because of the crisis but also due to new scientific work (e.g. Piketty 2014) which sheds new light on the subject, especially in developed economies. The debate on inequality has intensified further because of the crisis, as there is evidence that the latter may have led to an increase in inequality levels (OECD 2013), a result which has been reproduced more specifically for the case of Greece (Matsaganis and Leventi 2014). However, inequality is a complex issue and does not necessarily move in sync with poverty rates. Accordingly, there is evidence to suggest that despite the recorded (small) overall increase in inequality during the crisis, there have also been instances at different time periods during the crisis, and income and/or occupational groups, for which inequality has been reduced (Giannitsis and Zografakis 2016).

1.3 RATIONALE AND STRUCTURE OF THE VOLUME

Economic crises upset established relationships, patterns of behaviour, institutional practices, attitudes and sometimes even identities. As we saw in the case of Greece above, this process creates losers and winners and affects the pre-existing economic and social stratification, primarily through the creation of new *outsiders*. In this sense, economic crises have the potential to set in motion a *fragmentation* process, whereby losers join the ranks of previous outsiders in a downgraded status of *exclusion*. This process may occur at two levels: one is a material level, as rising levels of unemployment and poverty are producing new outsiders deprived of basic social and economic rights. At the same time, the existence of a public fiscal crisis adds another source of material exclusion, as it may create problems in the provision of social services, leading to a further deterioration in the situation of both new and old outsiders whose access to such services may be constrained. Furthermore, this material dimension of fragmentation and exclusion is often accompanied by another, ideational dimension, whereby a

discursive-cultural rift is forming between the new (and old) insiders and outsiders. Often, a result of this rift is that each group assigns the blame to the other for the new social and economic stratification in the aftermath of a crisis.

At the same time, we see emerging in Greece a grass-roots social solidarity movement, which aims to combat the effects of fragmentation and social exclusion. This is a very interesting development for two reasons: first, because Greece does not have a strong civil society tradition; the crisis seems to be acting as a catalyst for the emergence of an active civil society; second, because it can be a significant mechanism through which to address the negative impacts of the crisis.

This edited volume furnishes new empirical evidence and analytical ideas to study phenomena of fragmentation and exclusion threatening stability and cohesion in Greek society in the aftermath of the crisis. Moreover, through new empirical evidence, the volume attests to the emergence of spontaneous civil society initiatives, which aim to address the fragmentation and exclusion processes on both the material and discursive/ideational levels, while also demonstrating the limits of civil society mobilization. Finally, the volume offers a discussion of the political management of fragmentation and exclusion in Greece in the period preceding the economic crisis and its implications both for the characteristics of the material and discursive fragmentation witnessed during the crisis and for the availability of policy instruments and the determination of policy choices made in response to the crisis.

These processes are documented on the basis of a wide set of relevant data, sourced through a variety of methodological approaches. Accordingly, the authors are able to marshal a rich set of quantitative and qualitative data such as micro-economic data, social policy indicators, official statements of political parties and social partners and in-depth interviews with opinion shapers, and policymakers, and representatives of NGOs in Greece.

In line with the discussion above, the volume is organized in three parts:

Part I: Socio-economic outcomes of the crisis and public policy. Here, quantitative analyses of empirical data about different aspects of the socio-economic impact of the crisis and the policies followed during the crisis are presented and analyzed. This part provides the empirical background against which the discussion of social policy, perceptions and civil society initiatives in the remainder of this volume takes place.

Part II: Discourses and perceptions on poverty and social exclusion in Greece. In this part, a documentation and discussion of discourses and perceptions related to phenomena of poverty and social exclusion are presented on the basis of analysis of texts and interviews with decision and opinion makers as well as with members of Greek civil society organizations (CSOs).

Part III: The reaction of civil society to the crisis. In this final part, the reaction of Greek civil society to the social and economic crisis is analyzed. The empirical material here comes predominantly from in-depth interviews with a variety of civil society actors.

More specifically, in Chap. 2, Eirini Anriopoulou, Alexandros Karakitsios and Panos Tsakloglou explore the effects of the Greek crisis on the level and the structure of income inequality and poverty. Employing a variety of indices for an inter-temporal comparison between the period before and after the outbreak of the crisis, they present significant changes in the trends and profile of both poverty and inequality in Greece. More specifically, they demonstrate that poverty rose considerably, particularly when measured using the pre-crisis income of Greeks. Moreover, they show a substantial shift in the distribution of poverty, as the contribution of households headed by pensioners to aggregate poverty has declined sharply with a corresponding increase in the contribution of unemployed-headed households. On the other hand, inequality also increased during the crisis. The elderly improved their relative position while there was substantial deterioration in the relative position of the enlarged group of the unemployed. The contribution of disparities between socio-economic groups to aggregate inequality rose, while the contribution of educational disparities declined.

In Chap. 3, Kyriakos Filinis, Alexandros Karakitsios and Dimitris Katsikas present and analyze developments in the Greek labour market before and after the outbreak of the crisis. The analysis focuses on two basic dimensions of the labour market: employment and unemployment. Multiple aspects of these dimensions are examined (e.g. by gender, age groups and educational levels), making use of historical data for Greece and comparative data vis-à-vis other euro area countries when possible. In addition, the chapter explores the dynamics of two key aspects of employment in Greece, namely self-employment and undeclared employment. The authors demonstrate the overall deterioration of the Greek labour market during the crisis and identify a process of twin fragmentation

taking place as a result: (a) a substantial and typically persistent divergence between the performance of the Greek labour market and that of the labour markets in the rest of the euro area and (b) a significant divergence in the fortunes of different population groups in the Greek labour force, which for the most part reinforce existing fragmentation lines.

In the final chapter of Part I, Dimiri A. Sotiropoulos contrasts patterns of fragmentation and exclusion in the Greek social policy legislation before and after the onset of the economic crisis. He shows that the Greek welfare state was ill prepared to fight poverty and social exclusion even before the crisis struck. After the start of the crisis, because of austerity measures, social policy was considered a secondary priority. The budget to fight poverty and social exclusion was drastically cut, while the state continued discriminating in favour of some interest groups (liberal professions, employees of state-owned enterprises) at the expense of other categories of the population. Eventually there was a clear mismatch between the size and nature of the grave problems facing Greek society on the one hand and the resources and policies devoted to address these problems on the other hand.

In the first chapter of Part II, Dimitris Katsikas and Anastasia Papakonstantinou review the political discourses on poverty and social exclusion before and after the outbreak of the crisis as these are manifested through parliamentary debates, political speeches and political parties' programmes during electoral campaigns. Before 2010, there were only rare and generic references to such issues in political discourse; in terms of policy proposals, these were narrowly focused on the distribution of welfare benefits through cash transfers, the dominant social policy paradigm in Greece. After the eruption of the crisis, references to poverty and destitution have increased significantly in political discourse, while social exclusion continues to be a concept not widely used or understood. Moreover, since the onset of the crisis, new terms, such as 'humanitarian crisis', have entered the political vocabulary. However, both the increased references and the new terms employed have been typically used in the context of communication strategies aiming to increase political polarization and capitalize on the anger and frustration of suffering Greeks. All in all, the pre-crisis patterns of political discourse on issues of poverty and social exclusion do not seem to have changed substantially, in qualitative terms, during the crisis.

In Chap. 6, Dimitri A. Sotiropoulos and Anastasia Papakonstantinou describe and explain the attitudes and perceptions of elite groups on the issues of poverty and social exclusion. They use content analysis of mate-

rial obtained in interviews with policy and opinion makers regarding poverty and social exclusion. Interviewees included politicians, experts, labour representatives and journalists. The two authors show that, among these elite groups, there are gross misperceptions of poverty and social inclusion. The two concepts are often conflated; elites understand only those social effects of the crisis which are familiar to their clientele or their own profession; and there is a glaring gap between the actual negative social effects produced by the crisis and the views which elites hold about such effects.

In the last chapter of Part II, Zafiropoulou, Theodosiou and Perez present and discuss the views of representatives from CSOs and informal social networks in two Greek cities (Athens and Patras) on the basis of individual semi-structured interviews. Their contribution attempts to explore how civil society actors perceive the link between crisis, poverty and social exclusion. Civil society actors question previous assumptions about what constitutes poverty in Greek society and offer important insights into the seemingly disparate practices and experiences among those classified as poor and excluded. In so doing, they seem to reject poverty as a self-evident category or an absolutely measurable condition. For them, poverty and exclusion are the outcome of specific social relations. Such an understanding relates phenomena of poverty and social exclusion to moral (dis)placements and existential anxieties about the ‘self’ that seem to produce alternative visions of the future and new paradigms of political engagement.

In the first chapter of Part III, Maria Zafiropoulou examines the basic features and strategies of new and old CSOs during the crisis. The chapter builds an analytical framework of formal and informal CSOs’ positioning before and during the crisis, on the basis of a model proposed by Vaesken and Zafiropoulou (2008). Based on a qualitative survey of 79 NGOs and informal groups of citizens, the author examines civil society’s choice of proximity policies (geographical vs. affinity proximity) and the nature of their regulatory/governance arrangements (self-regulation vs. controlled regulation). The analysis provides interesting insights into CSOs’ reactive, proactive, defensive or adaptive strategies in times of crisis and, in so doing, identifies a paradox, whereby civil society initiatives that emerged during the crisis to provide social solidarity and bridge previous fragmentations, through their strategies and practices, have initiated new types of fragmentation within Greek civil society.

In Chap. 9, Dimitri A. Sotiropoulos provides a holistic appraisal of the role of CSOs during the crisis and discusses their potential as an emerging social force in Greece. The analysis is based on a collection of data from the press and secondary sources and argues that the rebirth of civil society in Greece may have occurred but that traditional patterns of fragmentation are still visible. The author argues that before the crisis erupted, civic associations were frequently either permeated by political parties or monitored by and financially dependent on the state. With the exception of selected strong professional associations and public-sector unions, civil society was weak and fragmented. After the start of the crisis, unions and associations struggled to preserve the living standards of middle- and lower-class Greeks but also to protect their own narrowly defined labour market and welfare niches. Informal social movements challenged government policies, while self-help groups and social solidarity networks provided social assistance and social services to the poor and socially excluded. However, there emerged other, often violent, movements which challenged institutions of parliamentary democracy, such as political parties and elected governments. Thus, civil society was strengthened but overall the record of its invigoration was mixed.

In the concluding chapter, Dimitri A. Sotiropoulos summarizes and assesses the findings of the volume, arguing that there are multiple rifts in Greek society, not only at the level of the body of society but also at the level of discourse. The concluding chapter's major theme is a double mismatch. First, the social policies adopted to fight poverty and social exclusion did not correspond to the scale and gravity of social problems caused by the crisis. The welfare state continued, in a fragmented fashion, to cater to the needs of insiders of the Greek labour market at the expense and exclusion of the rest of society. Second, there was a mismatch between the extent and nature of crisis-produced social problems and their conceptualization and understanding by policymakers and opinion shapers. Such perceptions and discourses served to sustain and even re-ignite pre-existing fragmentations within Greek society. Curbing fragmentation and exclusion requires a minimum of consensus among elites, political parties and social partners.

Although the focus of this edited volume is Greece, its relevance goes beyond the Greek case. The study of the socio-economic dimension of the Greek crisis has implications for a number of different debates, such as the scope, structure and reform of the 'European' welfare state, particularly in the countries of Southern Europe, the role of civil society as an alternative welfare provider, the ongoing debate about the appropriateness of the

policy recipes adopted to tackle the crisis and the related growing debate on economic inequalities, the rise of Euroscepticism and the change of the political landscape in most of the countries that went through a crisis but also in the EU more generally. The volume speaks to these issues through the lens of the Greek case, as demonstrated by the chapters which follow.

NOTES

1. Following the signing of the third bailout agreement in August 2015, the European Stability Mechanism, which is responsible for the funding of the programme, joined the Troika. The new group is often referred to as the Quartet.
2. Internal devaluation policies aim at reducing domestic labour costs (i.e. wages) and consequently export prices in order to restore the international competitiveness of an economy. It is a policy typically employed when currency (external) devaluation is not possible for a country (in the case of Greece because of its participation in the Eurozone).
3. Anastasatou (2017) reports that the fiscal adjustment measures taken throughout the crisis amounted to more than 30 per cent of the Greek GDP. The fiscal adjustment that has been achieved in terms of the cyclically adjusted fiscal primary balance exceeds 16 per cent of the GDP, which makes it the biggest in a developed country in recent decades; moreover, it was achieved in a very short period of time compared with other, similar adjustments (Anastasatou 2017).
4. For a review and assessment of the first bailout programme, see Pisani-Ferry et al. (2013).
5. The second bailout agreement was signed in February 2012.
6. For a review of the differences between the policy proposals contained in the pre-election political documents of Syriza and the policies it adopted following the signing of the third bailout agreement, see Katsikas (2016).
7. The Greek government agreed in June 2017 to a fiscal target of 3.5 per cent primary fiscal surplus until 2022 and a 2 per cent surplus from 2023 until 2060. See *Eurogroup Statement on Greece*, 15/06/2017.
8. For policy design failures regarding the structural reform programme of the MoUs in Greece, see Terzi (2015), Manasse and Katsikas (2018) and Katsikas et al. (2018).
9. There is extensive literature documenting the failure of the Greek state in this respect. See, for example, Pelagidis 2005 and Featherstone and Papadimitriou 2008.
10. For various aspects of political and administrative obstacles to reforms, see Exadaktylos and Zahariadis 2012; Ladi 2014; Featherstone 2015 and Sotiropoulos 2015.

11. Perhaps the most important of these was the failure to properly estimate the impact of austerity policies on the Greek economy, as acknowledged by the International Monetary Fund's own chief economist; see Blanchard and Leigh (2013).
12. For a more detailed analysis of this critique and an overview of the related literature, see Chap. 4, by D. A. Sotiropoulos, in this volume.
13. The difference was reduced the years before the crisis as social spending as a percentage of GDP increased gradually during the 2000s.
14. The data reported is in billions of euros because the figures of expenditures as a percentage of GDP would show a distorted image. Between 2009 and 2014, Greece's expenditure on social protection grew, on average, to 26.6 per cent of GDP. However, since GDP declined substantially during the crisis, social expenditure appears to increase, not because it increased in absolute terms but because it fell less than GDP.
15. Once again, it should be noted that this increase is in terms of GDP, which declined dramatically during this period. Accordingly, the reported increase in pensions' expenditure means that while pensions have been cut substantially during the crisis, their reduction was, on average, less than the decline of the GDP.
16. EUROMOD is a tax-benefit micro-simulation model for the EU countries which enables researchers and policy analysts to calculate the effects of taxes and benefits on household incomes and work incentives for the population of different member states and for the EU as a whole.
17. The EU Survey on Income and Living Conditions (SILC) is a survey that has taken place across the EU since 2003. It is carried out by the national statistical authorities, which collect data through surveys on poverty, living conditions and social exclusion.
18. Poverty, as typically measured in the literature, is a relative concept; that is, it measures a level of income below which an individual is considered to be poor compared with the other members of society. The most commonly used (but not the only) poverty line is set at 60 per cent of the median (or average) income.
19. In contrast to the relative poverty line, a fixed poverty line is not correlated with the average or median income and consequently with the income distribution. A fixed poverty line can be a very useful analytical tool in cases of big and rapid positive (negative) changes in economic output in a country. In such circumstances, there is a tendency for the entire distribution to move upwards (downwards), thus leaving inequality and therefore also relative poverty largely unchanged. Accordingly, in such circumstances, it makes sense to compare peoples' level of living not with other people in the same society but with the same peoples' living circumstances of only a few years before.

20. For a study on the alarming increase in child poverty, see also Papatheodorou and Papanastasiou (2017).
21. These movements should be viewed in relative terms, as overall the income of all groups was substantially reduced during the crisis.
22. The AROPE indicator is defined as the share of the population in at least one of the following three conditions: (a) at risk of poverty (i.e. below the poverty threshold), (b) in a situation of severe material deprivation and (c) living in a household with very low work intensity. Material deprivation is defined as the inability to afford some items (three in the case of material deprivation and four in the case of severe material deprivation) considered by most people to be desirable or even necessary to lead an adequate life (there is a list of nine such items), whereas a household with very low work intensity is defined as a household whose working-age members (18–59 years old, excluding students between 18–24 years old) have worked during the income reference year less than 20 per cent of their full work potential. See Eurostat website: http://ec.europa.eu/eurostat/statistics-explained/index.php/Quality_of_life_indicators-material_living_conditions
23. Food insecurity was measured through the Food Security Survey Module (FSSM) questionnaire administered to parents (see Deitchler et al. 2011). The FSSM contains 18 questions concerning characteristic incidents of food insecurity (stress caused by lack of food, inadequate quality and quantity of food consumed, etc.). For more details on the concept and the method employed, see Katsikas et al. (2015).

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PART I

Socio-Economic Developments and
Social Policy During the Crisis



Inequality and Poverty in Greece: Changes in Times of Crisis

*Eirini Andriopoulou, Alexandros Karakitsios,
and Panos Tsakloglou*

2.1 INTRODUCTION

The Greek crisis was the deepest ever recorded in an Organisation for Economic Co-operation and Development (OECD) country in the post-war period. According to Eurostat, between 2007—the last pre-crisis year with a positive growth rate—and 2016, gross domestic product (GDP) declined in real terms by 26.4 per cent.¹ A second feature of the Greek crisis, that distinguishes it from other deep crises, is its duration. Countries with similar or even higher declines in output, such as the US in the mid-war period, Argentina in the early 2000s or Latvia in the late 2000s, started growing again after a few years (Reinhart and Rogoff 2009).

The views expressed in this chapter are those of the authors and should not be attributed to the Council of Economic Advisors.

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Between 2008 and 2016, Greece recorded only a modest positive growth rate in 2014. Naturally, such a deep and prolonged crisis is likely to have affected both the living standards of the various population groups in absolute terms and their relative position in the income distribution. This chapter aims to provide a picture of the changes in aggregate inequality and poverty in Greece between 2007 and 2014 (the last year for which information is available), using the data of the European Union Statistics on Income and Living Conditions (EU-SILC), as well as an anatomy of inequality and poverty in 2007 and 2014 with a focus on the most important of the observed changes.

Inequality and poverty in Greece in the pre-crisis years were studied in quantitative terms in sufficient depth, using a number of data sets, primarily Household Budget Surveys, the European Community Household Panel (ECHP) and the EU-SILC (indicatively, Pashardes 1980; Kanellopoulos 1986; Lazaridis et al. 1989; Tsakoglou 1990, 1992, 1993, 1997; Sarris and Zografakis 1993; Tsakoglou and Mitrakos 1997, 2000, 2006; Tsakoglou and Panopoulou 1998; Papatheodorou 1998; Papatheodorou and Petmesidou 2006; Mitrakos and Tsakoglou 2000, 2012a, b; Papatheodorou et al. 2008). In regard to inequality, the main findings of these studies were that in Greece, unlike many other developed countries in recent decades, inequality was gradually but not continuously declining since the mid-1970s, that inequalities ‘within population groups’ were far more important in shaping aggregate inequality than inequalities ‘between population groups’ irrespective of the partitioning criterion (regional, demographic, occupation or educational—with the possible exception of the last of these) and that, despite its decline, inequality in Greece remained higher than in most EU countries.

With respect to poverty, the findings of the existing studies suggest that when ‘relative’ (or ‘floating’) poverty lines were employed, poverty recorded a modest decline from the 1970s until the eruption of the crisis but that the decline was very substantial when the poverty line used was ‘anchored’ in real purchasing power terms. In the earlier years, poverty was primarily a rural phenomenon, whereas in more recent years with the declining importance of the agricultural sector and the rise in agricultural incomes due to the Common Agricultural Policy, the elderly became the largest group in poverty, although they did not experience extreme poverty. Relative poverty in Greece was consistently found to be higher than the EU average, while there was evidence that poverty was, to some extent, ‘self-perpetuating’; that is, once people were falling below the poverty

line, they tended to stay longer in poverty irrespective of their characteristics (Andriopoulou and Tsakloglou 2011, 2015), and considerable overlap could be observed between the groups of the ‘poor’ and the ‘socially excluded’ (Andriopoulou et al. 2013). Finally, the redistributive role of the state in Greece was limited in comparison with that of other EU countries, and indirect taxation was regressive, social insurance contributions almost neutral and direct taxation and social transfers progressive (Tsakloglou and Mitrakos 1998; Heady et al. 2001; Kaplanoglou and Newbery 2003, 2008; Papatheodorou 2006), while in-kind transfers in the field of public education and public healthcare had a substantial progressively redistributive effect (Paulus et al. 2010; Koutsampelas and Tsakloglou 2013).

‘Poverty’ and, to a lesser extent, ‘inequality’ were almost constantly at the forefront of the public discourse in the years of the crisis. The main claims made in this discourse were that poverty and inequality rose steeply during the crisis and that successive pension cuts led to the impoverishment of large segments of the elderly population. A number of empirical investigations can be found in the literature examining in depth the above claims as well as the effects of particular policies adopted in recent years (Matsaganis and Leventi 2013, 2014a, b; Artelaris and Kandyliis 2014; Koutsogorgopoulou et al. 2014; Mitrakos 2014; Kaplanoglou 2015; Katsikas et al. 2015; Kaplanoglou and Rapanos 2016; Giannitsis and Zografakis 2016). They use a variety of data and methods, some use real data and some simulated estimates, while the observation period varies across studies, and hence their results are not always strictly comparable. Nonetheless, they confirm that poverty rose during the crisis, especially when ‘anchored’ poverty lines are used.

The remainder of the chapter is organized as follows. Section 2.2 deals with data and methodological issues. Section 2.3 presents and discusses the empirical findings of the chapter, first for inter-temporal changes in aggregate inequality and poverty and then for changes in the structure of inequality and poverty, and Sect. 2.4 concludes the chapter.

2.2 DATA AND METHODS

As noted earlier, the data used in our analysis come from the Greek data set of the EU-SILC for the period 2008–2015. Since the income information of the participating households refers to the previous year, we denote our time frame as ‘2007–2014’. The EU-SILC is a harmonized cross-national longitudinal survey that is carried out annually in all EU member states (as

well as Norway and Switzerland). It is a truly rich data set providing detailed information on income, employment, health, education, housing, migration, social transfers and social participation as well as socio-demographic characteristics of the participating households and their members. It is a rotational panel and each household remains in the sample for up to four consecutive years. For the purposes of our analysis, we use the cross-sectional information for the waves 2008–2015 (incomes 2007–2014).

The concept of resources used in our analysis is ‘disposable monetary household income’; that is the sum of monetary incomes of all household members from all sources after the subtraction of direct taxes and social insurance contributions. It does not take into account private incomes in kind, such as imputed rent for owner-occupied accommodation or consumption of own agricultural production, or the value of services provided by the welfare state, such as education or healthcare services. It is not entirely clear whether monetary income, despite its popularity in empirical studies, is the most appropriate concept of resources for distributional studies (Deaton 1993; Sen 1995), especially in turbulent periods. In order to take into account differences in needs of households with differences in size and composition, household incomes are standardized by using the household equivalence scales used by Eurostat. These scales assign a weight of 1.0 to the household head, 0.3 to each household member younger than 14, and 0.5 to the remaining household members.

Changes in the level of aggregate inequality are measured by using four indices: the Gini index, the mean log deviation (MLD, also known as the second Theil index) and two members of the Atkinson family of inequality indices for inequality aversion parameters 0.25 and 0.75 (ATK0.25 and ATK0.75, respectively; in practice, *ceteris paribus*, the higher/lower the value of the inequality aversion parameter, the more sensitive the index to changes close to the bottom/top of the income distribution). These indices satisfy the standard axioms of inequality measurement (symmetry, mean independence, population invariance and the principle transfers). Each index of inequality corresponds to a different social welfare function and is relatively more sensitive to changes in different parts of the income distribution. Of the indices used here, the Gini index is relatively more sensitive to changes in the middle of the income distribution, ATK0.25 is more sensitive to changes close to the top of the distribution while ATK0.75 and the MLD are more sensitive to changes close to the bottom of the distribution (Lambert 2002; Cowel 2011). Furthermore, MLD is ‘strictly additively decomposable’; that is, when the population is parti-

tioned in non-overlapping and exhausting groups using a particular criterion (demographic, occupational, etc.), it allows the identification of the contribution of each population group to aggregate inequality as well as the identification of the contribution of disparities between population groups to aggregate inequality (Shorrocks 1980; Anand 1983; Tsakloglou 1993). Hence, MLD is used for the analysis of the structure of inequality.

For the purposes of poverty analysis, we rely on the use of the Foster et al. (1984) parametric family of indices (FGT) when setting the value of the poverty aversion parameter to 0, 1 and 2 (FGT0, FGT1 and FGT2, respectively; in practice, the higher the value of the poverty aversion parameter, the more sensitive the index to the extent and depth of extreme poverty). FGT0 is the most well-known index of poverty, the poverty rate; that is, the proportion of population that falls below the poverty line. FGT1 is the ‘income gap ratio’; that is, the share of the total income that would be needed to eliminate poverty. FGT1 is not sensitive to the extent of inequality among the poor (and hence to the extent of extreme poverty), while FGT0 is sensitive to neither the average depth of poverty nor the extent of inequality among the poor. Of the indices used here, only FGT2 satisfies the standard axioms of poverty measurement (focus, symmetry, monotonicity, ranked deprivation, normalization and transfer; Foster 1984; Seidl 1988). All members of the Foster et al. (1984) family of indices are ‘additively decomposable’ (that is, they can identify the contribution of each population group to aggregate poverty when the population is grouped into non-overlapping and exhausting groups), but owing to space limitations, for the purposes of the analysis of the structure of poverty, we rely on FGT0 and FGT2.

Unlike inequality, which is a ‘relative’ concept, poverty can be used in ‘relative’ or ‘absolute’ terms. In other words, a population member may be unable to reach a particular fixed-in-time and/or -space standard of living (‘poverty in absolute terms’) or his or her standard of living is quite low in comparison with the reference population (‘poverty in relative terms’). Hence, when examining inter-temporal changes in the level and structure of poverty, we use both ‘floating’ and ‘anchored’ poverty lines. The ‘floating’ poverty lines used are those of Eurostat that set the poverty line equal to 60 per cent of the median equivalized income of the contemporaneous income distribution. The ‘anchored’ poverty line is the poverty line of the base year (2007) adjusted for the cost of living for each subsequent year.

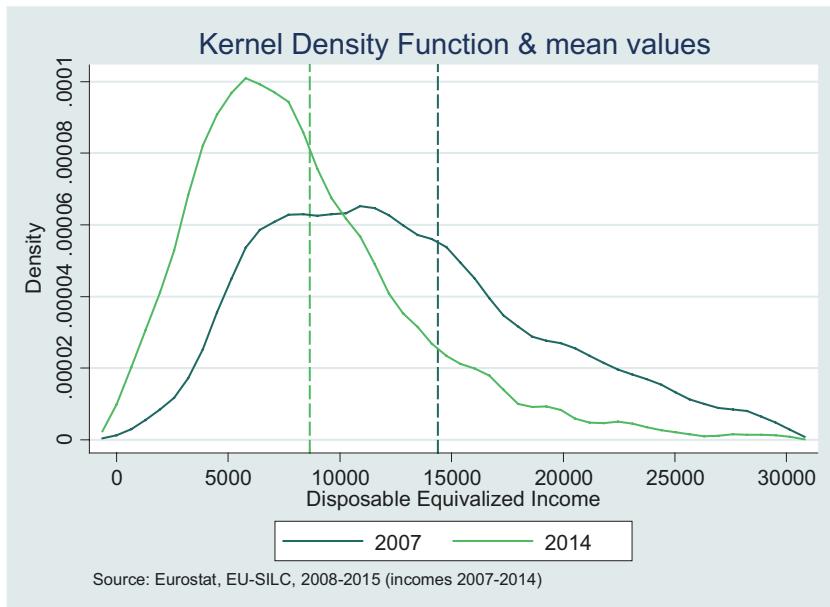
Last but not least, it should be noted that, following the practice of several international organizations, we applied ‘top and bottom coding’ to

our samples; that is, we removed a number of observations from the two ends of the distribution. More specifically, following the practice of the Luxembourg Income Study database, we removed households with equivalized incomes less than 1 per cent and more than ten times the mean equivalized income of the corresponding distribution. Almost all the observations removed—less than 1 per cent of the sample—were located at the bottom end of the distribution and were negative or zero incomes. Most of the indices used in our analysis cannot be calculated in the presence of zero or negative incomes or both. Undoubtedly, the treatment of such incomes is not uncontroversial and one could safely assume that the number of households with zero or negative incomes is likely to rise in crisis periods. This was the case in our sample, too, but the pattern was anything but uniform. In fact, the lowest number of zero and negative incomes in the years under examination was recorded in 2013 at the peak of the crisis.

2.3 EMPIRICAL RESULTS

2.3.1 *Inter-Temporal Changes in Aggregate Inequality and Poverty*

Graph 2.1 presents the evolution that took place in the entire income distribution between 2007 and 2014. More specifically, it shows the distributions of equivalized disposable income per capita for both years in constant 2014 prices using kernel density functions. A massive shift of the distribution to the left is evident. According to Eurostat, the population of Greece declined by -2.4 per cent between these years because of an excess of deaths over births since 2011 and particularly because of emigration. As a result, the cumulative decline in GDP per capita during the period 2007–2014 is marginally lower than the decline in total GDP (-24.6 versus -26.4 per cent). However, because a very considerable proportion of the stabilization effort relied on tax increases, the decline in mean equivalized disposable income per capita was substantially larger, reaching a staggering -39.9 per cent (in fact, despite declining economic activity in 2008 and 2009, disposable incomes were rising in these years; if 2009 instead of 2007 is taken as base year, the decline is even larger: -42.2 per cent). The graph shows a higher concentration around the mode in 2014 than in 2007 that, *prima facie*, could be an indication of a decline in inequality.

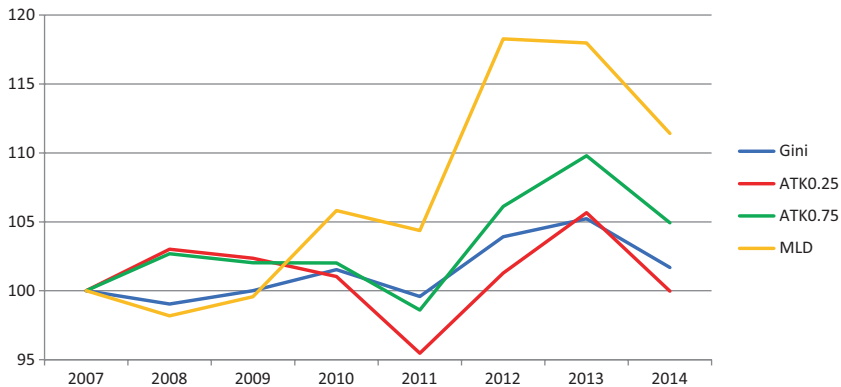


Graph 2.1 Income distribution: 2007 and 2014

However, many more observations are concentrated close to the bottom of the distribution in 2014 than in 2007, operating in the opposite direction. Hence, on this evidence alone, the only certain thing that one can argue is that between the two years, ‘anchored’ poverty increased substantially. Since in 2014 there are many observations with very low incomes, ‘floating’ poverty is also likely to have risen in the same period. On the contrary, the evidence regarding inequality is not clear-cut, especially if we take into consideration that the 2007 distribution has a fatter right tail than the 2014 distribution above the cut-off point shown in the graph.

Inequality

Graph 2.2 depicts the evolution of the four inequality indices used in the chapter, when their values are standardized to 100 for the base year (2007). In the first three years (2007–2010), the changes in the indices are relatively small and not uniform—an indication of intersecting Lorenz curves.² All indices decline between 2010 and 2011; in fact, the index that



Graph 2.2 Inequality trends, 2007–2014 (2007: 100)

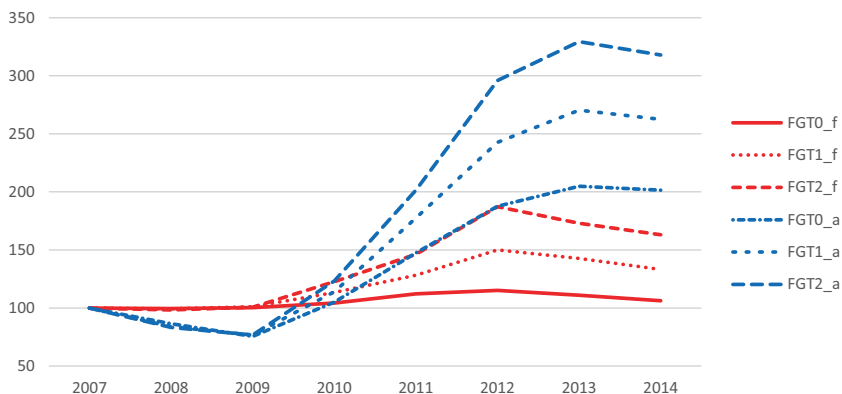
declines most is ATK0.25, indicating that the decline in top incomes was larger than the decline in the incomes of the rest of the population—probably the effect of the steep tax increases that affected primarily the top end of the income distribution. In the next year, inequality rose sharply according to all indices—presumably the effect of the sharp increases in unemployment and the lack of adequate social protection for those affected. Interestingly, between 2012 and 2013, all indices record a substantial increase in inequality apart from MLD, which registers a very marginal decline—another indication of intersecting Lorenz curves, this time close to the bottom of the distribution. Finally, all indices record a robust decline between 2013 and 2014—probably the result of stabilization in output and a marginal decline in unemployment in 2014 combined with specific policies targeted towards the poorest segments of the population in that year (income-related family benefits, a lump-sum one-off ‘social dividend’ to the poorest segment of the population).

All in all, between 2007 and 2014, inequality rose by 11.5, 4.9 and 1.7 per cent according to MLD, ATK0.75 and Gini, respectively. On the contrary, ATK0.25 records a very marginal decline of -0.1 per cent, implying an indication of intersecting Lorenz curves. Careful inspection of the data reveals that between 2007 and 2014 there was a decline in the income shares of the two bottom deciles by -0.6 and -0.1 percentage points, respectively, but also of the top decile by -0.7 percentage points and a corresponding increase in the income shares of the seven middle deciles (results available from the authors on request).

Poverty

Graph 2.3 presents the evolution of the three poverty indices used in the chapter using both ‘floating’ (red lines) and ‘anchored’ (blue lines) poverty thresholds when their values are standardized to 100 for the base year (2007). When floating poverty lines are used, the indices remain stable for the first couple of years and then start rising until 2012 but in a very different pattern. During this period, 2009–2012, the estimate of the poverty rate (FGT0) rises by almost 15 per cent whereas the estimates of FGT1 and FGT2 rise by around 50 and 87 per cent, respectively. Clearly, there was not only an increase in the share of the population falling below the poverty line but also a decline in the incomes of the poor vis-à-vis the poverty line (increase in the ‘depth’ of poverty) as well as an increase in inequality among the poor. In the last two years under examination, all indices record a decline. Nevertheless, the values of all indices are higher in 2014 than in 2007, but the differences in the proportional increases are substantial. FGT0 is 6.2 per cent higher, while FGT1 and FGT2 are 33.2 and 63.2 per cent higher, respectively.

The pattern is very different when the poverty line used is ‘anchored’ (i.e. fixed in real terms to its value in 2007). In the first couple of years, all indices decrease substantially, by almost 25 per cent cumulatively. However, in the period 2009–2013, their values rise sharply and they decline only a little in 2014. In the end of the period under consideration, the values of FGT0, FGT1 and FGT2 are 101.5, 162.5 and 217.8 per cent higher than in 2007—a tremendous increase that it is accounted for primarily by the decline in disposable incomes.



Graph 2.3 Poverty trends, 2007–2014 (2007: 100)

2.3.2 *Changes in the Structure of Inequality and Poverty*

Inequality

The results of the changes in the structure of inequality are reported in Table 2.1. For the purposes of our analysis, the population is grouped using five criteria. The first criterion is the socio-economic group of the household head. Eight groups are formed: Self-employed with employees, Self-employed without employees in the agricultural sector, Self-employed without employees outside agriculture, Private-sector employees, Public-sector employees, Unemployed, Pensioners and Other. To a considerable extent, as will be shown below, this partitioning of the population reflects the fragmented social structure of Greece. The distinction between private- and public-sector employees is crucial for our analysis. However, information about sector of employment (public or private) was not available in our data set. We classified as ‘Public-sector employees’ those employed in ‘Public administration, defense and compulsory social security’ as well as those in ‘Education’ who had permanent contracts, which is the overwhelming majority of civil servants. However, a number of public-sector employees were classified as private-sector employees (for example, persons employed in public hospitals or public utilities) while a few private-sector employees were classified as employed in the public sector (for example, private school teachers with permanent contracts).

Columns A and B report the group population shares in 2007 and 2014, respectively, while columns C and D show the group mean incomes, normalized by the national average of the corresponding year. Estimates of MLD are reported in columns E and F (multiplied by 100). As mentioned earlier and shown at the bottom of the table, according to MLD, inequality increased by 11.5 per cent between the two years. Below the estimates for each population group, there is the estimate of inequality that emanates from disparities ‘within groups’ (this is equal to the sum of group inequality estimates multiplied by the population share of the corresponding group) and the estimate of inequality that emanates from disparities ‘between groups’ (this is equal to the value of the inequality index if every population member has income equal to his or her group mean income). Column G reports the proportional change in inequality between 2007 and 2014, while columns H and I show the contribution of each group and the contribution of disparities between groups to aggregate inequality. Column I reports the difference in the contributions in the two years in percentage points.

Despite almost two decades of robust growth rates, the rate of unemployment in Greece was higher than in most European countries in the

Table 2.1 Structure of inequality, 2007 and 2017

<i>Population group</i>	<i>Population share</i>		<i>Mean income</i>		<i>Inequality (MLD)</i>		<i>Change %</i>	<i>Contribution %</i>		<i>Change</i>
	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>		<i>2007</i>	<i>2014</i>	
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>
<i>Socio-economic group of household head</i>										
Self-employed with employees	7.3	4.5	1.35	1.35	33.3	28.7	-14.1	13.3	6.3	-7.0
Self-employed without employees (agriculture)	5.8	5.0	0.65	0.66	14.2	19.7	39.5	4.5	4.8	0.3
Self-employed without employees (non-agriculture)	3.6	3.3	1.00	1.04	27.3	26.6	-2.4	5.4	4.4	-1.1
Employee (private sector)	31.4	24.7	1.01	1.06	15.7	17.9	13.6	27.2	21.7	-5.5
Employee (public sector)	9.4	8.3	1.24	1.27	7.6	8.9	16.1	4.0	3.6	-0.3
Unemployed Pensioner	2.2	9.9	0.64	0.55	22.2	28.7	29.2	2.6	14.0	11.4
Other	28.9	33.7	0.95	1.06	13.9	12.8	-7.8	22.1	21.4	-0.7
“Within groups”	11.4	10.7	0.91	0.90	21.4	21.8	2.1	13.4	11.6	-1.8
“Between groups”					16.8	17.8	5.7	92.6	87.8	-4.8
					1.4	2.5	84.0	7.4	12.2	4.8
<i>Households with/without unemployed</i>										
No unemployed household member	88.1	68.4	1.03	1.13	17.8	16.8	-5.4	86.2	56.9	-29.3
At least one unemployed household member	11.9	31.6	0.78	0.73	17.8	21.5	20.6	11.7	33.5	21.8
“Within groups”					17.8	18.3	2.9	97.9	90.4	-7.5
“Between groups”					0.4	2.0	409.2	2.1	9.6	7.5

(continued)

Table 2.1 (continued)

<i>Population group</i>	<i>Population share</i>		<i>Mean income</i>		<i>Inequality (MLD)</i>		<i>Change %</i>	<i>Contribution %</i>		<i>Change</i>
	2007	2014	2007	2014	2007	2014		2007	2014	
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>
<i>Household type</i>										
One person 65– or childless couple (both 65–)	10.4	12.1	1.18	1.15	20.6	22.9	11.2	11.8	13.7	1.9
One person 65+ or childless couple (at least one 65+)	12.8	16.1	0.86	1.00	14.5	11.7	–19.4	10.2	9.3	–0.9
Couple with 1 or 2 dependent children	31.9	26.0	1.02	1.04	20.1	24.5	22.3	35.3	31.5	–3.9
Couple with 3+ dependent children	2.3	5.5	0.90	0.78	21.7	19.4	–11.0	2.7	5.2	2.5
Mono-parental household	1.8	2.1	0.84	0.77	17.6	18.7	6.6	1.7	1.9	0.2
Other household type with no dependent children	26.9	22.3	1.06	1.06	14.9	17.9	20.0	22.0	19.7	–2.4
Other household type with at least one dependent child	13.9	16.0	0.86	0.83	17.3	19.5	12.7	13.2	15.3	2.1
“Within groups”					17.7	19.6	11.0	97.1	96.7	–0.4
“Between groups”					0.5	0.7	28.2	2.9	3.3	0.4
<i>Age of household member</i>										
Up to 17	16.5	16.5	0.98	0.93	20.3	23.9	17.9	18.4	19.5	1.1
18–64	64.4	61.4	1.04	1.02	18.6	21.9	18.0	65.8	66.3	0.5
65 or over	19.1	22.1	0.88	1.01	13.9	12.8	–8.4	14.6	13.9	–0.7
“Within groups”					18.0	20.2	12.5	98.8	99.7	0.9

(continued)

Table 2.1 (continued)

<i>Population group</i>	<i>Population share</i>		<i>Mean income</i>		<i>Inequality (MLD)</i>		<i>Change %</i>	<i>Contribution %</i>		<i>Change</i>
	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>		<i>2007</i>	<i>2014</i>	
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>
“Between groups”					0.2	0.1	-75.5	1.2	0.3	-0.9
<i>Education level of household head</i>										
Tertiary education	20.2	24.8	1.54	1.41	16.4	16.6	1.4	18.1	20.3	2.1
Post-secondary non-tertiary education	3.2	4.8	1.14	1.03	16.9	17.1	0.9	3.0	4.0	1.0
Upper secondary education	29.1	31.2	0.98	0.94	14.1	19.7	40.4	22.5	30.3	7.8
Lower secondary education	10.1	10.7	0.83	0.78	16.1	19.8	22.9	9.0	10.5	1.5
Primary education	29.7	23.6	0.78	0.80	13.0	15.7	20.8	21.2	18.3	-2.9
Less than primary education	7.7	5.0	0.67	0.72	12.3	12.2	-1.0	5.3	3.0	-2.3
“Within groups”					14.4	17.5	21.8	79.1	86.3	7.3
“Between groups”					3.8	2.8	-27.5	20.9	13.7	-7.3
<i>GREECE</i>	100	100	1.00	1.00	18.2	20.3	11.5			

years before the crisis. According to Eurostat, in 2007, Greece’s unemployment rate was 8.4 per cent versus the EU-27 average of 7.2 per cent. What is even more telling is that in the same year both youth and female unemployment rates were the highest among all EU countries; the corresponding rates for Greece and the EU were 22.7 versus 15.8 per cent and 12.9 versus 7.9 per cent, respectively. This can be considered a clear indication of a dysfunctional labour market. The main effect of the crisis was the spectacular rise in the unemployment rate. By 2014, the unemployment rate had climbed to 26.5 per cent (it had peaked one year earlier at 27.5 per cent).

This effect is reflected in our data. Between 2007 and 2014, the share of the population living in households headed by unemployed persons rose from 2.2 to 9.9 per cent. Furthermore, even though the mean income of the group was only 64 per cent of the national average in 2007, it dropped to 55 per cent in 2014. This should be attributed partly to the fact that between these years long-term unemployment shot up (in 2014, around three quarters of the unemployed were long-term unemployed) and the income protection for this group was almost non-existent. Besides the gradual ageing of the population, during the crisis, several people who were close to retirement chose to exit the labour market and take early retirement. In our data, this is reflected in the rise of persons living in households headed by pensioners from 28.9 to 33.7 per cent. However, unlike what is often heard in the public discourse, the relative income position of this group rose during the crisis (even though it decreased substantially in real terms). In 2007, on average, the members of the group had incomes 5 per cent lower than the population mean. By 2014, their incomes were 6 per cent higher than the national average.

Naturally, the increase in the share of these two groups was counterbalanced by the decline in the share of the population living in households with employed heads. This is evident in columns A and B, but the effect was not symmetric for all groups. One distinguishing feature of the Greek labour market is the large share of the self-employed. According to Eurostat, the share of the self-employed among all employed persons in Greece is by far the largest in the EU. The corresponding share in Greece was 28.9 per cent in 2007 and, despite a substantial decline in the number of self-employed in absolute terms, rose to 31.2 per cent in 2014, versus 15.0 per cent in EU-27 in both years, according to Eurostat figures. Reflecting the small size of the average Greek firm, the share of self-employed with employees among all employed persons was substantially higher in Greece than in the EU-27 (8.0 versus 4.5 per cent). The effects of the crisis on small firms were devastating, and the number of self-employed with employees declined by almost 40 per cent in the period under examination. Nevertheless, their share among the employed in 2014 was still much higher than the EU-27 average (6.3 versus 4.3 per cent).

These changes are also reflected in columns A and B. The shares of the population living in all types of households headed by employed persons declined—far more so those for those headed by self-employed with employees and private-sector employees. The relative mean incomes of these groups in comparison with the national average did not change con-

siderably during the crisis, with population members living in households headed by self-employed with employees and public-sector employees being substantially above the national average, while those living in households headed by self-employed in the agricultural sector had monetary incomes below two thirds of the national average. (However, unlike the rest of the population, they are likely to have in-kind incomes in the form of consumption of their own agricultural production.) It should be noted that the evidence of the first four columns of the first panel of Table 2.1 seems to run contrary to two popular myths used in the public discourse: (a) that during the crisis there was a substantial migration of unemployed persons from urban areas to rural areas in order to get involved in agricultural activities and (b) that although public-sector employees did not experience unemployment, they paid a very high price since their salaries were reduced far more than private-sector salaries, with obvious consequences for their living standards in relative terms.

In the columns related to inequality, it can be noted that the group of members of households headed by unemployed persons is the only group that substantially increased its contribution to aggregate inequality in the period under examination. This is a consequence of both a rise in its population share and the level of inequality within the group. On the contrary, the contribution of the rather heterogeneous group of population members living in households headed by self-employed with employees and private-sector employees declined and this was primarily because of the declines in the population shares of these groups. Interestingly enough, despite the large increase in its population share, the contribution of the group of population members living in households headed by pensioners declined marginally. This should be attributed to the decline in the level of inequality within the group, especially *vis-à-vis* the national average. Furthermore, the contribution of ‘between socio-economic groups’ disparities to aggregate inequality rose very substantially. Whereas such disparities accounted for 7.4 per cent of aggregate inequality in 2007, their contribution rose to 12.2 per cent in 2014. To a large extent, the evidence of the first panel of Table 2.1 is the key to understanding several of the changes reported in the remaining of the table as well as changes reported in Table 2.2.

The second panel of the table is essentially a companion to the first panel. As noted earlier, a very large proportion of the unemployed are not household heads and there are many households with unemployed members. In this panel, the partitioning criterion is the presence of at least one

unemployed member in the household. In 2007, 11.9 per cent of the population was living in households with at least one unemployed member. By 2014, this figure had risen to 31.6 per cent. Moreover, the relative mean income of this group declined from 78 to 73 per cent of the mean national income and disparities within the group rose considerably. As a consequence, the contribution of the group to aggregate inequality almost tripled (from 11.7 to 33.5 per cent) while the contribution of the ‘between-groups’ component in this partition of the population increased from 2.1 to 9.6 per cent.

In the third panel of the table, the population is split according to the household type of the individual into seven groups: ‘younger’ single-member households or couples with both members age below 65, ‘older’ single-member households and couples with at least one member age 65 or more, couples with ‘one or two’ and ‘three or more’ dependent children and no other household members, mono-parental households and other household types ‘with’ or ‘without’ dependent children. As noted earlier, during the period under consideration, the population of Greece declined by 2.4 per cent. This was a consequence of population ageing and especially, for the first time since the mid-1970s, net emigration. More specifically, according to Eurostat, in the first three years of the period under consideration, 2007–2009, there was a net inflow of around 60 thousand immigrants to Greece. In the next five years, 2010–2014, slightly more than half a million persons emigrated from Greece (many of them former immigrants to the country) and the net outflow was approximately 208 thousand persons. The great majority of the emigrants were working-age individuals, mainly young and relatively well educated. Partly as a result of this emigration of relatively young persons, a sharp drop is observed in the number of births in the country between 2007 (112 thousand) and 2014 (92 thousand).

Naturally, these changes are reflected in the demographic structure of the population reported in the third panel of Table 2.1. Fewer people were living in households with dependent children in 2014 than in 2007 (especially in households with one or two children), and there was a substantial increase in the share of elderly households (single-member households or couples with at least one member age 65 or more). In line with earlier findings, the relative income position of the latter group improves substantially (in 2007 their mean income was 14 per cent lower than the national average, whereas in 2017 they were on parity). On the contrary, the relative income position of the small but vulnerable groups of mono-parental households and especially households with three or more children deteriorates further between the two years (possibly an indication

that unemployment disproportionately affected these types of households). In regard to the structure of inequality, in both years it appears to emanate primarily from differences ‘within-groups’, and ‘between-groups’ disparities accounted for just around 3 per cent of aggregate inequality.

In the fourth panel of the table, the population is grouped according to the age of the population member into ‘young’ (below 18), ‘working age’ (18–64) and ‘old’ (65 or over). Two points are worth making and they are also in line with earlier findings: first, the substantial increase—in such a short period of time—in the share of the old (by 3 per cent) and the corresponding decline in the share of the working-age population; second, the substantial improvement in the relative income position of the elderly, who in 2007 were 12 per cent below the national average but in 2014 moved marginally above it. With respect to the structure of inequality, disparities ‘between-groups’ play an insignificant role in the determination of aggregate inequality in both years.

In the last panel of the table, the population is partitioned according to the education level of the household head. Since the early 1990s, tertiary education and, to a lesser extent, post-secondary non-tertiary education expanded rapidly in Greece. This is reflected in the population shares reported in columns A and B. The shares of the population living in households headed by persons with such educational qualifications rose from 20.2 to 24.8 per cent and from 3.2 to 4.8 per cent, respectively. Likewise, the share of persons living in households headed by upper secondary education graduates rose, whereas the share of the population living in households headed by persons with low educational qualifications (persons who completed only primary education or who did not even reach this level) experienced a notable decline.

Substantial changes are observed in the relative mean incomes of the groups between the two years. The relative income position of the two lowest education groups rose while that of the rest of the population deteriorated, sometimes substantially. This is also in line with earlier findings. The overwhelming majority of members of households headed by persons with low educational qualifications are old, probably pensioners, likely to live alone or with their spouses. Between the two years, inequality rose substantially within the groups of households headed by persons with middle educational qualifications. This is probably because these educational groups were hit particularly hard by unemployment during the crisis. A number of studies cited in the introductory section of the chapter report that education is probably the factor most closely associated with

inequality, accounting for between a fifth and a quarter of aggregate inequality ('between education groups' inequality). Such estimates are in line with the 2007 figure (20.9 per cent). However, during the crisis and as a result of the aforementioned changes in relative group incomes, population shares and inequality within specific groups, there was a very substantial decline in the contribution of inequality 'between education groups', by 7.3 percentage points, so that such disparities accounted for only 13.7 per cent of aggregate inequality in 2014.

To sum up this section, inequality in Greece emanates primarily from differences 'within' rather than 'between' population groups, irrespective of the partitioning criterion used. Between 2007 and 2014, there was an increase in the population share and a substantial deterioration in both absolute and relative terms in the living standards of the unemployed and an improvement in the relative position of the pensioners. Partly as a result of these changes, between the two years, we observe an increase in the importance of disparities between socio-economic groups and a decline in the importance of differences between educational groups in shaping aggregate inequality.

Poverty

Table 2.2 presents changes in the structure of poverty between 2007 and 2014. The composition of the population groups in the various population partitions is the same as in Table 2.1. Columns A and B show the estimates of FGT0 (poverty rate) for the various groups in 2007 and 2014 using contemporaneous ('floating') poverty lines, set at 60 per cent of the median equivalized income of the population in the corresponding year. As shown at the bottom of the table, in 2007 19.8 per cent of the population was falling below the poverty line, but by 2014 this had risen to 21.1 per cent (6.2 per cent increase in proportional terms). These rates are marginally lower than those reported by Eurostat, 20.1 and 21.4 per cent respectively, because of the top and bottom coding procedure applied in our chapter. Column C reports poverty rate estimates for 2014 when the poverty line is not 'floating' (contemporaneous) but 'anchored' to its 2007 value in real purchasing power terms, inflating it by the estimates of the Consumer Price Index. With this poverty line, almost four in ten population members, 39.6 per cent, are classified as 'poor' (doubling the rate in comparison with 2007). Columns D, E and F report the corresponding contributions to aggregate poverty of each population group according to

each partition (group poverty estimate multiplied by the population share and divided by the estimate for the entire population).

As noted earlier, despite its popularity, the poverty rate (FGT0) cannot be considered a satisfactory poverty indicator, since it ignores both the average intensity of poverty in each group (group mean distance from the poverty line) and the extent of inequality in the distribution of income among the poor. FGT2 does not suffer from such disadvantages; furthermore, like FGT0, it is additively decomposable—something that explains its popularity in empirical poverty studies. Estimates of FGT2 for 2007 and 2014 using floating poverty lines are reported in columns G and H. As noted earlier, using this approach, (relative) poverty in 2014 appears to be 63.2 per cent higher than in 2007. The corresponding contributions to aggregate poverty are reported in columns I and J. Estimates of poverty decompositions based on all poverty indices used in our analysis (FGT0, FGT1 and FGT2) using both ‘floating’ and ‘anchored’ poverty lines were produced but owing to space limitations are not reported here. They are available from the authors on request.

Starting from the first panel of Table 2.2, the estimates reported in column A reveal that in 2007 there were two population groups with poverty rates exceeding the national average by a wide margin: members of households headed by self-employed without employees in the agricultural sector (43.5 per cent) and unemployed persons (40.1 per cent). Nevertheless, the estimates of column D show that owing to their small population shares, the contributions of these groups to the aggregate poverty rate were small. The bulk of the poor could be found in households headed by pensioners (27.1 per cent) and private-sector employees (25.7 per cent). By 2014, the situation was very different. The poverty rate of the group of persons living in households headed by unemployed individuals rose to 56.2 per cent while that of the members of households headed by pensioners dropped from 18.6 to 11.9 per cent. As a consequence and combined with the changes in the population shares, there was a dramatic change in the composition of the poor. In 2014, the most important contributor to aggregate poverty was the group of persons living in households headed by unemployed (26.5 per cent) while, despite the increase in its population share, the contribution of the group of individuals living in households headed by pensioners dropped to 19.1 per cent. At the other extreme, in both years poverty appears to be a rare phenomenon in households headed by public-sector employees.

Table 2.2 Structure of poverty, 2007 and 2014

<i>Population group</i>	<i>FGT0</i>			<i>FGT0</i>			<i>FGT2</i>		<i>FGT2</i>	
				<i>(% contributions)</i>					<i>(% contributions)</i>	
	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>
	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	
<i>Socio-economic group of household head</i>										
Self-employed with employees	19.7	16.6	29.2	7.2	3.5	3.3	2.97	3.23	9.5	3.9
Self-employed without employees (agriculture)	43.5	43.3	69.8	12.7	10.2	8.7	5.00	7.69	12.8	10.3
Self-employed without employees (non-agriculture)	30.1	26.2	44.0	5.5	4.1	3.7	4.15	4.28	6.6	3.8
Employee (private sector)	16.2	17.7	35.6	25.7	20.7	22.2	1.78	2.53	24.6	16.9
Employee (public sector)	3.0	2.9	14.7	1.4	1.1	3.1	0.26	0.21	1.1	0.5
Unemployed	40.1	56.2	75.2	4.3	26.5	18.8	9.36	15.61	8.8	41.7
Pensioner	18.6	11.9	31.7	27.1	19.1	26.9	1.37	1.13	17.3	10.2
Other	27.7	29.0	49.2	15.9	14.8	13.3	3.84	4.42	19.2	12.8
<i>Households with/without unemployed</i>										
No unemployed household member	18.6	14.1	30.4	82.6	45.7	52.5	1.92	1.91	74.3	35.1
At least one unemployed household member	28.9	36.2	59.5	17.4	54.3	47.5	4.90	7.62	25.6	64.9
<i>Household type</i>										
One person 65- or childless couple (both 65-)	16.6	19.7	32.1	8.7	11.3	9.8	2.22	3.80	10.2	12.4

(continued)

Table 2.2 (continued)

<i>Population group</i>	<i>FGT0</i>			<i>FGT0</i>			<i>FGT2</i>		<i>FGT2</i>	
				<i>(% contributions)</i>					<i>(% contributions)</i>	
	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>
	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	
One person 65+ or childless couple (at least one 65+)	23.8	12.7	32.8	15.4	9.8	13.4	1.56	1.05	8.8	4.6
Couple with 1 or 2 dependent children	19.9	21.7	40.8	32.1	26.8	26.7	2.58	4.56	36.3	32.0
Couple with 3+ dependent children	30.3	31.6	55.1	3.5	8.2	7.6	3.38	5.62	3.4	8.3
Mono-parental household	26.4	32.5	52.5	2.4	3.2	2.8	3.33	5.98	2.6	3.3
Other household type with no dependent children	13.8	18.1	33.2	18.7	19.2	18.7	1.57	2.87	18.5	17.2
Other household type with at least one dependent child	27.5	28.4	52.3	19.2	21.6	21.1	3.31	5.17	20.2	22.2
<i>Age of household member</i>										
Up to 17	22.7	27.0	47.9	18.9	21.2	20.0	2.90	5.20	21.0	23.2
18–64	18.3	22.0	39.5	59.5	64.3	61.3	2.33	4.17	65.8	69.1
65 or over	22.5	13.8	33.6	21.6	14.5	18.7	1.57	1.31	13.1	7.8
<i>Education level of household head</i>										
Tertiary education	5.4	7.7	18.4	5.5	9.0	11.5	0.77	1.18	6.8	7.9
Post-secondary non-tertiary education	13.6	20.2	37.4	2.2	4.6	4.5	1.19	2.51	1.7	3.2

(continued)

Table 2.2 (continued)

<i>Population group</i>	<i>FGT0</i>			<i>FGT0</i>			<i>FGT2</i>		<i>FGT2</i>	
				<i>(% contributions)</i>					<i>(% contributions)</i>	
	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>	<i>2007</i>	<i>2014</i>
	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Anch.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>	<i>Float.</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	
Upper secondary education	15.0	22.3	40.0	22.1	33.1	31.4	1.75	4.45	22.4	37.3
Lower secondary education	26.6	28.9	56.7	13.6	14.7	15.4	3.75	5.87	16.7	17.0
Primary education	28.7	28.5	50.9	42.9	32.0	30.3	2.79	4.49	36.5	28.6
Less than primary education	35.2	28.2	55.2	13.8	6.6	6.9	4.69	4.47	16.0	6.0
<i>GREECE</i>	19.8	21.1	39.6	100	100	100	2.27	3.71	100	100

When the ‘anchored’ poverty line is used, the poverty rate of all population groups appears to be higher in 2014 in comparison with 2007 by a wide margin; 75.2 per cent of the members of households headed by unemployed persons and 69.8 per cent of the members of households headed by self-employed without employees in the agricultural sector (as well as almost half of the members of the heterogeneous ‘Other’ group) fall below this poverty line. In regard to the contributions to aggregate poverty, once again members of households headed by pensioners are the main contributors, even though their poverty rate (31.7 per cent) is lower than the national average (39.6 per cent). This should be attributed to the large population share of the group as well as to the fact that almost one fifth of the group (19.8 per cent) is located between the ‘floating’ and the ‘anchored’ poverty line in 2014.

In the estimates derived using FGT2, the most ‘complete’ index of poverty used in the chapter, it can be noticed that the relative rankings of the groups in columns G and H are relatively similar to those reported in columns A and B, albeit with more marked quantitative differences

between groups—broadly in line with the group mean incomes and their evolution reported in Table 2.1. In both cases, two groups stand out as high-poverty-risk groups: members of households headed by self-employed in agriculture and members of households headed by unemployed persons. Nonetheless, in 2007 in column A, with FGT0, poverty appears to be higher in the former than in the latter group, whereas according to FGT2 in column G the estimate for the latter group is almost twice that of the former group. Apparently, extreme poverty was more common in the latter group. In fact, in both years, the FGT2 estimates for the former group were a little more than twice the national average whereas for the latter they were more than four times the national average. In regard to the contributions to aggregate poverty, it is stunning to report that in 2014 the group of members of households headed by unemployed persons that accounted for less than 10 per cent of the total population contributed over 40 per cent to aggregate poverty (41.7 per cent). At the other extreme, the contribution of households headed by public-sector employees (population share 8.3 per cent) was almost non-existent (0.5 per cent) while that of the group of households headed by pensioners, with a population share of 33.7 per cent, was just 10.2 per cent.

A similar picture emerges in the second panel of the table where the population is grouped according to the existence of unemployed members in the household. In both years, the group of individuals living in households with unemployed members was facing a markedly higher poverty risk than the rest of the population, irrespective of the poverty indicator or the type of poverty line used. Both relative risks vis-à-vis the national averages and contributions of the group to aggregate poverty rose markedly in 2014. As a result, this group, which included a little less than a third of all population members in 2014, accounted for around half of the poor and almost two thirds of the recorded poverty (64.9 per cent) when using FGT2 and a ‘floating’ poverty line.

In the next panel of Table 2.2, where the sample is split according to household type, the first two columns show that in both years the poverty rate of couples with three or more children, mono-parental households and ‘other household types with at least one dependent child’ was higher than the national average; in fact, their poverty rates rose between the two years (especially for the small group of mono-parental households). The most notable change between 2007 and 2014 is recorded in the group of ‘one person aged 65 or more or couple with at least one aged 65 or more’.

The poverty rate of the group was higher than the national average in 2007 but substantially lower in 2014. As a result, despite the increase in its population share from 12.8 to 16.1 per cent between the two years, its contribution to the aggregate poverty rate declined from 15.4 to 9.8 per cent.

In both years, the majority of the poor can be found in the group of households with one or two dependent children and no other household member. This is a consequence of its large population share since in both years its poverty rate is close to the national average. When anchored poverty lines are used in the distribution of 2014, more than half of the members of each of the three aforementioned high-risk groups fall below the poverty line while the contributions of the various groups to aggregate poverty are somewhere between the contributions for 2007 and 2014 using floating poverty lines. When the FGT2 is used instead of FGT0, the pattern is similar but the differences between population groups appear to be a bit starker, with one exception. The estimate of FGT2 for the group ‘one person aged 65 or more or couple with at least one aged 65 or more’ is lower than the national average in 2007 and, unlike the other groups, declined markedly between the two years. As a consequence, its contribution to aggregate poverty in 2014 is just 4.6 per cent.

These results are also confirmed by the results in the fourth panel, where the partitioning criterion is the age of the population member. Naturally, the poverty estimates of the large population group of working-age individuals (age 18–64) is close to the national average. Between 2007 and 2014, we observe an increase in the poverty risks of the youth and a substantial decline in the poverty risks of the elderly. As a consequence, the youth, with a population share of 16.5 per cent in 2014, contribute 20.0 per cent to aggregate poverty according to FGT0 and an anchored poverty line, 21.2 per cent using the FGT0 and a floating poverty line, and 23.2 per cent using the FGT2 and a floating poverty line. On the contrary, the elderly, with a population share of 22.1 per cent, contribute 18.7, 14.5 and 7.8 per cent, respectively; this is another indication that extreme poverty was not likely to be very common among the older segment of the population.

Finally, in the last panel of the table, the population is split according to the education level of the household head. Several of the studies cited in the introductory section report that in Greece, as in most other countries, poverty is closely associated with low educational qualifications. This result is confirmed to a considerable extent in 2007. Column A shows that

the poverty rate was declining with the education level of the household head. With the exception of a reversal in the positions of the groups ‘Lower secondary education’ and ‘Primary education’, this is also confirmed in column G using FGT2. However, the picture is far more blurred in 2014. The estimates reported in column B suggest that the differences in the poverty rates of the three lowest educational groups are negligible—and not much higher than the rates of the next two groups. Only the members of households headed by university graduates seem to face a relatively low risk of falling below the poverty line. The same picture is retained, but with higher poverty rates, when an anchored poverty line is used for 2014.

However, when we move to FGT2 the picture changes. The estimates for ‘Upper secondary education’, ‘Primary education’ and ‘Less than primary education’ are virtually indistinguishable from and higher than the estimate for the entire population, whereas that of ‘Lower secondary education’ is almost 60 per cent higher. In 2007, the combined population share of the two lowest educational groups was 37.4 per cent and their contribution to aggregate poverty according to FGT2 was 52.5 per cent. By 2014, their population share had declined by 8.8 percentage points to 28.6 per cent whereas their contribution to aggregate poverty declined by 17.9 percentage points to 34.6 per cent. On the contrary, the contribution of ‘Upper secondary education’ rose from 22.4 to 37.3 per cent on a marginally larger population share.

To sum up, the evidence of this section is in line with the evidence of the previous section. Between 2007 and 2014, there was a very large decline in the mean income of the population, affecting all population groups but not uniformly. ‘Anchored’ poverty rose in all population groups, but, despite the increase in aggregate poverty, this was not the case when ‘floating’ poverty lines are used. The main changes in the structure of poverty are related to the substantial increase in the contribution of the households headed by unemployed persons (or having at least one unemployed member) and a corresponding decline in the contribution of elderly households.

2.4 CONCLUSIONS

The chapter examined developments in the levels of inequality and poverty in Greece during the recent crisis and compared their structures before and close to the peak of the crisis, using the information of

EU-SILC. During the period under examination, 2007–2014, there was a decline in the income shares of the two lowest deciles and the top decile. As a result, indices sensitive to the existence of very low incomes record a substantial increase in inequality while indices that are relatively more sensitive to changes in the middle or the top of the distribution record a more modest increase in inequality (or, even, decline). Relative poverty, measured using ‘floating’ poverty lines, recorded an increase that appears to be quite substantial when distribution-sensitive poverty indices are utilized. Given that disposable income declined by almost 40 per cent in the period under examination, it is not surprising to find that poverty using ‘anchored’ poverty lines shot up. Depending on the index and its sensitivity to the existence of very low incomes, the estimated poverty indices rose between 100 and 200 per cent.

Changes in the structure of inequality and, particularly, poverty were driven primarily by the enormous increase in unemployment. In regard to its structure, both before and during the crisis, inequality emanated primarily from differences ‘within’ rather than ‘between’ population groups. During the crisis, the importance of differences between socio-economic groups in shaping aggregate inequality rose while that of differences between educational groups declined. With respect to the structure of poverty, the effects of the increase in unemployment are evident in every partitioning of the population. On the contrary, despite the decline in their income in absolute terms during the crisis, the pensioners considerably improved their relative position and their contribution to aggregate poverty declined substantially; on the flip side of the coin, there were increases in the contributions of households with children and better-educated households.

What are the driving forces behind the observed changes? The explanation can probably be found in Greece’s social model. Greece was arguably the most typical case of the ‘Mediterranean male-breadwinner welfare state’ in the ‘old’ EU member states. According to the OECD, Greece’s labour market lacked flexibility. Youth and female unemployment rates were the highest in the EU, but for as long as at least one family member—usually, the male breadwinner—had a formal attachment to the labour market, there was internal redistribution of resources within the family and hence strong family ties were acting as a social shock absorber. Welfare spending as a share of GDP rose sharply in the years before the crisis. According to Eurostat, the share of social welfare protection in GDP

rose from 18.5 per cent in 1995 to 26.6 per cent in 2009. The rise continued in the first years of the crisis, and in 2012 Greece's social welfare spending was the third highest in the EU. However, it was directed mainly to pensions—several of them low level but actuarially over-compensating minimum or early retirement pensions. The redistributive effects of welfare spending in reducing poverty and inequality were marginal in comparison with other EU countries, and Greece's levels of inequality and poverty were among the highest in the EU.

The limitations of this system became evident when the crisis erupted. Many household heads lost their jobs, and a considerable proportion of the population was left with limited or even zero financial resources. Unemployment insurance was flat and inadequate and provided for a limited period of time, long-term unemployment assistance was almost non-existent and Greece was one of the very few members of the EU without a benefit of last resort (i.e. a Minimum Income Guarantee scheme). Unsurprisingly, the experience of the crisis for several households with unemployed heads or unemployed members or both was a free fall without a safety net. This partly explains the sharp increase in the contributions of these groups to aggregate inequality and aggregate poverty when indices sensitive to the existence of very low incomes are utilized.

The only segment of the population with a Minimum Income Guarantee in place was the pensioners. Through the combination of actuarially over-compensating minimum pensions, social solidarity pensions for old-age uninsured individuals and social solidarity supplements for low-income pensioners (EKAS), extreme poverty was uncommon among the elderly. In fact, as Leventi (2015) demonstrates, under reasonable assumptions, almost all pensions in Greece before the crisis should be considered over-compensating in comparison with the social insurance contributions paid by employers and employees.

As a consequence, even though before the crisis the poverty rate of the pensioner households was marginally lower than the national average, when the distribution-sensitive FGT2 index is used the estimate for the group was around 60 per cent of the national average. During the crisis, there were cuts in pensions. However, unlike what is often heard in the public discourse, the cuts in pensions were far lower than the decline in average incomes.³ This is evident in the substantial improvement of pensioner household incomes in relative terms during the crisis. Moreover, unlike what is often heard in the public discourse, cumulatively the cuts in

pensions were anything but uniform. High pensions were cut proportionally far more than low-level pensions. This explains the decline in inequality among pensioner households during the crisis.

A number of measures aimed to mitigate the effects of the crisis were taken but always under a very hard budget constraint. Some of these measures were one-off whenever financial resources were available (e.g. ‘social dividend’); some of them were more structural in nature (e.g. introduction of income-related family benefits, unemployment assistance for long-term unemployed workers and unemployment insurance for the self-employed). Furthermore, a pilot for the introduction of a generalized Minimum Income Guarantee scheme was also launched during the period under examination. At the same time, many measures were taken to liberalize the labour market, in the expectation that they will boost employment. A number of simulation studies (see, for example, Matsaganis et al. 2017) seem to suggest that several of these measures had the intended effects but they were ‘too little, too late’.

NOTES

1. All references to Eurostat estimates are derived from <http://ec.europa.eu/eurostat/web/> or http://ec.europa.eu/economy_finance/ameco/ accessed on various dates in August 2017.
2. The Lorenz curve is a graphical representation of the distribution of income when the members of the population are ranked from the poorest to the richest. It depicts the relationship between the cumulative share of the population and the cumulative distribution of income. When there is perfect equality, the Lorenz curve coincides with the 45° line; when all income accrues to a single population member, it coincides with the lower horizontal and the right vertical axis. When the Lorenz curves of two distributions do not intersect, all inequality indices satisfying the axioms mentioned in the previous section would rank the one closer to the line of perfect equality (45° line) as more equal. When two Lorenz curves intersect, there are always inequality indices that can rank the corresponding distributions in different order.
3. It should be noted, though, that in the framework of the austerity measures adopted in recent years, the share of the cost of public healthcare services borne by their users increased. This is likely to have had a disproportionate impact on the elderly, who are heavy users of such services, even though it did not affect their monetary incomes.

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Employment and Unemployment in Greece Before and After the Outbreak of the Crisis

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and Dimitris Katsikas*

3.1 INTRODUCTION

The severe fiscal crisis that broke out in Greece in 2009 had as its starting point the announcement of an unprecedented fiscal deficit, which eventually turned out to be 15.2 per cent of the gross domestic product (GDP). The fiscal crisis rapidly turned into a sovereign debt crisis and a historically unprecedented depression, which led to a cumulative fall in GDP of over 25 per cent for the 2009–2016 period. In addition to the high fiscal deficit and public debt, the Greek economy also exhibited extremely low international competitiveness. This was largely due to numerous structural impediments and rigidities, which characterized the wider economy and the labour market in particular.

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More specifically, before 2010, the main institutional features of the Greek labour market were the restrictive employment protection legislation, a non-generous unemployment benefit system and low public expenditure on active labour market policies. According to the Employment Protection Legislation Index (version 2), of the Organisation of Economic Co-operation and Development (OECD), the employment protection legislation in Greece before the crisis was among the most restrictive in the European Union (EU).¹ The restrictive employment protection legislation raised costs for employers, while also acting as a strong source of segmentation between blue- and white-collar workers, by treating them differently (e.g. in terms of the designated severance payment amounts and the notice period requirements). Moreover, it created incentives for the employers to substitute permanent employees with undeclared workers or employees who appeared to be self-employed, leading to a sizable unofficial economy and consequently to extensive tax evasion, thus contributing to the fiscal derailment. Moreover, the restrictive regulatory framework made dismissals less likely. In a sense, this was necessary because once people lost their jobs, they had little support. The unemployment benefit system in Greece was not generous in terms of benefit support per unemployed or benefit coverage (Stovicek and Turrini 2012, 10; Matsaganis 2013, 19), which meant that the unemployed were more likely to become poor. Finally, in addition to weak support during unemployment, the Greek welfare state had little provisions or resources for the re-entry of the unemployed into the labour market. In 2007, in Greece, the active labour market expenditure as a percentage of GDP was a mere 0.25 per cent, one of the lowest in the euro area.

These characteristics of the Greek labour market produced substantial economic and social costs: on the one hand, they raised labour costs and deprived flexibility from businesses, thus contributing to the economy's weak competitiveness. According to the Bank of Greece (2012), increased labour costs were responsible for half of Greece's loss of competitiveness before the crisis. On the other hand, the Greek labour market was highly fragmented, creating a multi-tier employment landscape, where different types of employees and professionals received different treatment from the Greek welfare state, leading to serious inefficiencies and economic inequalities. As a result of these problems, for the decade before the outbreak of the crisis, although Greece on average outperformed both the EU and the euro area in terms of growth rates, unemployment in Greece was, for the most part, in double figures, well above the respective European averages.

At the same time, the employment rate in Greece was substantially below European averages, as shown in Sect. 3.3.1 below. The concurrent presence of these features reveals a highly inefficient labour market, as a large part of the population remained either inactive or unemployed.

Achieving recovery in the short term and sustainable growth in the long term would require addressing these problems. Since 2010, in the context of consecutive adjustment programmes, Greek governments have promoted substantial reforms in the labour market. The idea behind these reforms was to reduce unit labour costs and increase flexibility in order to improve the international competitiveness of the Greek economy. Moreover, increased flexibility was thought to contribute to the reduction of unemployment, as the relaxation of firing constraints and costs would make it easier to hire people as well (Yannakourou and Tsimpoukis 2014).

Reforms related to wage bargaining and collective agreements were included already in the First Adjustment Programme. Early reforms addressed employment protection legislation, severance payments, collective dismissals, overtime premium, and youth subminimum wages.² These measures made employment termination easier and less costly, while collective bargaining became more decentralized, overtime premium was reduced, collective dismissals' thresholds were relaxed and a youth subminimum wage was introduced. Under the Second Programme of Economic Adjustment, more interventions were adopted.³ The set of measures included social insurance contribution cuts, further deregulation of the employment protection legislation, reform of the minimum wage-setting system and further decentralization of the collective bargaining system. Moreover, the national minimum wage was cut by 22 per cent and a youth-subminimum wage was introduced, as the previous one was never effectively implemented.

Despite being some of the most comprehensive and well-implemented reforms of the entire adjustment programme, the labour market reforms have not yielded the expected results. During the crisis, the export performance of the Greek economy remained subdued, failing to kick off a meaningful recovery (Zografakis and Kastelli 2017). At the same time, unemployment exploded to unprecedented levels for a developed economy in the post-war period and has remained stubbornly high while in other crisis-hit countries unemployment is gradually returning to pre-crisis levels. Indeed, as we shall see in more detail in the following sections of this chapter, all indicators of employment and unemployment have deteriorated in Greece during the crisis, producing severe economic and social consequences.

The aim of the chapter is to chart the performance of the Greek labour market before and mainly during the crisis. The analysis is organized around two basic axes—employment and unemployment rates—both necessary to obtain a complete picture of the features and trends of the Greek labour market. The next section presents the methodology and data employed in this chapter. After that, we examine various aspects of employment in Greece before continuing in the following section with an examination of the dynamics of unemployment. The final section summarizes the chapter's findings and offers some concluding thoughts.

3.2 METHODOLOGY AND DATA

This chapter examines various aspects of the labour market and employs a range of data to do so. More specifically, as described in the introductory section, the chapter is divided in two major parts, focusing first on employment and then on unemployment characteristics and trends. On employment, we examine the overall employment rate, which measures the share of total population aged 15–64 who have a paying job. According to the Eurostat definition, employed persons are those aged 15 and over who during the reference week performed work—even if just for one hour a week—for pay, profit or family gain. Next, we examine the so-called atypical forms of employment (i.e. part-time and temporary employment). Part-time employment measures the number of persons whose usual hours of work are less than the normal working week, which typically is 40 hours. Employers and employees may agree in writing on shorter working time on a daily, weekly or monthly basis. Here, part-time employment is usually expressed as a share of total employment. An important qualitative aspect of part-time and more generally atypical employment is whether people choose this type of employment because it fits with their needs and lifestyles or whether they are forced to accept atypical jobs. The latter situation, referred to as involuntary part-time employment, comprises three groups (OECD definition)⁴: (i) individuals who usually work full-time but who are working part-time because of economic slack, (ii) individuals who usually work part-time but are working fewer hours in their part-time jobs because of economic slack, and (iii) those working part-time because full-time work could not be found. According to Eurostat, temporary employees are those who have a fixed-term employment contract with employers, which will be terminated on a predefined date or as soon as some certain objective criteria are met, such as the completion of an assignment.

Next, employment rates by age group and gender are also presented, followed by employment rates by educational level. For the classification of educational levels, we use the International Standard Classification of Education (ISCED),⁵ which ranks educational credentials according to the following levels: less than primary, primary and lower secondary education (levels 0–2), upper secondary and post-secondary non-tertiary education (levels 3 and 4) and tertiary education (levels 5–8). Finally, we examine two very important aspects of employment in Greece: self-employment and undeclared employment. According to Eurostat’s definition, the self-employed are those who work for their own business and meet one of the following criteria: work for the purpose of earning profit, spend time on the operation of a business or are in the process of setting up their business. According to the European Commission, undeclared work includes ‘any paid activities that are lawful regarding their nature, but not declared to public authorities’ (DG for Employment, Social Affairs and Inclusion).⁶

In the unemployment section, we first examine the unemployment rate for the total population. The unemployment rate is the share of the active population (sum of employed and unemployed) who do not have a job. The term ‘active population’ is used here to separate those who are part of the labour force and either work or seek a job from those who are economically inactive (e.g. pensioners). After the overall rate of unemployment, we turn to the long-term unemployed (i.e. those individuals who are unemployed for 12 months or more); long-term unemployment is calculated as a share of total unemployment. Next, we examine unemployment rates for different age groups; here an indicator which is used particularly for young people is the so-called NEET index. The NEET rate shows the population of those aged 20–34 who are not in employment, education or training as a percentage of the total population of this age group. Next, we examine unemployment rates for males and females and finally we examine the development of unemployment rates according to educational levels; these are defined in the same way as those for the analysis of employment.

Our analysis is inter-temporal, examining the evolution of the indices described above, through time. In addition, we examine the contribution of most of the categories of population described above (specifically, those based on gender, age and educational credentials) to the total employment and unemployment rates before and after the outbreak of the crisis in order to distinguish the latter’s impact across different population groups.

More specifically, we have calculated figures which demonstrate, for different population groups, the percentage change of their employment and unemployment rate and the change of their contribution to total employment and unemployment, in both cases compared with 2007, as well as their contribution to total employment and unemployment for 2007, 2013 and 2016. The choice of the reference years is justified by the fact that 2007 was the last year before the Greek economy entered recession, 2013 was the year when most indices of the labour market (and the broader economy) reached their worst levels (i.e. it is the year when the negative impact of the crisis reached its peak), and 2016 is the year with the latest available data. The figures are presented in Appendices 1 and 2. Moreover, wherever possible, we present comparative data, measuring the performance of the labour market in Greece against that in other euro area countries. The comparative analysis has also an inter-temporal element, as comparisons are made both before (typically the reference year being 2007) and after the crisis erupted (with the reference year being the one with the latest available data, typically 2015 or 2016). The objective is to present a dynamic and comparative image of the features and trends of labour market indices in Greece in order to get a better understanding of the different aspects and weight of the impact of the crisis but also to link this post-crisis performance with structural characteristics and trends in the Greek labour market before the crisis as the former has clearly been determined to some extent by the latter.

The data used in this chapter are based on the Greek Labour Force Survey and in most cases are readily available on Eurostat's database. The data that is not, is available on request by the Hellenic Statistical Authority (ELSTAT).

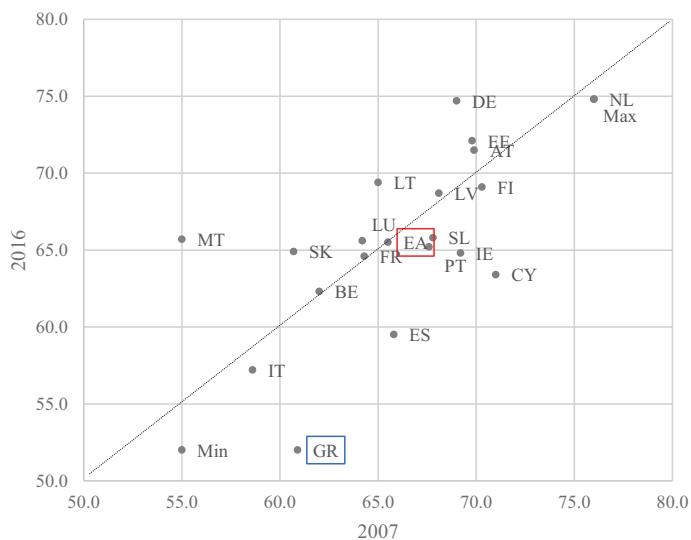
3.3 EMPLOYMENT: TRENDS AND STRUCTURAL CHARACTERISTICS BEFORE AND AFTER THE OUTBREAK OF THE CRISIS

In this section, we examine the employment rate both for the entire population and for different population groups. The employment rate is one of the most important and widely used indicators for international comparisons. This rate is considered to be key for social conditions as it shows the part of the population that has some kind of labour income and it indirectly shows the part of the population that remains out of employment as either unemployed or inactive. As noted in the methodological section, the analysis that follows relies on the one hand on data for different

employment rate indices (for different categories of the population and types of employment), and on the other hand on the figures presented in Appendix 1. The latter describe the changed employment dynamics of different population groups and their contribution to total employment as a result of the crisis. Finally, in addition to examining different aspects of the employment rate, this section includes an analysis of the evolution and characteristics of two crucial features of employment in Greece, namely the widespread use of undeclared work and the high self-employment rate (Ziomas et al. 2010, 15).

3.3.1 *Baseline Employment Rate*

Before the crisis, the employment rate in Greece was among the lowest in the EU. In 2001, only 56.4 per cent of the population aged 15–64 was employed. Whereas during the 2000s the employment rate gradually increased, before the outbreak of the crisis, in 2007, it was still around 60.0 per cent, substantially below the euro area’s average, which at the time was higher than 65.0 per cent (Graph 3.1). The low employment rate before the crisis reveals a first layer of fragmentation of the Greek labour



Graph 3.1 Employment rate in euro area countries and average (percentage of population 15–64 years old, 2007 and 2016). Source: Eurostat

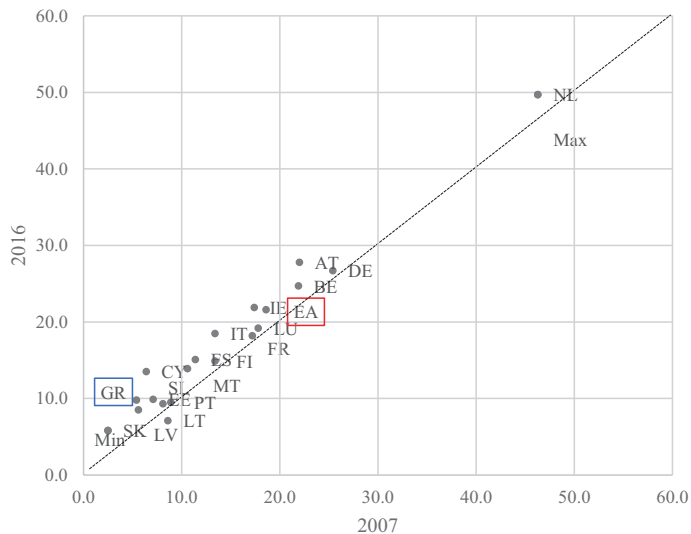
market as it means that approximately 40 per cent of the population were out of employment either as unemployed or inactive. These extremely low levels of employment had adverse economic and social implications. Given the weak support provided by the Greek welfare system to the unemployed, the latter were more likely to become poor, while inactive individuals were dependent on the income earners of their household and their disposable income was directly affected by changes in the employment status of the main income earners. As demonstrated in the previous chapter by Andriopoulou, Karakitsios and Tsakoglou, the unemployed and the households whose main wage earner lost their jobs were those that suffered most during the crisis.

Since 2009, owing to the crisis, the total employment rate started to decline. This trend was not unique to Greece; all crisis-hit countries recorded a significant decline in their employment rates (Graph 3.1). However, the drop of the employment rate in Greece was by far the largest; between 2007 and 2013, it fell by 22.7 per cent (Appendix 1), reaching its lowest point (48.8 per cent) in decades. While, from 2014, an employment recovery has started taking place, the employment rate remains very low, at 52 per cent in 2016. In contrast, the employment rates of the ‘core countries’ of the euro area (e.g. Austria, Germany and the Netherlands) increased or remained almost unchanged, keeping the euro area’s average close to pre-crisis levels, above 65.0 per cent (Graph 3.1).

3.3.2 *Atypical Forms of Employment*

Traditionally in Greece, part-time employment was among the lowest, as a percentage of total employment, in the euro area and remained so, although during the 2000s it showed an upward trend (Graph 3.2). As the crisis began, employment decreased not only in terms of jobs, as discussed above, but also in terms of working hours. As shown in Graph 3.2, part-time employment has significantly increased after the crisis.

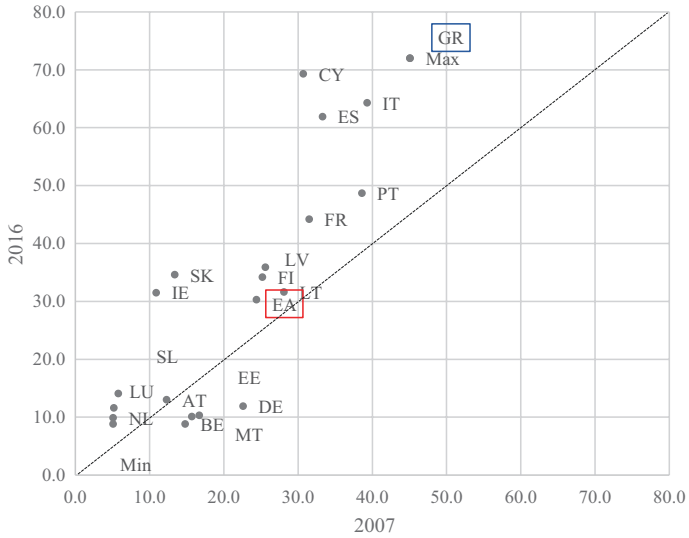
Again, Greece was not a unique case. The average part-time employment rate, as a share of total employment, increased in the euro area from 18.6 per cent in 2007 to 21.6 per cent in 2016 (Graph 3.2). The part-time employment rate increased to a greater extent in the crisis-hit countries, namely Cyprus (7.1 percentage points), Italy (5.1 percentage points), Ireland (4.5 percentage points), Greece (4.4 percentage points) and Spain (3.7 percentage points), and in Austria (5.8 percentage points). However, in the crisis-hit countries, the increase of part-time employment was



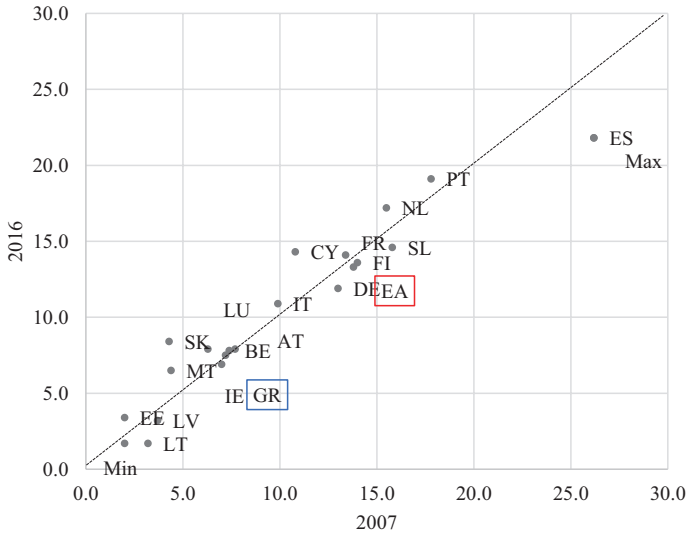
Graph 3.2 Part-time employment in euro area countries and average (percentage of total employment, 2007 and 2016). Source: Eurostat

mainly involuntary (Graph 3.3). More specifically, in Greece, more than seven out of ten part-time employed people did not want to work under this status but sought full-time jobs, making the ratio of involuntary part-time employment to total part-time employment in Greece the highest among the euro area's member states.

One would expect that temporary employment would also increase as the economic environment became unsafe. Nevertheless, this was not the case in Greece. Before the crisis, the number of temporary employees followed the same upward trend of total employment. However, as the crisis started, the number of temporary employees fell by approximately 35 per cent by 2013, compared with total employment's decline of 23 per cent, a rather unexpected development. Also, in terms of its share of total employment, temporary employment fell from 8.0 to 6.4 per cent. This could be the result of the employment protection legislation reform, which was implemented in 2010. The reform extended the probationary period of regular contracts (when employees can be fired without compensation) to one year, thus reducing the incentives of employers to hire employees with traditional temporary employment contracts. More generally, in the euro area, the temporary employment rate did not change considerably (Graph 3.4).



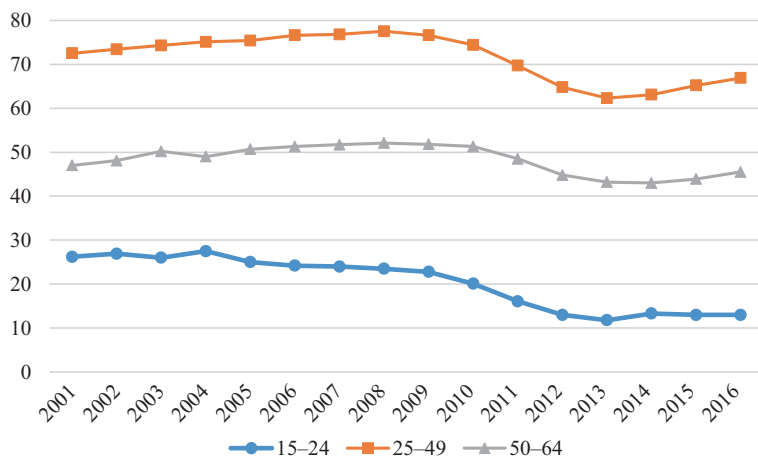
Graph 3.3 Involuntary part-time employment in euro area countries and average (percentage of total part-time employment, 2007 and 2016). Source: Eurostat



Graph 3.4 Temporary employment in euro area countries and average (percentage of total employment, 2007 and 2016). Source: Eurostat

3.3.3 *Employment by Age Groups*

Employment rates by age groups reveal another aspect of fragmentation in the Greek labour market. As illustrated in Graph 3.5, employment rates vary substantially across different age groups. Generally speaking, those between 25 and 49 years are more likely to be employed than other age groups. Before the onset of the crisis, the employment rate of this age group was above 70 per cent. The employment rate was also high among those between 50 and 64 years. Before the crisis, the employment rate of this age group was very close to the total employment rate as almost half of the population of this group was employed. On the other hand, youth employment rates were very low before the crisis. More specifically, the employment rate for those below 25 years was always lower than 30 per cent, even before 2008. This may be because employers prefer to hire older and more experienced workers rather than younger members of the labour force since the productivity of the former is higher than that of the latter. At the same time, it is less costly for employers to dismiss younger employees since statutory redundancy pay typically depends on the employees' seniority (Eichorst et al. 2013, 7; Bell and Blanchflower 2011, 2). Given Greece's strict employment protection legislation, the cost of senior employees' dismissals before the crisis was often prohibitive.



Graph 3.5 Employment rate by age group, Greece (percentage of age group population, 2001–2016). Source: Eurostat

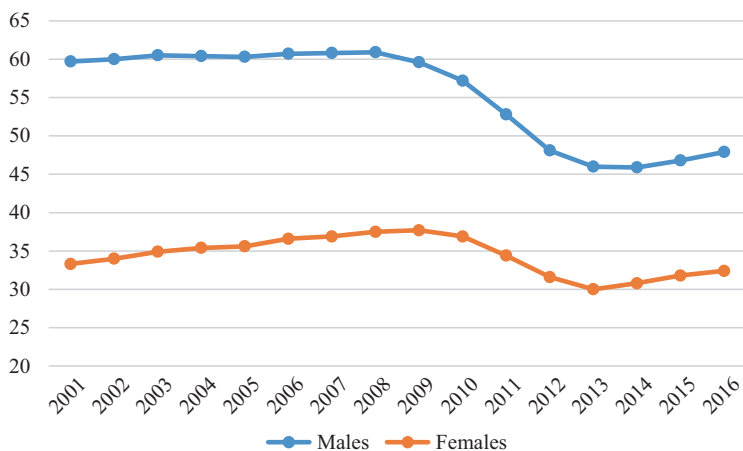
The crisis impacted all age groups negatively but not always in a similar way or to the same degree. Employment among those 25–49 fell by approximately 23 percentage points between 2007 and 2013 (Appendix 1) but has since staged a moderate recovery, remaining however well below its pre-crisis peak (Graph 3.5). Given its large size (in terms of the number of people employed in this age group) compared with other age groups, its contribution to total employment declined more than that of other age groups during the crisis (16.2 per cent, based on its 2007 share of the population). However, its contribution to total employment in 2013 and 2016 remained stable compared to 2007 (Appendix 1), which means that the share of this age group in total employment increased (the number of employed people in total fell more than the number of employed people in this age group). For those 50–64, the employment rate fell by 11 percentage points between 2007 and 2013 and has been recording a substantial recovery since then, reducing its losses compared with 2007, to approximately 4.5 per cent (Appendix 1). Employment losses for this age group are smaller than those of the 25–49 age group, and as a result, its contribution to the total employment rate increased during the crisis (from 23 per cent in 2007 to 27 per cent in 2016). On the other hand, the employment rate of young people, under 25 years old, recorded the largest decline, as it fell by 57.3 per cent between 2007 and 2013, remaining at levels which are 55 per cent below its pre-crisis level in 2016 (Appendix 1). The employment rate for this group, unlike that for other age groups, has not recovered, making it the worst-hit age group for the entire period, as confirmed by the fact that its contribution to total employment decreased from 7 per cent in 2007 to only 4 per cent in 2016 (Appendix 1).

From the above analysis, it seems that the pre-existing fragmentation based on age, recorded before the crisis, has survived it. The most significant changes are the relative deterioration of the position of the young, who were already disadvantaged before the crisis, and the relative improvement of the position of those 50–64 in the sense that more people in this age group are now employed, as a share of the total number of employed people, than before the crisis. From the evolution of the relative indices through time, it seems that, since 2013, people in the older age groups retain their jobs more easily than young people below the age of 25 since it is costlier for employers to dismiss older (more senior) than younger employees. Should this trend continue, the reduced share of young people in total employment may become a permanent feature of the Greek labour market.

3.3.4 *Employment by Gender*

Another important dimension of the Greek labour market has to do with gender. In Graph 3.6, we see employment rates for both males and females. The first impression is that, overall, the employment rate for men is significantly higher than that of women. This happens mostly because women are more likely to be inactive in the labour market due to household obligations.

On the other hand, the evolution of employment rates over time presents some complications to this picture. Up to 2008, men's employment rate was almost stable at 60 per cent of men's total population. During the same period, women's employment rate increased from 33.3 per cent in 2001 to 37.5 per cent in 2008, converging slowly towards men's employment rate (Graph 3.6). As we saw above, since 2009, the crisis has negatively affected total employment in Greece. However, this deterioration has not been uniform across both genders; between 2007 and 2013, the employment rate of men declined by 25 per cent while the respective rate for women fell by approximately 19 percentage points (Appendix 1). The decline in the employment rate has been reversed since 2013, particularly for women. Moreover, given the higher decline in men's employment rate and the fact that their share of total employment was larger to begin with,



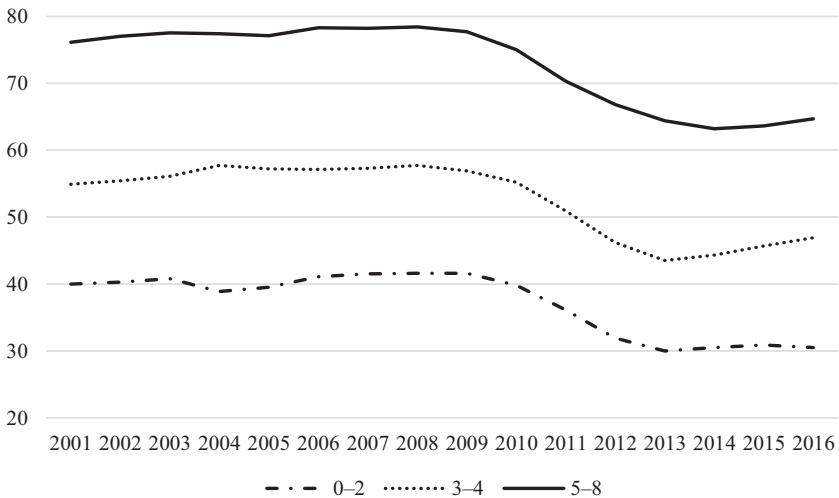
Graph 3.6 Employment rate by gender, Greece (percentage of gender population, 2001–2016). Source: Eurostat

the decline in their contribution to total employment has been more than double compared to that of women (15.3 versus 7.4 per cent, columns 3 and 4, Appendix 1). As a result, the contribution of male employment to total employment in 2016 was reduced to 58 per cent of total employment compared with 61 per cent in 2007 while that of women rose to 42 per cent compared with 39 per cent in 2007 (Appendix 1).

This data reveals that gender fragmentation was significant before the crisis as there were large discrepancies in the employment rate between men and women. However, this fragmentation tended to decrease as employment rates gradually converged. The crisis had the paradoxical effect of reinforcing this trend, as men were hit more by the crisis compared to women in terms of employment.

3.3.5 *Employment by Level of Education*

One of the most interesting aspects of the employment rates' analysis has to do with education levels. In Graph 3.7, we present the employment rates by educational level. From the data, it is obvious that highly educated individuals are much more likely to be employed than the low skilled, not



Graph 3.7 Employment rate by educational level, Greece (percentage of educational category population, 2001–2016). Source: Eurostat

only before but also during the crisis. Thus, education was and seems to remain a very effective shield against unemployment.

In particular, employment rates for all educational levels were quite stable during the pre-crisis period. From 2001 to 2010, those who had attained tertiary education had an employment rate of almost 80 per cent. At the same time, the employment rate of those who had attained middle levels of education was almost 60 per cent and for those with low education credentials it was approximately 40 per cent.

Since the onset of the crisis, employment rates for all educational levels have fallen, but as is evident from the data in Appendix 1, this happened at very different rates.⁷ Thus, for the highly educated, the employment rate fell by only approximately 2 per cent between 2007 and 2013 but started increasing thereafter, recording an increase of 7.2 per cent in 2016 compared with 2007. On the other hand, those with low educational credentials experienced a dramatic decline in their employment rate, which had dropped by 40.5 per cent in 2013 and fell even further, by 47.1 per cent in 2016, compared with 2007. Finally, the employment rate of those with middle-level educational credentials recorded a substantial decline of almost 23 per cent between 2007 and 2013 before recovering somewhat to a level that is approximately 15 per cent lower than that of 2007. As a result, by 2016, the contribution of the highly educated to total employment had increased to 38.5 per cent, a spectacular increase from the 2007 figure of 26.3 per cent. At the same time, the contribution of the lower-educated has declined substantially, from 32 per cent in 2007 to 19.2 per cent in 2016 (Appendix 1). Finally, the contribution of those having middle-level education credentials also increased between 2007 and 2016, from 41.7 to 45.8 per cent. These developments show that fragmentation increased during the crisis, as those who are highly educated were much more likely to be employed. On the other hand, the large decline for the group with low education credentials is particularly onerous given their already lower levels of employment.

In addition to methodological problems which may have contributed to an exaggeration of these figures (see note 7), these figures may underestimate the impact of the crisis on the well educated, particularly on young people, given that a large part of that group has left the country during the crisis. According to a recent study, between 2008 and 2013, 223,000 young people (25–39 years old) left the country, the overwhelming majority of them, according to available data, highly educated (Lazaretou 2016). If these people had remained in the country, the

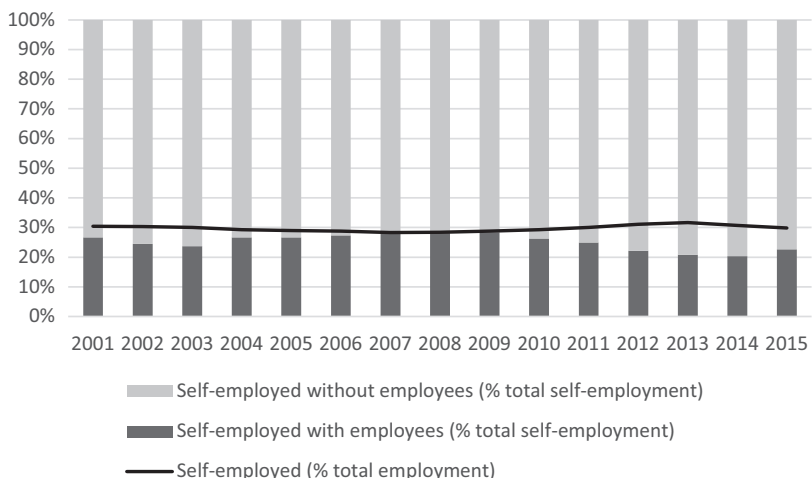
employment rate of highly educated people would have recorded a substantially bigger decline. Indeed, according to the same study, there is a positive and significant correlation between the rate of unemployment of young university graduates and the rate of migration of this same group (Lazaretou 2016).

3.3.6 *Self-employment*

Traditionally, Greece has had a very high rate of self-employed people. According to OECD data, since the 1980s, Greece has had the second highest rate of self-employed people in the OECD, behind only Turkey. In 2015, Greece overtook Turkey to become the country with the highest number of self-employed people as a percentage of total employment in the OECD. Apart from historical reasons and the idiosyncratic characteristics of the Greek economy, this feature has been the result of a practice whereby employers substituted dependent with independent employment (self-employed) in order to avoid the restrictive institutional framework of the labour market (e.g. high severance payments) and to avoid the cost of relatively high insurance contributions, creating an effective demand for this kind of employees (Matsaganis 2011, 9–10). In other words, as already mentioned in the introductory section, a substantial part of the self-employed are effectively in a dependent work relationship, which however is masked as independent employment, creating one of the most serious aspects of fragmentation of the Greek labour market. In effect, there exist two types of employees: those with regular dependent employment contracts, which enjoy relative safety and insurance coverage during both employment and unemployment, and those who work as employees but owing to their self-employed status do not have any sort of layoff protection or insurance coverage during unemployment.

While a dynamic analysis including transitions from/to self-employment cannot be presented here, the inter-temporal evolution of self-employment shares over total employment is presented below (Graph 3.8). The data shows that during the period 2001–2016 the share of self-employment remained higher than 29.0 per cent but that in 2013 it exceeded 31.5 per cent, covering almost one third of total employment. During the same period, the average self-employment rate among the euro area's member states ranged from 14.1 to 14.6 per cent (Eurostat).

As also shown in Graph 3.8, the majority of self-employed in Greece typically do not employ other persons; this is partly explained by the



Graph 3.8 Self-employment, Greece (2001–2015). Source: Eurostat, authors' calculation

mechanism described above since many of those who appear to be self-employed are in fact dependent employees themselves. During the period 2009–2015, the share of self-employed people without employees increased from 71.6 to 77.3 per cent while the respective share of self-employed with employees declined to 22.7 per cent. This change in the relative shares of the self-employed, with and without employees, in favour of the latter, can be interpreted as a strengthening of the practice described above, as particularly small- and medium-sized businesses under pressure from the crisis, sought to reduce further labour costs and increase flexibility.

3.3.7 *Undeclared Employment*

Another characteristic aspect of employment in Greece is the amount of undeclared work. According to the International Labour Organization (ILO), almost 30 per cent of the employed population was informally employed in 2010 and this proportion increased to 40 per cent in 2014 (ILO 2014). This is an extremely high level of undeclared work and signifies that a large part of the working population works in conditions and receives payment not covered by the laws and regulations of the labour market, leaving these workers vulnerable to exploitation. The reasons for

this are again to be found in the incentives for businesses to reduce labour costs, as was the case with the self-employed. Combined with an ineffective public monitoring and sanctioning mechanism, this option has become a veritable rule for some sectors of the economy, particularly for services offered to households (e.g. maids, nannies and gardeners) and in agricultural activities.

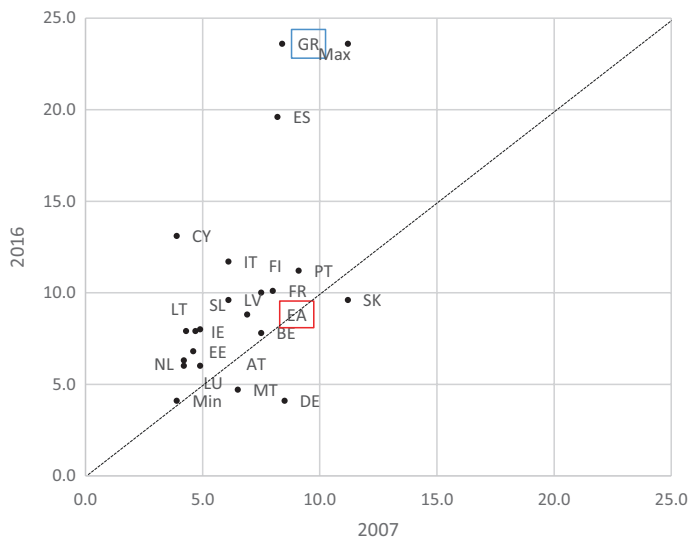
The fact that the share of undeclared work increased substantially during the crisis further demonstrates that the latter increased the extent of already established fragmentation lines, as amidst deteriorating economic conditions, more businesses (in their effort to reduce costs) and also more employees (in their effort to find employment) operated outside the institutional framework of the labour market. A reform that seems to have delivered results in the combat against undeclared work is the introduction by the government in August 2013 of a penalty of 10,500 euros for each undeclared worker. According to research, the measure led to a wave of employee ‘migration’ from undeclared work to dependent employment contracts (Kapsalis 2015).

3.4 UNEMPLOYMENT: TRENDS AND STRUCTURAL CHARACTERISTICS BEFORE AND AFTER THE OUTBREAK OF THE CRISIS

In this section, we examine the unemployment rate, both for the entire population and for different population groups. Traditionally, but particularly in times of crisis, the unemployment rate is considered one of the most important indicators for the performance of the labour market but also for that of the broader economy. As was the case with employment, the analysis that follows relies on data for different unemployment rate indices (for different categories of the population and types of employment), as well as on the figures presented in Appendix 2. The latter describe the dynamics of the contribution of different population groups to total unemployment.

3.4.1 *Unemployment Baseline Rate*

Despite many years of high growth rates, unemployment in Greece remained relatively high before the crisis. The unemployment rate was consistently above 10 per cent from the late 1990s until 2006, when it started declining, to reach its lowest level in 2008 (7.8 per cent), converging for the first time towards EU and euro area averages (7.0 and 7.6 per

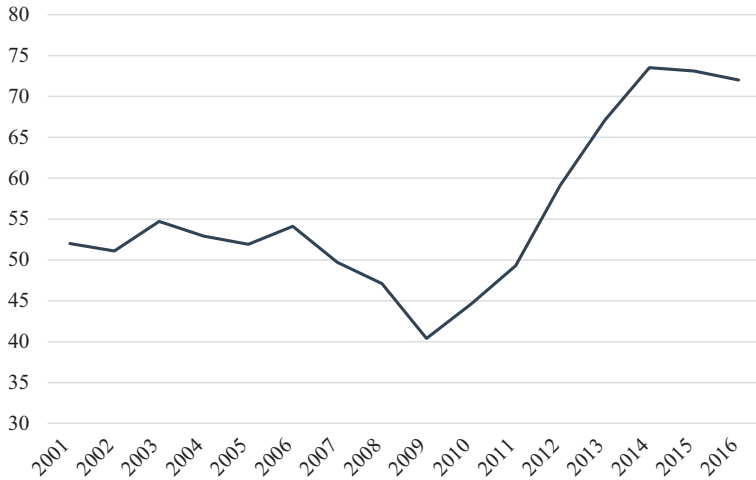


Graph 3.9 Unemployment rate, Greece (percentage of active population, 2007 and 2016). Source: Eurostat

cent respectively). With the onset of the crisis, the unemployment rate rose sharply. The total unemployment rate more than tripled between 2007 and 2013, the year when it reached its peak at 27.5 per cent. Although all crisis-hit countries experienced increased unemployment, the rise of unemployment in Greece was by far the largest recorded in the euro area. The only country having comparable numbers was Spain, which saw its unemployment rate peak at 26.1 per cent in 2013; this trend has been reversed since 2014 and by 2016 Spain had seen its unemployment rate fall below 20 per cent while Greece's rate still stood at 23.6 per cent (Graph 3.9).

3.4.2 Long-term Unemployment

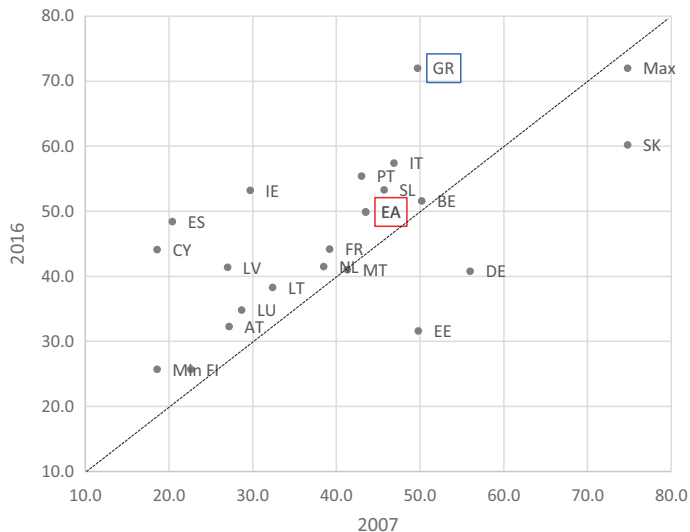
The slow recovery of employment and the persistence of unemployment at levels above 20 per cent raise concerns about one of the most worrying aspects of the crisis in Greece, which is the substantial increase in the rate of long-term unemployment. This development has reinforced what was already one of the most important aspects of the highly fragmented Greek labour market (Graph 3.10).



Graph 3.10 Long-term unemployment rate, Greece (>12 months, percentage of total unemployment, 2001–2016). Source: Eurostat

The duration of unemployment is considered to be a very important factor that affects welfare and risk of poverty and reduces the probability of finding a job (European Commission 2016, 26; 129–135). In Greece, high long-term unemployment rates existed since the early 2000s since more than half of the unemployed were long-term unemployed. This proportion had fallen to almost 40 per cent by 2009 during a period when overall unemployment was falling as well. However, long-term unemployment remained at extremely high levels given that this was a time of rapid economic growth. In 2007, Greece had one of the highest long-term unemployment rates in the euro area (Graph 3.11).

As shown in Graph 3.11, the long-term unemployment rate increased in most of the crisis-hit countries in the European periphery. Between 2007 and 2016, the long-term unemployment rate in Greece increased from 49.7 to 72.0 per cent, peaking in 2013 at 73.5 per cent, while the average rate of the euro area increased from 43.5 to 49.9 per cent during the same period. This indicates that unemployment inflows were not covered by outflows towards employment and a large ‘stock’ of unemployed has been created during the crisis. This is particularly worrisome because unless the trend is soon reversed it could lead to a permanent increase of structural unemployment in Greece and have serious implications for its future economic growth and its social cohesion.⁸



Graph 3.11 Long-term unemployment rate in euro area countries and average (>12 months, percentage of total unemployment, 2007 and 2016). Source: Eurostat

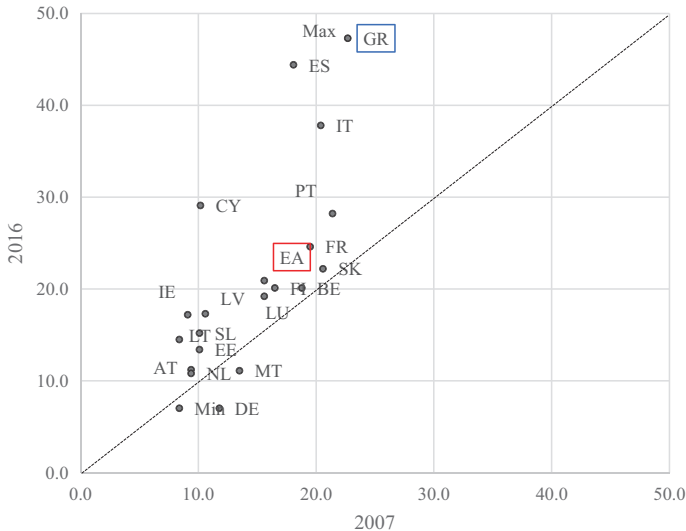
3.4.3 Unemployment and Age Groups

Another significant structural problem and testament to the Greek labour market's fragmented nature before the crisis was the high rate of youth unemployment. In 2001, the unemployment rate for those under 25 was 28.0 per cent. Following the decreasing trend of total unemployment, it fell to 22.7 per cent in 2007. On the other hand, the same year, the unemployment rate in the 25–49 age group was 8.3 per cent while in the 50–64 age group it was only 3.8 per cent.

The crisis seems to have impacted the young disproportionately. Unemployment for those below the age of 25 rose to extremely high levels (58.3 per cent in 2013, compared with a total unemployment rate of 27.5 per cent). Even after 2013, youth unemployment has remained at unacceptably high levels (47.3 per cent in 2016). At the same time, the unemployment rate for those 25–49 rose to 27.8 per cent in 2013 before declining to 23.4 per cent in 2016, and for the 50–64 group, it increased to 18.8 per cent in 2013 and continued its upward trend to reach 19.3 per cent in 2016. Youth unemployment is a problem not only of Greece. In

fact, the youth unemployment rate escalated during the crisis in most of the European labour markets. The average youth unemployment rate in the euro area increased from 15.6 per cent in 2007 to 20.6 per cent in 2016, having reached 24.4 per cent in 2013 (Graph 3.12). During the crisis, youth unemployment rates increased strongly in Cyprus (from 10.2 per cent in 2007 to 29.1 per cent in 2016), Portugal (from 21.4 per cent in 2007 to 28.2 per cent in 2016), Italy (from 20.4 per cent in 2007 to 37.8 per cent in 2016), Spain (from 18.1 per cent in 2007 to 44.4 per cent in 2016) and, as we saw above, Greece.

Despite the spectacular rates of youth unemployment, the crisis has actually reduced fragmentation based on age in Greece. This can be seen in the percentage change of the unemployment rate across the different age groups (Appendix 2). While between 2007 and 2013, the unemployment rate for those below 25 roughly doubled, for the age group 25–49, it more than tripled, while for those between 50 and 64, it increased by a factor of five. Accordingly, the contribution of the 25–49 age group to the total unemployment rate in 2013 increased by more than 150 per cent, owing mostly to this group’s large share in total employment, which

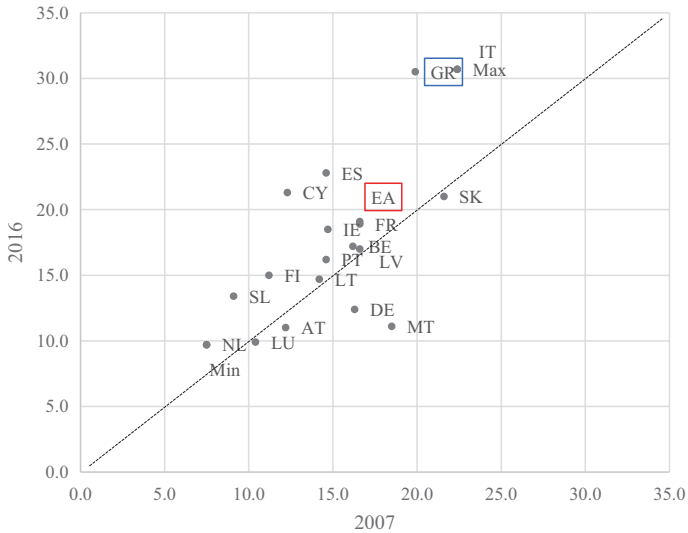


Graph 3.12 Youth unemployment in euro area countries and average (percentage of population < 25 years old, 2007 and 2016). Source: Eurostat

means that most of the new unemployed came from this group. The contribution of the 50–64 age group to the total unemployment rate increased by 40 per cent, while that for those below the age of 25, by roughly 22 per cent. The data therefore shows that the young, below 25 years of age, were actually the group that contributed the least to the rise of total unemployment by 2013. Actually, their contribution fell even further to 8 per cent in 2016, as did that of the 25–49 age group. The only age group whose contribution to total unemployment continued to increase was the 50–64 age group. As a result of these movements, the contribution of the young to unemployment was halved to 11 percentage points in 2016 from 22 percentage points in 2007. On the other hand, the contribution of those 50–64 more than doubled, rising from 10 per cent in 2007 to 21 per cent in 2016, effectively trading places with the young, as the 25–49 group effectively kept its contribution to total unemployment stable. Indeed, one could argue that the plight of those above 50 who lose their jobs is more serious than that of the young, given the former group's slim chances of finding a new job and more generally the more limited options at their disposal.

One of the options available for the young is migration, and as noted in the previous section, it is a choice that a large number of young, well-educated people have made during the crisis. Indeed, given the phenomenon of brain drain, the figures above may present a better picture than is actually the case, as was also noted before for the youth employment rate; had these young people stayed in the country, the contribution of this age group to total unemployment would probably be much higher.

The big increases of youth unemployment rates in some labour markets were to some degree the result of the restrictive employment protection legislation, which discouraged the dismissals of older and more experienced employees (European Central Bank 2014, 55). Moreover, high youth unemployment rates could be explained by the higher representation of youth among temporary employees, who are more vulnerable to economic fluctuations than the permanent ones (European Central Bank 2014, 55). Despite these worrying figures, however, a word of caution is warranted; another reason for the large fluctuations of youth unemployment rates is that they tend to present an overly pessimistic picture as the share of young people who are active (employed or unemployed) in terms of their total population is relatively small given that the majority of them are involved in some kind of education or training.



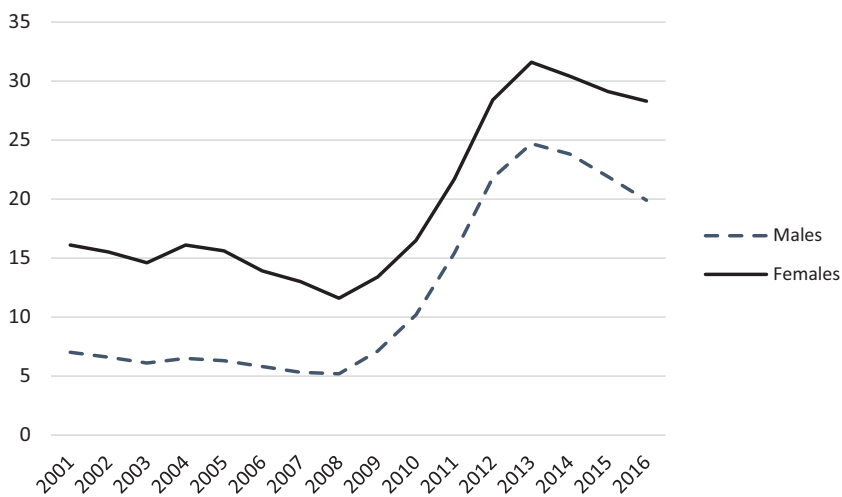
Graph 3.13 Young people not in employment, education or training (NEET), in euro area countries and average (percentage of 20–34 years old, 2007 and 2016). Source: Eurostat

Therefore, a more accurate measure of the dislocation of young people from economic and social life is the index which shows the young people who are not in employment, education or training (NEET index). The NEET rate shows the population of those between 20–34 years who are not in employment, education or training as a percentage of the total population of this age group. As evident from Graph 3.13, the NEET rate has increased significantly in Greece, Italy, Spain and Cyprus and to a lesser extent in Ireland. More specifically in Greece, the percentage of people between 20 and 34 who were not in employment, education or training increased from 19.9 per cent in 2007 to 36.7 per cent in 2013; from 2014, the NEET rate has begun to decline, reaching 30.5 per cent in 2016. Despite its recent decline, its level continues to be very high and reveals a worrying trend, which could have long-term consequences for both the economic and social inclusion of younger generations.

3.4.4 Unemployment and Gender

Graph 3.14 shows the unemployment rates for males and females in Greece during the period 2001–2016. Even before the crisis, a picture of significant gender fragmentation is obtained. The downward trend of the unemployment rate in the total population was observed for both males and females, but significant differences between these rates existed. In particular, the female unemployment rate was steadily more than twice as high as the male unemployment rate, indicating that women were disadvantaged compared to men.

During the crisis, the unemployment rates of men and women followed parallel paths (Graph 3.14). However, given that men started out with substantially lower unemployment rates, this trend has meant that the unemployment gap between men and women has been reduced. Indeed, men were hit harder by unemployment than women were during the crisis. Male unemployment increased roughly twice as much as female unemployment during the crisis (Appendix 2); as a result, the contribution of men to total unemployment increased from 2007 to 2013 by more than 122 per cent, while the respective increase for women was approximately 95 per cent. Accordingly, the contribution of men and women to total



Graph 3.14 Unemployment rate by gender, Greece (percentage of active gender population, 2001–2016). Source: Eurostat

unemployment in 2013 was identical at 50 per cent, a dramatic change from 2007, when men's unemployment accounted for 36 per cent of total unemployment while that of women for 63 per cent. However, as total unemployment has been falling gradually since 2013, the men's unemployment rate seems to fall faster than that of women, tilting the balance once again in their favour.

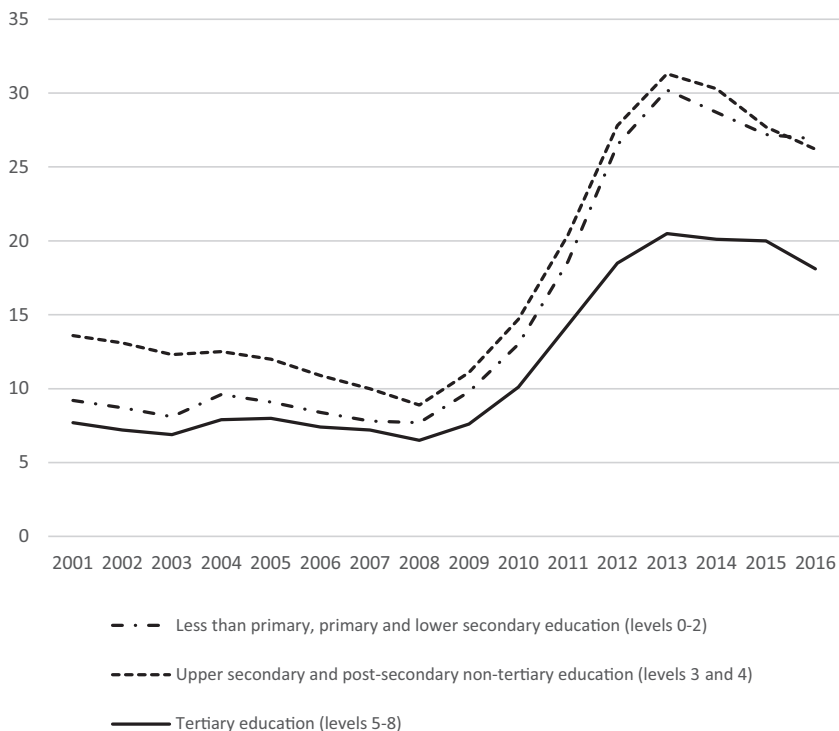
All in all, the crisis has reduced the sizable pre-crisis difference between the unemployment rates of men and women. This does not mean that the structural reasons behind this difference (e.g. the role of women in Greek society and discrimination) have been eliminated; as the economy stabilizes and total unemployment continues to decline, it is very likely that a substantial difference will once again appear. The evidence since 2013 supports such a hypothesis.

3.4.5 *Unemployment and Education*

The unemployment rates for population groups with different educational credentials show a more complicated picture than that of employment before the crisis in Greece. While those who were highly educated experienced consistently lower unemployment rates than the other educational groups, those with low credentials (0–2) experienced substantially lower unemployment compared with those having a middle level of educational accomplishments (3–4) (Graph 3.15). A probable interpretation of this situation has to do with the characteristics of the Greek economy. Given that a significant part of Greek businesses operate in low-added value economic activities, located primarily in the non-tradable sector of the economy, there is demand for individuals with low educational skills, who are more likely to fill positions in such businesses.

As shown in Graph 3.15, the unemployment rates of the different educational groups started declining and converging during the years immediately before the crisis. The group with middle educational attainment in particular saw a significant decline in its unemployment rate since the mid-2000s, which dropped below 10 per cent for the first time in 2008.

Once the crisis began however, unemployment rates soared, particularly for the two lower categories of educational attainment. By 2013, the groups with low and middle educational credentials had seen their unemployment rate exceed 30 per cent. The unemployment rate of the highly educated also increased substantially, peaking at 20 per cent in 2013. Given their different starting rates, the increase that all population groups experienced, in



Graph 3.15 Unemployment rate by educational level, Greece (percentage of educational category active population, 2001–2016). Source: Eurostat

terms of percentage change, was similar. Those who had higher educational credentials actually experienced a slightly higher percentage increase in their unemployment rate compared with the other groups (Appendix 2). However, given their substantial size in terms of population, the group with middle-level credentials saw its contribution to total unemployment rise the most, more than doubling between 2007 and 2013.

The outcome of these movements was that, although there were no great shifts compared with the pre-crisis situation, the contribution of the lower-educated was lower in 2016 at 24 per cent than was the case before the crisis (28 per cent in 2007), and the contribution of the two other groups had increased slightly. Therefore, contrary to the findings on the employment rates, in terms of unemployment, education was not as

effective as a protective shield. While it is true that the highly educated experienced substantially lower unemployment rates than the other groups during the crisis, their contribution to unemployment in 2016 is roughly on par with those with low educational credentials, and the group most hit by unemployment was that of middle educational attainment. These findings are corroborated by recent research which has shown that jobs which required little educational qualifications were the only types of jobs with a positive employment-unemployment balance sheet during the crisis (Katsikas and Filinis 2015). This finding is also in line with the findings of Andrianopoulou, Karakitsios and Tsakoglou (in this volume), who find that people with low educational levels improved their relative position, particularly compared with those with middle-level educational credentials.

3.5 SUMMARY AND CONCLUSIONS

Before the crisis, the Greek labour market was characterized by inefficiency and fragmentation—inefficiency because a large part of the population was inactive and therefore not part of the labour force while unemployment remained well above European averages despite years of rapid economic growth. Moreover, the Greek labour market was highly fragmented. In terms of employment rates, the most important lines of fragmentation were between those who had regular, full-time jobs and those who had atypical forms of employment, between men and women, between the young (below 25) and the older generations and between the highly educated and those less so. In terms of unemployment, once again significant divergence was observed on the basis of gender and age (the young below 25, again, being the disadvantaged ones). Education worked as a shield against unemployment only for the highly educated, as those with middle-level credentials fared worse than those at the lowest educational level. Long-term unemployment was high and persistent, leaving part of the population permanently out of the labour market. Finally, the high numbers of the self-employed and those with undeclared work created a two-tier market, given the absence of protection for them during both employment and unemployment.

These problems had to do with both the rigid and unequal institutional framework of the labour market and the broader characteristics of the Greek political economy. Despite the extensive labour market reform that took place in the context of consecutive bailout programmes, its perfor-

mance during the crisis deteriorated fast and to a degree unparalleled for a developed country in recent decades. Employment rates fell to levels not seen for more than twenty years and unemployment more than tripled. With few exceptions, the fragmentation lines survived and in most cases were reinforced. Thus, involuntary part-time employment soared, as did long-term unemployment. The numbers of the self-employed and those having undeclared work rose even higher, while the employment prospects of the young (below 25) and the less well educated became even worse.

The only fragmentation line which seems to have been weakened during the crisis in terms of both employment and unemployment was that between men and women, as the former were hit more by the crisis. This negative type of convergence, however, is no guarantee for the future given that the underlying reasons for its existence have not been addressed. A more permanent feature of this convergence, which may limit in the long-term the pre-crisis gap between men and women and which may explain to some degree their convergence during the crisis, may be the fact that women tend to seek and accept more part-time jobs. As the demand for part-time employment has grown during the crisis and is likely to remain high, given that the reforms implemented facilitate this type of employment, the difference between the employment and unemployment rates of men and women may become less pronounced in the future, compared with the pre-crisis period.

Age-related fragmentation was also reversed to some degree in terms of unemployment but once again not in a positive way. While young people below the age of 25 have a hard time finding a job and entering employment, people from older age groups were hit more by the crisis, as they were laid off in greater numbers. The situation is particularly dire for those in the 50–64 age group, who have a difficult time re-entering the labour market once fired. More generally, the share of the young in the labour force has gone down, which explains the decline they experienced in their contribution to both the employment and unemployment rates. This is partly because the young, disappointed by their inability to find a job, either have left the country or have entered various educational and training programmes. On the other hand, the share of the 50–64 age group in the labour force has increased, as it is costlier to lay off senior employees (who thus remain active and do not retire, or get disappointed and stop trying to find a job, once fired) and as more of them have been forced to seek a job because their income from other potential sources (e.g. rents) has declined

or because they need to support their children who have become unemployed and have families. On the other hand, as older workers with low educational credentials retire, people of the younger generations with middle-level educational attainment are likely to bear more of the unemployment burden.

The reforms that were implemented did not alleviate the situation as expected; this was due to broader failures of the design and implementation of the bailout programmes (Katsikas et al. 2018) but also to the continuation of inefficient labour market policies and practices of the past. Thus, for example, during the crisis, a number of active labour market policies were implemented, which were meant to facilitate the integration of young people into the labour market and to upgrade the skills of the workforce. However, the way they operated hindered their effectiveness, as they were primarily used by employers as a means of labour cost subsidisation (including the state, which sought to circumvent the constraints of fiscal consolidation by using temporary employment and training programmes as a means to address employee shortages, particularly in local administration) and by employees as a means of income support, rather than as a tool that could improve the functioning of the labour market, effectively reproducing the failed pre-crisis model. The lack of an adequately funded, designed and implemented framework of active labour market policies goes a long way towards explaining the high rates of long-term unemployment described earlier.

The reforms have certainly improved the flexibility and dynamism of the labour market. However, their positive effects in the short-to-medium term are more likely to manifest in relatively undesirable ways, such as the increase in involuntary part-time employment. Pending a full and sustainable recovery of the Greek economy, which would necessitate substantial reforms in other fields of economic policy as well, and a change in the policy mix, which drives businesses and workers to find ways to reduce labour costs and raise disposable income respectively (e.g. by turning to undeclared work or dependent employment which is masked as self-employment), the situation of the Greek labour market is likely to remain difficult for some time yet.

APPENDIX I

	Group employment percentage change (vs. 2007)		Percentage change of group contribution to total employment (vs. 2007) ^a		Group contribution to total employment (%)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Population group	2013	2016	2013	2016	2007	2013	2016
Total (15–64)	-22.7	-19.3	-	-	-	-	-
Male	-25.3	-22.9	-15.3	-13.9	60.6	58.6	58.0
Female	-18.8	-13.8	-7.4	-5.5	39.4	41.4	42.1
Ages 15–24	-57.3	-55.2	-3.9	-3.8	6.9	3.8	3.8
Ages 25–49	-23.0	-20.6	-16.2	-14.5	70.3	70.1	69.4
Ages 50–64	-11.3	-4.5	-2.6	-1.0	22.7	26.1	26.9
Low educational level	-40.5	-47.1	-13.0	-15.1	32.0	24.7	19.2
(0–2) ^b							
Middle educational level	-22.7	-15.2	-9.5	-6.3	41.7	41.9	45.8
(3–4) ^a							
High educational level	-2.3	7.2	-0.6	1.9	26.3	33.4	38.5
(5–8) ^a							

Sources: Eurostat, Authors' calculations

^aBased on groups' 2007 population shares^bHellenic Statistical Authority. The employment rates for this category have been calculated as the ratio of the employed to the population more than 15 years old and not those 15–64

APPENDIX 2

	<i>Group unemployment percentage change (vs. 2007)</i>		<i>Percentage change of group contribution to total unemployment (vs. 2007)</i>		<i>Group contribution to total unemployment (%)</i>		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Population group	2013	2016	2013	2016	2007	2013	2016
Total (15–64)	217.5	168.8	–	–	–	–	–
Male	334.8	240.9	122.7	88.3	36.5	50.2	46.4
Female	149.6	127.0	94.8	80.5	63.4	49.9	53.5
Ages 15–24	103.3	37.0	22.4	8.0	21.7	13.9	11.0
Ages 25–49	225.3	167.2	154.8	114.9	68.6	70.4	68.2
Ages 50–64	416.6	474.0	40.3	45.8	9.7	15.8	20.7
Low educational level (0–2)	207.1	130.5	58.9	37.1	28.4	27.5	24.2
Middle educational level (3–4)	221.7	178.1	109.4	87.9	49.4	49.9	50.8
High educational level (5–8)	223.7	204.0	49.7	45.3	22.2	22.6	25.0

Sources: Eurostat, Authors' calculations

*Based on groups' 2007 population shares

NOTES

1. The Employment Protection Legislation Index incorporates several data items concerning regulations for individual and collective dismissals for regular contracts, such as notification procedures, the time required before notice can start, length of the notice period, severance pay, definition of justified or unfair dismissals, length of trial period and compensation following unfair dismissal. For more information and full methodology, see www.oecd.org/employment/protection
2. Laws 3863/2010 and 3899/2010.
3. Council of Ministers' Decision 2/2012 and consolidated by laws 4046/2012 and 4093/2012.
4. OECD Glossary, available at <https://stats.oecd.org/glossary/detail.asp?ID=2016>

5. ISCED is the reference international classification for organizing education programmes and related qualifications by levels and fields. ISCED 2011 (levels of education) is implemented in all EU data collections from 2014. More information is available at [http://ec.europa.eu/eurostat/statistics-explained/index.php/International_Standard_Classification_of_Education_\(ISCED\)](http://ec.europa.eu/eurostat/statistics-explained/index.php/International_Standard_Classification_of_Education_(ISCED))
6. Available at <http://ec.europa.eu/social/main.jsp?catId=1298&langId=en>
7. As noted in Appendix 1, owing to limitations in data availability, the figures for the employment rates per educational level have been calculated on the basis of the entire population above 15 years old and not for the typical group 15–64. This affects the reported figures with some levels (e.g. the highly educated) presenting a better picture and some levels (e.g. the lower educated) presenting a worse picture compared with the figures that would result if the standard 15–64 age group were used.
8. Structural unemployment is the natural rate of unemployment which faces a labour market in the long run and in the absence of economic shocks. It is mainly determined by institutional factors such as the employment protection legislation and the unemployment benefit system and by factors such as technological progress (Orlandi 2012, 7). Structural unemployment affects the total unemployment rate, and therefore the public expenditure to tackle unemployment, as well as the total product of an economy.

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Too Little, Too Late: The Mismatch Between Social Policy and Social Crisis

Dimitri A. Sotiropoulos

4.1 INTRODUCTION: STUDYING POVERTY AND SOCIAL EXCLUSION

Despite the many difficulties in defining and measuring poverty (see the introductory chapter of this volume), there has been academic and policy-oriented research on absolute and relative poverty for over a quarter of a century in the European Union (EU). Research on social exclusion, which is related to but not synonymous with poverty, is more recent but has already produced a wealth of conceptual contributions and empirical data. Social exclusion is a concept which has been introduced to understand the multi-dimensional character and effects of poverty as well as non-economic aspects of poverty.

Poverty is understood primarily as an economic phenomenon which can be measured in its objective and subjective dimensions and in various absolute and relative terms. Following Amartya Sen, one can also understand poverty as a socio-economic phenomenon, namely the lack of capability to lead a minimally decent life (Silver 1994; Sen 2000). Similarly, there is more than one non-economic way to understand social exclusion.

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Very briefly, in cultural and social terms, social exclusion may occur when the bonds between an individual and society become loose. An individual may find himself or herself outside the cultural boundaries constructed by a society to which he or she may have once belonged or may aspire to belong.

A different way to approach social exclusion is to understand it as discrimination against an individual or a racial, ethnic, religious, linguistic or gender group/category of individuals. Discrimination is not limited to discourse which discriminates against and marginalizes such people, but may assume more material forms. Examples are social and state-led practices against the excluded or even laws and regulations explicitly excluding them from access to otherwise available rights, freedoms or services.

Another way to understand social exclusion would be to focus not at the individual but at the group level of analysis when a group is powerful enough to create boundaries that set itself 'off limits' for other groups.

4.2 POVERTY AND SOCIAL EXCLUSION AS OVERLAPPING BUT DISTINCT CONCEPTS

Naturally, in the context of economic crisis, it is more difficult to tell the difference between, on the one hand, victims of the crisis who experience downward social mobility and become poor and, on the other hand, other victims of the crisis who become socially excluded. New, suddenly occurring poverty may be conflated with social exclusion. How can we distinguish between the two (poverty and social exclusion)?

Very briefly, one could argue that essentially a person can be poor but perhaps not socially excluded if he or she has access to basic welfare usually provided by the state. A person may be poor but not socially excluded if he or she has access to housing, health, education and social services and is not discriminated by state authorities or the local community in which this poor person lives.

Conversely, a person may belong to the non-poor income groups (e.g. may be a member of a minority having decent work) but may suffer from social exclusion. This would be the case of a non-poor person who is effectively barred from access to welfare allowances and services, owing to lack of information and skills to seek and use state-provided welfare services. A second case would be that of a non-poor person lacking information and skills to achieve his or her integration in a community. And a third case of

social exclusion of a non-poor person would be the result of racial, ethnic, linguistic, gender, religious or other discrimination to which the non-poor person is subjected.

In what follows, we are not going to discuss social exclusion as discrimination. Rather, in view of the economic crisis in Greece, we will discuss it as exclusion from the labour market and the welfare state. We will first give basic statistical data about poverty and social exclusion, as well as other social indicators, offering a glimpse at the economic crisis in Greece. Then we delineate legacies of anti-poverty policies in Greece before the economic crisis erupted and finally we discuss policy measures taken by the Greek government to alleviate the problem of poverty and social exclusion in the wake of the crisis.

For the period after the start of the crisis, we will first refer to the coalition governments of the centre-right party of New Democracy (ND) and the Panhellenic Socialist Movement (Pasok), which governed in 2011–2014, and the coalition government of the radical-left party Syriza and the far-right party ‘Independent Greeks’ (Anel), which came to power in January 2015.

4.3 ANTI-POVERTY POLICIES AND FIGHTING SOCIAL EXCLUSION IN GREECE BEFORE THE ONSET OF THE ECONOMIC CRISIS

Poverty and social exclusion were widespread in Greece before the onset of the economic crisis (i.e. before 2010), as were problems of fiscal sustainability of the Greek state. In 1990–2010, the poverty rate hovered around 20 per cent while the unemployment rate fluctuated between 8 and 12 per cent (Eurostat data). There was also social exclusion of numerous groups, such as the Roma, the inhabitants of poor mountainous areas and isolated island communities, the Muslims residing in the poorer rural areas of Northeastern Greece and in run-down areas in the centre of Athens, the drug addicts roaming the streets of large urban centres, ex-convicts, and people with disabilities (Kasimati 1998; Petmesidou and Papatheodorou 2004; Katsioulis et al. 2005).

The Greek state in the 2000s devoted an increasing share of social spending on pensions (Giannitsis and Zografakis 2016), while there was no minimum income guarantee (MIG). Anti-poverty policies in Greece never acquired priority over other welfare policies, either before or after the beginning of the crisis (Karagiorgas 1990; Tsakoglou 2000; Matsaganis

et al. 2003; Petmesidou and Papatheodorou 2004; Ifantopoulos et al. 2009). Whenever new anti-poverty measures, such as the introduction of a MIG scheme, were publicly debated, as was indeed the case in the late 1990s, there was no progress. Governing politicians, regardless of whether they belonged to a centre-left or a centre-right government, argued that the fiscal burden of such policies was excessive. Even when, in the context of the Open Method of Coordination, policies to fight social exclusion were adopted, they served as nothing more than window dressing, namely a cosmetic effort to adapt to pressures stemming from the European Commission (EC) (Lyberaki and Tinios 2002; Sotiropoulos 2004).

4.4 THE BIAS OF THE GREEK WELFARE STATE AGAINST THE OUTSIDERS AND THE POOR

A primary reason for this reluctance of the Greek state to fight poverty and social exclusion, even before the ongoing crisis, lies in the distinction between insiders and outsiders of the labour market.

This was a distinction between insiders, such as members of the liberal professions (lawyers, doctors and engineers) and public-sector employees, on the one hand, and outsiders, such as private-sector workers, part-time workers, the young and the unemployed, on the other hand.

The Greek state has typically awarded far more generous pensions to public-sector employees compared with private-sector workers, based on variable contribution periods and replacement rates (Giannitsis and Zografakis 2016). Before the pension reforms of 2010 (i.e. reforms imposed by Greece's creditors in the context of fiscal consolidation), the state used to offer rather generous pensions to well-protected insiders.

The same held with other welfare benefits, such as family benefits and social assistance benefits, distributed by occupational schemes in very unequal terms. For example, handsome benefits were distributed by the occupational social security funds of workers of state-owned enterprises, bank employees, and journalists in contrast to the major social security fund, IKA, which covers the rest of private-sector wage-earners.

The rift between insiders and outsiders was the result of numerous long-term patterns such as a proliferation of insurance funds; occupational group-based pension contributions, benefit levels, and requirements for pension awards; and state subsidies to selected pension schemes, such as the pension schemes of state-owned enterprises and the corresponding schemes of liberal professions.

In effect, Greek governments distributed welfare rights in an indiscriminate, patronage-ridden manner in order to exchange favours for votes. Government employees consistently enjoyed higher average salaries and welfare benefits than private-sector employees. Greece was a primary example of ‘The South European welfare regime’ (Ferrera 1996).

For example, before the economic crisis erupted, about 33 per cent of Greek private-sector workers had been classified as working under arduous and unhealthy employment conditions (Ministry of Labour Ministry of Labour, Social Insurance and Social Solidarity 2008, 16). Winning such a classification sometimes was the result of really hard-working conditions (e.g. as far as workers working in mines were concerned) but in other times was the result of patronage-driven favours granted to narrow-interest groups (such as hairdressers). There was also a strong patronage-driven tradition in awarding invalidity allowances and lifelong pensions in selected regions. Such awards were often made on less-than-transparent criteria (e.g. in the prefecture of Chania in Western Crete and in other islands such as Kalymnos, Zakynthos and Chios; see Giannarou 2012).

Moreover, the social protection offered to people in need was almost exclusively based on cash transfers. Social services and transfers in kind were grossly underdeveloped. Finally, there was a problem with implementation and efficiency of the relevant policy measures, as shown by the fact that, after social transfers, poverty in Greece fell by only two percentage points, from 22 to 20 per cent (Eurostat 2012). Moreover, there were glaring gaps and overlaps in the way Greek social protection had been organized (OECD 2013).

Notably, Greek welfare state services were always complemented by services provided by the strongest Greek social institution, namely the extended family. Before the crisis erupted, but also later on, after the economic crisis had broken out, it was the extended family which often provided the poor and the socially excluded with access to shelter, food, healthcare and pocket money. It was the family that substituted for inefficient state-run social services.

4.5 HISTORICAL LEGACIES OF SOCIAL POLICY AND ANTI-POVERTY POLICY IN GREECE

In view of the above, several patterns of social policy and more specifically anti-poverty policy emerge. These patterns, which were reproduced even after 2010, reflected long-term historical legacies in policymaking.

As already noted above, a first legacy was the propensity of successive governments to protect the rights and income of their political clientele, which consisted of the liberal professions (which were and still are over-represented among Members of Parliament [MPs]), as well as tenured civil servants and non-tenured employees of the public sector. Many such employees had been recruited on political patronage criteria throughout the four decades which have passed since Greece's transition from authoritarian rule (1974).

A second legacy, reflecting the relative power of trade unions of public-sector employees and the employees of just a few hundred large private business firms, was the uneven and pension-heavy structure of welfare spending (Matsaganis 2007). In that respect, Greece does not differ from the rest of European welfare states in which a disproportionate share of welfare spending is channelled to pensions. What makes the Greek case special, as shown in Tables 4.1 and 4.2 (below in this chapter), is a pattern of over-spending on pensions and underfunding of social assistance and social integration policies, even when the dramatic social effects of the

Table 4.1 The social effects of the economic crisis. Greece in the comparative perspective of the European Union (EU)

	<i>Greece 2009</i>	<i>EU 2009</i>	<i>Greece 2013</i>	<i>EU 2013</i>
0–17 years old living in jobless households	4.8%	10.2%	12.9% (2012)	11.1% (2012)
Youth not in employment, education, or training	16%	14.8%	28.9%	15.9%
Gini coefficient	33.1%	30.5%	34.3% (2012)	30.6% (2012)
Unemployment rate	9.5%	8.6%	27%	11.1%
People at risk of poverty or social exclusion	27.6%	23.2%	34.6% (2012)	24.8% (2012)
Materially deprived	11%	8.2%	19.5%	9.9%
Youth unemployment rate (15–24)	25.8%	19.9%	55.3% (2012)	22.8% (2012)
Labour force participation	67.8%	70.9%	67.9% (2012)	71.8% (2012)
Index S80/S20	5.8	4.9	6.6	5.1
Life expectancy	79.7	76.7	80.3	80.02

Sources: Eurostat, various years; and the database of the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP)

Table 4.2 Distribution of total expenditure on various welfare functions, percentage of total expenditure

	<i>Greece 2008</i> (%)	<i>Greece 2009</i> (%)	<i>Greece 2010</i> (%)	<i>Greece 2011</i> (%)
Government expenditure on old-age and survivors	49.2	48.6	48.4	49.8
Government expenditure on public healthcare	28.1	28.4	28.3	24.7
Government expenditure on unemployment	4.9	5.8	5.9	7.1
Government expenditure on family and children	6.1	6.5	6.2	5.9
Government expenditure on disability	4.5	4.6	4.5	4.7
Government expenditure on housing	2.0	1.8	1.3	1.2
Government expenditure on social exclusion	2.1	2.1	2.1	2.2
Total	100	100	100	100

Sources: Eurostat, various years, and the database of the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP). The percentage figures in the columns above do not add up to 100 per cent, because other expenses and welfare administration costs have not been included in the table. After 2010, owing to across-the-board spending cuts, even in cases of small percentage increases in government expenditure, the size of actual funds in euros, devoted to each function, in fact decreased

economic crisis called for a different approach to poverty and social exclusion. In a nutshell, social protection in Greece was fundamentally flawed before the crisis erupted.

Since the onset of the economic crisis in Greece, in May 2010, diametrically opposed policies have started pulling the Greek welfare state apart. Social policy changes left very large loopholes in social protection but also simultaneously attempted to rationalize policy sectors, such as pensions and child benefits, in which necessary reforms had been postponed until the country reached the brink of economic collapse.

4.6 THE NEAR COLLAPSE OF THE ECONOMY AND ITS AFTERMATH

The problem with Greece's unsustainable public debt was known to Greek decision-makers, EU officials and international observers already before 2010. The relevant statistical trends were publicly known and persistent

over time. After a sharp rise in the 1980s, the public debt reached 100 per cent of the gross domestic product (GDP) in the 1990s. From then on, with the exception of a short period in 2003 and 2004 when the Greek debt fell below the threshold of 100 per cent of the GDP and was temporarily stabilized, it never fell below the 100 per cent mark. In 2002, the debt already stood at 102 per cent of the GDP and by 2006 it had shot up to 106 per cent, giving a forewarning of what would follow (Eurostat data).

In May 2010, after it had been revealed that in 2009 the budget deficit had reached unsustainable levels (as it turned out, more than 15 per cent of the GDP) and the public debt had soared to 129 per cent (Eurostat data), Greece and representatives of the EC, the European Central Bank (ECB) and the International Monetary Fund (IMF)—the so-called ‘troika’—signed a Memorandum of Understanding (MoU) and a loan agreement. A second MoU followed in February 2012. The MoUs were accompanied by a set of austerity measures in return for the loans. In other words, the MoUs were adjustment programmes calling for immediate fiscal consolidation.

In 2010–2014, the Greek government increased taxes on income and property in an unprecedented fashion and drastically cut social expenditure. It froze pensions and imposed reductions in unemployment, maternity, and sickness benefits. It abolished many benefits, including the 13th and 14th pensions which Greek pensioners used to receive on a 12-month basis; the lifetime pensions awarded to mothers with four or more children; the main housing benefit and the birth grant (Matsaganis and Leventi 2014, 42–43). Some of these measures may have led to streamlining of social spending but, above all, have resulted in the retreat of the state from the social protection of the lowly paid employees, the unemployed, the poor and the socially excluded (Matsaganis 2012).

Austerity brought about unexpectedly high depression in the economy and a tremendous cost to the aforementioned vulnerable strata. Between 2008 and 2013, the Greek economy was in recession for six consecutive years and by the end of 2013 the GDP had shrunk by 25 per cent. Moreover, as Table 4.1 shows, by 2012 in Greece all social indicators and certainly poverty, unemployment and youth unemployment had worsened dramatically. In 2013, unemployment rose to 27 per cent while youth unemployment (15–24 age group) stood at 61 per cent (ELSTAT 2013). While unemployment fell to 23 per cent in 2017, its effects on poverty and social exclusion were to be long-standing.

4.7 THE REACTION OF POLICYMAKERS TO THE ERUPTION OF THE ECONOMIC CRISIS

In view of such negative effects of the economic crisis, what, if any, steps were taken to address poverty and social exclusion after 2010?

While total public employment was trimmed and redundant state agencies and public entities were merged or abolished, policymakers protected more the public sector, namely the structure and size of the ministries and state-owned enterprises, than the small and medium enterprises which used to form the backbone of the Greek private sector.

Such business enterprises went bankrupt by the tens of thousands. Those enterprises which survived proceeded to lay off workers or to lower the wages and salaries of their personnel or to create arrears of several months in compensating their employees. In other words, private-sector employees were more prone to slip into poverty than public-sector employees even though the latter did suffer heavy losses in their income.

As previous chapters of this volume have shown, in Greece there was sharp increase in material deprivation after the economic crisis started. In comparative terms, in 2012 in EU-27, the share of people suffering on average from material deprivation was 9.9 per cent (less than 10 per cent in Germany but 20 per cent in Greece, i.e. less than Latvia, Hungary and Romania where material deprivation exceeded 25 per cent and Bulgaria where it exceeded 40 per cent; Eurostat data). As far as low work intensity is concerned, in 2011 and 2012, on the average, in EU-27 10 per cent of all people lived in low-intensity households (about 10 per cent in Germany and over 12 per cent in Greece; Eurostat data).

As Table 4.2 shows, the percentage share of funds channelled to public healthcare and to protect families, children and people encountering housing problems decreased in 2008–2011. As many employees who were approaching old age opted out to retire, the share of government spending on pensions increased, as did government spending on unemployment protection.

To sum up our argument up to this point, the effort of Greece to achieve fiscal consolidation took place through cutting salaries and wages as well as social benefits. The social situation worsened over time. As welfare rights had never been distributed evenly across the board, but only on a fragmented, occupational basis, there was no coalition of social interests able to protect the welfare state, a trend noted first by Paul Pierson in completely different political settings (1994).

4.8 ANTI-POVERTY POLICIES IN GREECE IN THE WAKE OF THE ECONOMIC CRISIS

Overall, the torrent of social spending cuts was not counterbalanced by any social protection measures. Very small steps were taken to protect the lower-income groups, which could not afford to access healthcare, education or social services in the private market and depended on welfare state services. Spending cuts were universal, while anti-poverty measures were targeted or categorical (Matsaganis and Leventi 2014). They were sparse and adopted in between large waves of austerity measures.

In 2011, a ‘social solidarity contribution’ was added to the total tax paid by all middle- and higher-income earners. This contribution, effectively a tax paid by anyone who has an annual income above 12,000 euros per year, is still being withheld today. Originally, this was a tax used primarily as government revenue necessary to close the budget (i.e. to contribute to fiscal consolidation) rather than for redistribution among affected social strata of the costs of the economic adjustment programmes which Greece has followed since 2010.

Otherwise, to the limited extent that they were attempted, anti-poverty and social inclusion policies were erratic. For example, in 2010, a ‘compensation’ for the abolition of the 13th and the 14th monthly pensions, which pensioners used to enjoy before the pension reform of 2010, was introduced. However, this compensation was abolished in 2013 (Matsaganis and Leventi 2014).

New social assistance measures were targeted to population groups deserving social support, such as the unemployed, as will be explained below. Other times, the policy beneficiaries were occupational groups, which were not necessarily either socially excluded or poor but had sufficient political power to preserve or regain lost income. In fact, powerful groups claimed that the cuts imposed on their salaries were unconstitutional, then succeeded in winning the relevant legal battles in court and thus the government was obliged to implement the ensuing court decisions. For example, even though all public-sector employees had suffered income losses since 2010, the government, after a court decision ordering the restitution of income losses of judges, announced plans to compensate judges accordingly. In 2014, following a similar court decision, the government announced that it would offer compensation also to military officers and policemen. Most importantly, large categories of civil servants received an additional monthly allowance, called ‘personal difference’

(meaning the difference between their pre-crisis and post-crisis salaries). Because of this additional allowance, some categories of civil servants, such as the employees of the Ministry of Finance, were able to limit their loss in income (Nitsi et al. 2017).

Further on, in the winter of 2013, under a programme of Greece's Manpower Employment Organization (OAED), unemployed people started working and being trained on the job at various municipalities around the country. They did community work on fixed-term, five-month contracts and earned approximately 500 euros net per month. The same programme was to be repeated in the winter of 2014 and its target was to offer five-month jobs to 50,000 unemployed people. This measure was obviously inadequate and incommensurate to the scale and the grave nature of the problem of unemployment in Greece. Moreover, it was a measure which distorted the real aims of Active Labour Market Policies (ALMPs). The aforementioned contracts were originally meant to be part of a larger active labour policy to train and help re-integrate the unemployed into the labour market. As it turned out, the way in which this ALMP measure was implemented, it simply helped some financially ailing municipalities to obtain additional funding and hire temporary personnel.

Moreover, there were two new, non-categorical, almost universalistic measures. These were, first, the MIG scheme and, second, a new unified child benefit.

The MIG had been included in the policy package signed between Greece and its creditors (the 'Memorandum') with the blessing, if not the insistence, of the 'troika'. The introduction of the MIG, first for elderly people, was part of the first MoU of May 2010 (MoU 2010). Originally, the MIG was to be tested in a pilot programme in two regions of Greece (Matsaganis 2013, 27) but later on was expanded to 13 cities.

The MIG was directed to individuals earning as little as 2400 euros per year (4800 euros for a family of four). There was also an activation prerequisite in this policy, as applicants for the MIG were supposed to be ready to accept work offered to them by prospective employers. MIG beneficiaries were also entitled to an additional subsidy to pay their rent and also to free healthcare by public healthcare services. The MIG was expected to cover 7 per cent of the population living in the selected 13 municipalities. At that time (2014), it was envisioned that in 2015 the MIG would eventually cover 700,000 citizens and would cost close to 1 billion euros. This was a more or less disputable calculation, and no resources had been

secured for such a large outlay. Further on, if this ceiling was reached, the future of the programme was unknown.

On the other hand, the new policy of unified child benefit replaced a traditional family policy. In what was another example of a ‘South European welfare regime’, Greece’s family policy was fragmented and uneven and depended on the occupation scheme of the beneficiary (e.g. there were different child benefits for civil servants and private-sector employees but no child benefits for farmers). Family policy was conceived in a context of religious and nationalist discourse, replete with statements about saving the traditional family and the nation. Under the influence of the Greek Orthodox Church and well-organized associations of large families, family policy served the interests of large families at the expense of smaller families.

As shown by Matsaganis and Leventi (2014), after the crisis erupted, there was a policy shift in family policy. The ND-Pasok coalition government realized the large-scale social costs of austerity for most families, not only families with many children (3+ children). Before the crisis, the government used to provide benefits to all large families, regardless of their income, and a lifetime pension to all mothers bearing four or more children.

After the crisis started, a means-tested child benefit for all families with children was introduced, regardless of the occupation of the beneficiaries; the large-family benefit became means-tested; and the lifetime pension for mothers with four or more children was abolished. In other words, with this policy shift, family policy started shedding its hitherto traditionalist and particularistic characteristics.

Another change occurred in unemployment insurance policy. The shift was towards a larger-in-scope and simultaneously means-tested scheme. Before the crisis, civil servants and public-sector workers, including the well-paid employees of state-owned enterprises, enjoyed lifelong job tenure. Self-employed workers, including artisans and craftsmen, had no unemployment coverage at all. Private-sector workers, if dismissed, could obtain a meagre unemployment benefit for a period of up to 12 months. After that period ended, they were left on their own.

After the crisis began, the government relaxed eligibility conditions for unemployment assistance offered to long-term unemployed older workers. Thus, the benefit was offered to people who were between 20 and 66 years old, had an annual income which was lower than 10,000 euros and had received a total of 12 months of unemployment benefit (i.e.

unemployed people entitled to fewer months of unemployment benefit were not eligible). However, as in the case of other new welfare programmes, the government's commitment to assist the unemployed was incommensurate to the depth of the problem. One should remember that the unemployment rate stood at 27 per cent in 2013 and that the social situation was constantly worsening (Sotiropoulos 2014).

Clearly, this was a policy measure showing reluctance to address the corresponding social problems, namely the tendency towards downward social mobility faced by the middle strata and the sudden decline in living conditions experienced by many old-age Greeks and, above all, by the unemployed.

Another policy shift aiming to cover a flagrant loophole of social protection during the crisis was the introduction of unemployment insurance for self-employed or autonomous workers. These are artisans, craftsmen, technicians or small shopkeepers. Before the crisis, they enjoyed social protection provided by their own occupational insurance funds, but if they went out of business they were not eligible for unemployment benefits. Economic depression rapidly increased the numbers of jobless self-autonomous workers. In 2013, the government implemented a new programme of unemployment insurance for the self-employed. Entitled to this new allowance were only those self-employed who had ceased their economic activity by the end of 2011, had regularly paid an insurance contribution for at least 12 months prior to the time they went out of business and were living on an income of up to 10,000 euros per year. Given all these thresholds and criteria set by law, in order to distribute this new allowance, it was very uncertain whether all self-employed people were to be covered by this otherwise welcome new measure.

This measure was overdue, given that one-third of Greece's labour force was and still is self-employed (Hellenic Statistical Authority data). Such autonomous employees were never fully insured (either before or after the start of the economic crisis) against losing their jobs and had to count on their own savings and pocket money, goods and services offered by their family members.

In 2014, the ND-Pasok coalition government passed a new law (Law 4254/ 2014) which provided for social assistance to low-income earners. For this purpose, 450 million euros were earmarked on the basis of the valid assumption that Greece would attain a small budget surplus. This amount was to be an ad hoc social benefit to be distributed once. The same law provided for another 20 million euros, earmarked for projects to

support the homeless. The funds were not negligible, but they did not form part of a larger plan. And they were to be abolished after the elections of January 2015, which were won by the radical-left party Syriza. The latter came to power with the promise to discontinue all policies of preceding governments and attempt a policy reversal.

4.9 POLICY MISMATCH AFTER THE GOVERNMENT TURNOVER OF JANUARY 2015

After its victory in the parliamentary elections of January 2015, Syriza, led by Alexis Tsipras, was unable to win the majority of parliamentary seats. Syriza invited the far-right party of ‘Independent Greeks’ (the so-called Anel party) to form a coalition government. Anel had split off from ND and had pursued a vehement anti-austerity line, as Syriza had done in 2010–2014. The government turnover may have brought about an increased interest in the fate of poorer strata at the level of policy discourse, but also a stagnation at the level of policy implementation.

In February 2015, after Varoufakis assumed the post of Minister of Finance, he promised Greece’s creditors that he would evaluate the pilot programme of MIG, which had started only in the late months of 2014. Instead, in March 2015, the new government passed a law to manage what it called ‘the humanitarian crisis’ (Law 4320/2015). The new law included three measures addressed to poor households, namely subsidies to contribute to the cost of electricity of 150,000 poor households; subsidies to pay the rent for 30,000 poor households; and a food allowance which was scheduled to be distributed to 300,000 households. The total budgeted cost for the three measures of the Tsipras government was 200 million euros, surprisingly smaller than the cost of similarly budgeted ad hoc measures under the preceding ND-Pasok governments. The difference may be owed to the inexperience and lack of skills of the new Syriza government officials with regard to the financial management of social transfers or to the tactics of Varoufakis to save money on government revenue in order to be able to pay public-sector salaries and pensions and simultaneously prolong negotiations with the country’s creditors. The tactics backfired, as is well known, while implementation of the aforementioned new law took a very long time.

Indeed, in 2015, social policy was put on hold, as during the summer of that year Greece was again on the brink of financial collapse. In July

2015, Prime Minister (PM) Tsipras launched a national referendum on a new economic adjustment programme, drafted by the EU authorities, because he did not want to implement the austerity programme of previous Greek governments. He openly supported the rejection of the new programme and won the national referendum, only to quickly reverse his anti-austerity stance and sign off an austerity-based programme, accepting the terms of Greece's creditors. The Tsipras government signed a third MoU only seven months after Syriza's electoral victory, a victory accomplished on the obviously unrealistic promise to completely abolish the two MoUs signed by preceding governments in 2010 and 2012.

Later on, while the Syriza-Anel government froze the pilot implementation of the MIG and was undecided on how to proceed with its social policy, it eventually devised its own social assistance scheme. It was called 'Social Income of Solidarity', which was legislated in May 2016 (Law 4389/2016) and was partly implemented in the last months of 2016. The schemes' target group included households with an annual income up to 5400 euros. Depending on their circumstances, members of such households were entitled to cash benefits, subsidies to pay utilities and free healthcare. Essentially, the implementation of this scheme did not start before 2017. The law regulating the social assistance scheme claimed that its aim was to fight extreme poverty. However, lack of funds, administrative incapacity and the shifts and turns of the prolonged negotiations between the Tsipras government and the EC, the ECB and IMF on the review of Greece's adjustment programme probably impacted negatively on the scheme's effectiveness.

In a nutshell, policies to fight poverty and social exclusion were not improved after the coalition of Syriza-Anel came to power in January 2015. To the well-known problems of ad hoc decision-making and lack of adequate funds, experienced under the preceding governments of ND-Pasok before the government turnover of early 2015, new problems were added. These were indecisiveness, inexperience and favouritism shown towards the government's political clientele, as evident, for example, in the new government's move to offer an additional benefit in kind to the employees of the state-owned Public Power Corporation (the 'DEI'). In early March 2015, the employees of this state-owned enterprise were offered an additional benefit (a daily lunch allowance), which was the first social policy measure taken by the Syriza-Anel coalition government.

4.10 CONCLUSIONS

To sum up, the aforementioned social policy measures have created a safety net which is inappropriate and unsuitable for the type and scope of economic crisis which has hit Greek society. In 2010–2018, policy measures did not curb the deep divide in the Greek population between the insiders and the outsiders of the labour market. No measure contributed to fighting poverty. Moreover, there were problems in the absorption and distorted use of available funds. For instance, there was an allowance for unemployed who would take up part-time jobs, which however has not been distributed to anyone, because no one has claimed it (personal communication with Manos Matsaganis, who has researched this problem). On the other hand, since 1999 the Greek government has committed to earmark 600 million euros per year to the pension fund of the employees of the state-owned enterprise ‘DEI’ (Law 2773/1999, article 34). This was an exclusive preferential treatment of the pensioners of the DEI enterprise over many other categories of pensioners whose pension funds have been under severe financial constraints. Clearly, amidst the crisis, there was a twin problem of inefficiency and bias as far as social protection is concerned.

In Greece, fighting poverty and social exclusion has never been a serious policy priority. In the same vein, battling the extensive poverty which ensued from the long duration and the depth of the economic crisis and from the mismanagement of this crisis by the Greek government and the ‘troika’ was not a high priority of policymakers in 2010–2017. There was a mismatch between the gravity of the social problems caused by the crisis and the policy response of decision-makers.

In 2010–2014, except for the new family policy, the MIG (implemented only at pilot stage for a few months from November 2014), the broadening of eligibility criteria for the long-term unemployed and the extension of unemployment insurance to the self-employed, there were no substantive policy measures to battle unemployment and, more specifically, youth unemployment. Such measures were periodically announced. The competent ministers, who belonged to successive coalition governments, sometimes offered blanket-like statements regarding their will to fight poverty, but little progress was made regarding policy implementation in 2010–2014.

With the government turnover of 2015, policies to fight poverty and social exclusion were put at centre stage. However, the necessary prepara-

tion, policy design, administrative capacity and will to see any poverty alleviation measures through were clearly missing, as the Tsipras government prioritized the confrontation with Greece's creditors over the salaries and pensions.

Today, there is a risk that, as the performance of the Greek economy improves, decision-makers may not resist temptation to repeat past practices of favouritism in the provision of welfare and fiscal derailment. It is telling, for example, that in December 2016, after realizing that there would be a budget surplus by the end of the year, PM Tsipras appeared on TV declaring that his government would hand out an additional one-off cash allowance to all pensioners receiving a pension lower than 800 euros per month. The one-off allowance was handed out regardless of a pensioner's other sources of income or the number of pensioners living in the same household. As a consequence, some MPs of various political parties who were pensioners before being elected to parliament received the allowance too (and had to give it back). Obviously, this measure had nothing to do with the alleviation of poverty or social exclusion and was a typical example of patronage politics.

This instance was a repetition of the well-known pattern of ad hoc distribution of funds from the state coffers to preferred groups. In the future, the continuation of such a tendency will require higher taxation or higher borrowing requirements, namely loans from foreign creditors, which the country will have to service in the future as they burden further the already extremely high public debt. If decision-makers fall into that trap, they will reproduce the conditions which have led to an exacerbation of poverty and social exclusion in Greece.

To conclude, the economic crisis found the Greek welfare state unprepared to meet the challenges of extensive poverty and social exclusion which grew after austerity measures were taken to achieve Greece's fiscal consolidation. The historical legacies of underfunded and fragmented anti-poverty and social integration policies weighed over policymaking in the wake of the crisis. With the exception of a few new universalistic social assistance measures, there was little substantive policy shift after the crisis erupted. Instead, there were social spending cuts and haphazard measures to meet soaring unemployment and spreading poverty. In sum, there was a glaring mismatch between the gravity of problems of poverty and social exclusion and the anaemic policies adopted to meet these challenges.

Under the extreme conditions of hardship, to which Greek society is subjected, there is an opportunity to restructure social assistance by

curtailing measures which have proven ineffective or have grossly benefited comparatively few groups of beneficiaries, who have had the political power to carve out special social protection regimes exclusively for themselves, and to introduce society-wide measures which will benefit all in a truly universalistic manner.

Overall, Greek social policy meant to fight poverty and social exclusion in the wake of the economic crisis has not borne visible fruits. It can summarised by the phrase ‘too little, too late’. Anti-poverty and social integration was rather haphazard and half-baked. This unpromising policy record does not preclude that in the future, as long as the Greek economy remains stable and the budget surplus, attained in 2013–2017, is sustained, more effective social policy measures may be adopted.

In addition to economic stability, the preconditions for such a scenario are obvious. They include, first, economic growth in the short and medium run; second, further financial support by the EU (e.g. by the Structural Funds, targeted to the most vulnerable groups of the population); and, third, a sense of measure and fairness on the part of the government which need not and should not reproduce policy patterns of the past according to which any surpluses were distributed on less-than-transparent and patronage-based criteria to selected groups of the population.

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PART II

Discourses and Perceptions on
Poverty and Social Exclusion



New Words, Old Patterns: Political Discourse and Documents on Poverty and Social Exclusion in Greece

Dimitris Katsikas and Anastasia Papakonstantinou

5.1 THE CONSTRAINING PATTERNS OF GREEK ‘SOCIAL POLITICS’

Poverty and social exclusion are not new phenomena in Greek society. Greece has always had one of the highest poverty rates in the European Union (EU), high rates of social exclusion and a welfare state that has failed to effectively address economic and social inequality (Andriopoulou et al. 2013; Papatheodorou and Dafermos 2010; Sotiropoulos 2003). After the crisis, policy responses have failed to arrest the social degradation that followed its outbreak, as described in detail in the first part of this volume. Policy interventions during the crisis have been, for the most part, misguided or inadequate or both (see Sotiropoulos, Chap. 4 in this volume). This failure is not accidental. Beyond the depth and duration of

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the economic crisis, the diachronic pathologies of the Greek welfare state are also responsible for the intensity of the social crisis in Greece, as they limited the available policy options and undermined the effective implementation of the policies that were adopted.

The problems of the Greek welfare system are well researched and documented: patronage-based fragmentation and consequently substantial inequalities in both the funding and delivery of social protection, employment of cash transfers as the predominant instrument of social policy and emphasis on pensions as the preferred type of cash benefit (Petmetsidou 1996; Sotiropoulos 2004). These features are the result of broader features of the Greek political culture and its political economy, namely intense political party polarization, clientelism and patronage-based politics. Political parties often employ the state as a redistribution device based on political calculation, in the context of a highly fragmented assortment of economic interests (owing to the particular characteristics of the Greek economy, such as the large number of very small businesses and self-employed professionals, the reliance on non-tradable goods and services geared towards the domestic market, an inefficient public sector, which exerts significant influence over the economy, etc.).¹ The result is a system of fragmented political and economic representation, which operates along a clientilistic rationale and assumes a corporatist configuration, as different interest groups compete for gains, through the use of political parties and the state (Mavrogordatos 1988; Lavdas 1997; Pagoulatos 2003; Iordanoglou 2013). In such a system, public policy and institutions are not the result of technocratic design or broad social consensus; rather they develop in a haphazard and patronage-based manner with adverse consequences for their efficiency, effectiveness and fairness. The field of social policy has not been spared; accordingly, in Greece, social policy has been 'subordinate to social politics' (Featherstone and Papadimitriou 2008, 56).

The fact that the Greek welfare state has been determined by such forces should not come as a surprise. The development of welfare states and the making of social policy are always shaped by broader political dynamics, electoral and institutional arrangements and 'policy feedbacks' (Skocpol 1992). Indeed, many of the problems of the Greek welfare state are common to the welfare states of other Southern European countries (Ferrera 1996), which share a number of its political culture and political economy features (Amable 2003; Molina and Rhodes 2007). These similarities notwithstanding, the problems of the Greek social policy model proved to be much more serious, as the crisis clearly demonstrated; the surge in unemployment and the intensity of the social crisis have been

unparalleled, despite the fact that the other countries of Southern Europe also underwent serious economic crises. The question then is what accounts for the failure of social policy in Greece to address the social crisis?

In order to understand the reasons for the failure to adequately address the unprecedented phenomena of poverty and social exclusion during the crisis, we examine in this chapter the way poverty and social exclusion were perceived in Greece by political elites both before and after the outbreak of the crisis. The ideas communicated in the context of political discourse can operate as powerful devices both to sustain and to challenge the status quo and advocate the need for reform (Blyth 2001). More specifically, the perceptions of elites have proven crucial for the development of policies and institutions in the fight against poverty in both the developed (e.g. de Swaan 1988) and the developing (e.g. Reis and Moore 2005) world. More recently, the importance of the way political ideas about poverty and destitution are framed in the public sphere has become obvious in the political discourse that helped make the concept of social exclusion the dominant conceptual framework for understanding and shaping policy about poverty in Europe (Béland 2007).

Accordingly, in this chapter, we undertake an analysis of documents and discourses that refer to poverty and social exclusion in Greece, focusing on parliamentary debates, statements and speeches by political leaders and policy programmes of parties during election campaigns. The objective of the analysis is to identify and outline the way poverty and social exclusion have been understood and communicated in public political discourse and how (if at all) this changed under the crisis. The hypothesis we want to test here is that the discourse and perceptions of political elites on issues of poverty and social exclusion after the crisis continued to reflect the long-term patterns of Greek politics discussed previously. If this hypothesis is correct, it would mean that political elites failed to understand the shortcomings of social policy in Greece and therefore to articulate the need for reform. This could go some way towards explaining their inability to put forward alternative policies and initiatives to alleviate the social situation.

5.2 RESEARCH METHODOLOGY AND DATA

In our research, we use the method of ‘qualitative content analysis’ in order to uncover conceptual patterns and causality narratives on poverty and social exclusion in Greece before and after the economic crisis. Qualitative content analysis is a ‘research method for the subjective

interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns' (Hsieh and Shannon 2005). This type of analysis employs a 'qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings' (Patton 2002). In order to identify the appropriate texts, we constructed a list of reference terms such as 'poverty', 'degradation' and 'social exclusion' as well as synonyms, antonyms and other concepts related to poverty and social exclusion. These texts were analysed and different degrees and dimensions/aspects of poverty and social exclusion were coded, in order to identify the themes that dominated the discourses under examination. Moreover, we searched for differences in the concepts and narratives employed through time, in order to identify new elements related to the concepts of poverty and social exclusion and their discursive treatment, after the onset of the economic crisis.

In considering debates, we examined the minutes of the Greek Parliament's plenary meetings during the passage of the State Budget for the years 2004 and 2007 (election years before the crisis) and every year from 2009 to 2015. We focused on these plenary discussions because they serve as an opportunity for all parties in parliament to present their political platform, particularly in election years; accordingly, we can see whether and in what ways the issues of poverty and social exclusion form part of the political parties' core political agenda. We also accessed the minutes of the meetings of the Standing Committee of Social Affairs of the Greek Parliament and studied those regarding poverty and social exclusion. As the minutes of the sessions of this Committee were not available for the period preceding 2010, the minutes of the Committee meetings from 2010 onwards were studied. Also, the analysis for many of these meetings was based not on text, as there is no written record, but on an analysis based on video recordings of these sessions.

Regarding the programmes of political parties, we examined the political announcements and statement papers that referred to poverty in Greece. We analysed the electoral programmes of political parties during the electoral campaigns of 2004, 2007, 2009, 2012 and 2015 (January and September), the most important pre-elections speeches of the leaders of political parties and their speeches at the Thessaloniki International Trade Fair,² a major economic and political event taking place every September.

5.3 ANALYSIS OF POLITICAL DISCOURSES AND TEXTS

5.3.1 *Parliamentary Debates Before the Crisis*

A first observation that comes out of the study of the plenary sessions for the approval of the State Budget before the crisis is that issues of poverty and social exclusion did not come up frequently and, when they did, it was mostly the leaders of political parties of the Left who focused on the poor strata. For example, in 2004, the then leader of Syriza (the Coalition of the Radical Left), Alecos Alavanos, stated that the party he represented would not approve the State Budget and accused the centre-right, single-party majority government of New Democracy (ND) to have fatalistically accepted poverty. He stated that Greece was a country of poverty and unemployment since 20 per cent of the Greeks were poor.³ The leader of the KKE (Communist Party of Greece) focused on poverty in the agricultural sector and blamed the policies of the EU for causing poverty and misery.⁴ The leader of PASOK (Panhellenic Socialist Movement), George Papandreou, blamed the government, arguing that the State Budget did not support or protect the vulnerable groups and the lower strata through the implementation of a fair tax system.⁵

It was not only politicians on the left, however, who made references about poverty at the plenary session. For example, two Members of Parliament (MPs) of ND also referred to the high rate of poverty but accused the previous governments of PASOK of not having implemented measures to address the situation.⁶

A second observation, already evident from the statements above, is that the session for the approval of the State Budget served as an occasion for political conflict, where opposition MPs were typically satisfied to hurl allegations against rival parties and particularly the government, which tried to defend its policies and blame previous governments for most problems. In this context, the discussion about poverty became just another field where parties clashed on blame politics (who is to blame for what). References remained at an abstract level, becoming more concrete only when MPs focused on the problems of their electoral district. Social exclusion was largely absent from their discourse, as were specific policy proposals to tackle social problems.

In 2007, the year of the next national elections, the situation was not substantially different, although some of the references became more

specific. The parliamentary spokesperson of Syriza talked about the social inequalities that had widened, and he mentioned that 23 per cent of the citizens were at the time living below the poverty line⁷:

Unemployed, low-paid employees, low income pensioners, large sections of farmers, employees, and low skilled workers will not see their position improved in the production and distribution of national income. They will remain in the economic margin. (Parliamentary spokesperson of Syriza, MP)

The parliamentary spokesperson of KKE repeated the phrase 'poverty and misery'.⁸ The parliamentary spokesperson of PASOK criticised the ND government for its tax policy in relation to the poor, as 'the Solidarity Fund had indicated that in 2008 the poverty threshold for a family of four would be €12.600. The government had achieved the impossible: to tax those who are below the poverty line!'.⁹

The Deputy Minister of Finance (MP of the ND party) defended the policies of the ND government and highlighted the implementation of the National Programme of Solidarity and Social Cohesion and the Action Plan of the government aiming to support those who were in need: single-parent families, large families who were facing economic problems and those suffering from social and economic exclusion.¹⁰

The State Budget of 2010 was approved two months after the elections in October 2009, under a new government. PASOK, which had promised the distribution of a social solidarity benefit, won the elections and formed a single-party majority government. However, after PASOK was elected, the economic and financial situation of Greece deteriorated quickly and the Greek crisis started unfolding following the revelations about the country's revised fiscal deficit. The discussion for the State Budget took place in extremely unfavourable economic conditions. Despite that, in the discussions of the plenary session for the State Budget 2010, there was hardly any reference to the poor strata or to issues of social exclusion. The discussions were focusing on either limited (and politically important) groups (e.g. the farmers) or the need to change social policy as a whole instead of providing the promised social solidarity benefit, as the latter would further increase the fiscal deficit. The MPs and parliamentary spokespersons of the government and the main opposition party (ND) clashed over the record of the preceding governments of ND (2004–2009), the growth of corruption and the extremely high deficit, without any special reference to groups of citizens in need.¹¹

5.3.2 *Parliamentary Debates During the Crisis*

State Budget Plenary Sessions

In December 2010, speaking in the Plenary Session for the State Budget 2011, the first after Greece's entry into a bailout programme, the leader of Syriza, Alexis Tsipras (who had meanwhile succeeded Alecos Alavanos), referred to a study conducted by the Institute of Labour (INE) of the Greek General Labour Confederation (GSEE). According to INE's study, the official unemployment rate was already 12 per cent and was estimated to rise to 18 per cent in the next years. The leader of Syriza pointed out that the working classes and society were led to 'poverty and destitution'.¹²

The parliamentary spokesperson of the KKE briefly described the situation in Greek society:

One in three consumers of DEI [Public Power Corporation] finds it difficult or impossible anymore to pay the electricity bill and one in eleven residents of Attica ask for food at soup kitchens. It's terrible, it is inconceivable, beyond any logic. Unemployment and poverty undermine society; the people of Europe have started migrating [...] This policy condemns the people to poverty and misery.¹³

The phrase 'poverty and misery/destitution' was continually used by the MPs of KKE and Syriza. The parliamentary spokesperson of the governing party (PASOK) described the situation in his electoral district (which included the centre of Athens) as a 'situation of extreme poverty and escalating unemployment' where 'craftsmen shops and commercial enterprises close one after another'.¹⁴

Similarly, the parliamentary spokesperson of the ND focused on the deteriorating situation for the small and medium enterprises and pointed out that:

Over a hundred thousand stores are expected to close within the year. One hundred and fifty thousand employees have already lost their jobs. Some employees were dismissed within an hour. No government can ignore the situation in the private sector. The government must not ignore the private sector, especially when this sector carries the entire burden...¹⁵

These statements show a new feature of the debates as the crisis unfolded. Namely, the discussion of poverty, unemployment and related issues took place with reference to different population groups by

different political parties, a distinction largely reflecting ideological and political clientele differences. Thus, PASOK and ND focused on the plight of small and medium businesses, one of the backbones of the Greek middle class before the crisis and one of their prime electoral bases, while left parties referred more to the working classes and people already below the poverty line.

Another feature that was becoming increasingly obvious as the crisis deepened was the fact that MPs of PASOK started making more frequent references to the social situation in an attempt to demonstrate that they understood the problems caused by the policies adopted by their government in the context of the Memorandum of Understanding (MoU) signed in 2010 between the government and the 'troika' of the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB). PASOK's MPs also stressed the effort of the government to allay these problems through various initiatives. This effort was obvious in the discussion for the approval of the State Budget 2012, whose focus was the labour market reform,¹⁶ being implemented as part of the bailout programme. The Deputy Minister of Labour (MP of PASOK) highlighted the measures taken to support 'the most vulnerable and weak social and economic groups'. He stressed the continuation and strengthening of support by the state to heavily indebted households and announced the suspension of the auctions for at least another year.

On the other hand, the opposition took the opportunity to lambast the labour reform and more generally the government policies, which led the Greek people to destitution. The leader of Syriza, Alexis Tsipras, repeated that the MoU led to an economic, national and social impasse. He said that it led to poverty and decay, national humiliation and indignity and finally national disruption. He condemned the social benefit cuts, referring particularly to maternity benefits, and he referred extensively to the pensioners 'who cry while queuing to receive their 400 euros pension'. He also stated that he was reading in the newspapers that there were pupils fainting at schools because of hunger.¹⁷

As the economic situation continued to deteriorate, the political climate became explosive. Following a political crisis in the autumn of 2011, Prime Minister Papandreou resigned and a tripartite coalition government with the participation of the two largest parties, PASOK and ND, and LAOS, a minor party of the nationalist/far right, took over. The new government was led by Loucas Papademos, former ECB vice-president, who had the specific mandate of concluding the negotiations for a second

bailout agreement, signing a second MoU and then leading the country to elections. Indeed, following the approval by Parliament of the second bailout programme and the accompanying debt restructuring in February and March 2012, national elections were held in Greece on 6 May 2012. The result led to an impasse, as it proved impossible to form a government, and on 17 June 2012, there was another election, which finally led to a new coalition government with the participation of ND, PASOK and DEMAR (Democratic Left).

As the crisis deepened, the frequency of references to issues of poverty and social degradation started increasing; this is evident in the debates of the State Budget for both 2013¹⁸ and 2014.¹⁹ During these debates, government MPs tried to defend the record of the government on the social policy front, while opposition MPs, from the left and the right, criticised the government for abandoning the most vulnerable groups of the population, often citing the results of relevant surveys. For example, in the discussion for the 2014 State Budget, the parliamentary spokesperson of Anel (party of Independent Greeks) described the frustrating situation in the labour market, referring to a recent Eurostat and Hellenic Statistical Authority (ELSTAT) survey²⁰:

1,365,400 citizens unemployed (27.3 per cent), youth unemployment rate at 60.6 per cent, high rates of female unemployment, 66.2 per cent of all unemployed being long-term unemployed... Thousands of stores out of business, increased debts towards insurance funds and foreclosures, entrepreneurs without health insurance.

On the other hand, the parliamentary spokesperson of the government defended the policies implemented, pointing out that the government was about to start a pilot programme of the Guaranteed Minimum Income (GMI), with the potential to extend it across the entire country. Introducing the GMI had been a demand of some left-wing MPs (from PASOK and Syriza, but not KKE) for more than a decade. The parliamentary spokesperson of the government party also referred to the Active Labour Market Policies, which would be implemented. The aims of these policies were to tackle unemployment and poverty and to support unemployed workers and vulnerable groups.

A qualitative shift that occurred during these years was that gradually the opposition MPs, particularly those of Syriza, started linking the issues of poverty and destitution with the issue of over-taxation for large

segments of the population, such as the pensioners, the employees and the self-employed, as well as with the recently introduced taxation on real estate property. This tendency signified the beginning of a gradual change of Syriza's discourse, towards embracing and highlighting the plight, not only of the lower strata, as was the case until then, but of the middle class, traditionally the target audience of the two mainstream parties. This turn was certainly related to the fact that since the 2012 elections Syriza was the main opposition party, while the once all-powerful socialist-democratic PASOK had nearly collapsed. Accordingly, Syriza's political base needed to be expanded.

The discussion on the State Budget of 2015 echoed that of the previous year, as the opposition lambasted the government for increased levels of poverty and degradation of people in Greece, while the government MPs acknowledged the problem and tried to defend the government policies. The new elements in the discussion were mostly to be found in the discourse of the government side. On the one hand, a new narrative was promoted by the government MPs, as they tried to justify the reductions in the budget of social and health services. These were necessary in the context of a much-needed rationalization of the system²¹:

After six years of continuous recession and five years of cuts and austerity, there are, no doubt, very ominous and often dramatic consequences for society. The government struggles to address these consequences and to this end its basic objective is the catharsis, the rationalization and the support of the social security, employment, health and social protection systems under very difficult circumstances.

On the other hand, government MPs tried to offer a more optimistic picture about the future, pointing to positive developments in 2014, such as the reduction of unemployment and the return to positive growth rates for the first time since 2008, referring to the social solidarity benefit given by the government out of the 2013 surplus and expressing hopes for even better results in 2015 with the implementation of the GMI pilot project and the launch of new EU-funded programmes for the unemployed and the poor²²:

Even the marginal reduction of unemployment in 2014 and the projections for further decline to 22.6 per cent for 2015, it has to be admitted give a tone of optimism for the future... the interventions that begun in 2014 and

continue or will start in 2015, from the programme ‘voucher for entry into the labour market’, to the community service programmes, to the national network for the immediate treatment of poverty are expected to benefit more than two hundred thousand beneficiaries and the effort goes on. (ND MP)

The end of 2014 and the beginning of 2015 find the country having implemented the greatest social policy reform in its most recent history. The GMI is already being successfully implemented as a pilot programme in thirteen municipalities. (Minister of Labour, Social Security and Welfare)

The plenary session for the State Budget 2016 was a discussion on the first budget (ever) submitted by the new government of Syriza-Anel, as neither of these parties had ever governed before. The discussion was particularly interesting because this time the tables were turned; the parties that throughout the crisis had vehemently attacked the previous governments about their policies and held them responsible for the deep social, or humanitarian crisis, as they called it, were now in power. On the other hand, the parties that handled the crisis during the previous years were now sitting at the opposition benches.

Two things stand out in the discussion. First, the pattern of the previous debates survived the change of government in the sense that once again social issues were used by all parties as a ‘discursive device’ in a generalized clash over blame politics. This clash was particularly intense during this plenary session because of the developments that had transpired during 2015 after the assumption of power by Syriza and Anel. Between February and July 2015, the new government had engaged in a lengthy negotiation with the country’s creditors in an effort to fundamentally change the terms of previous MoUs. This effort failed dramatically during the summer of 2015, threatening an existential crisis for Greece, whose place in the Eurozone was contested following the expiry of the second bailout programme, the shutdown of the banking system, the imposition of capital controls and the launching of a divisive referendum, which further polarized the already tense political climate in Greece. Ultimately, the Syriza-Anel government had to sign a third MoU and adopt a new bailout programme in August 2015 and effectively continue from where the previous programmes had left off, with the added economic cost of the negotiation period and the capital controls. These dramatic developments formed the background of the discussion on the budget; as a result, the previous trend of increasing references to issues of poverty and social

exclusion was somewhat reversed; in this discussion, references to social issues were fewer and then typically employed as suggested above.

More specifically, the government MPs continued to attack the previous governments for the ‘humanitarian crisis’ and criticise past policies, and referred to the budget as the first socially progressive budget during the crisis. The Syriza and Anel MPs acknowledged that on the whole the budget was not what they had in mind when they came to power, but they argued that they were constrained by the circumstances created by the previous governments. The government, they argued, did what it could to alleviate the suffering of the people, through initiatives such as the plan against the humanitarian crisis²³ or the increase in the budget for social policies by about 200 million euros²⁴:

Given the very negative current economic and social circumstances—for which of course, Syriza and Anel bear no responsibility—this budget has a positive and left-wing sign for our country and for our people and particularly for the social majority, that is, the unemployed, the lowly-paid groups, the lower middle class and the low income pensioners, those whom Syriza defends in the class struggle and who have been most hurt by the catastrophic economic and social policies implemented the previous five years by the governments of PASOK and ND. (Syriza MP)

Opposition MPs, on the other hand, criticised the governing parties and especially Syriza for its handling of the crisis in 2015 and labelled the budget as one of the most recessionary budgets of the crisis. Their critique was focused on two main issues: first, the wave of new taxes contained in the new MoU, part of which were included in the 2016 budget and which, contrary to Syriza’s claims, disproportionately burdened the weaker strata. The second issue raised by the opposition was the new round of reductions in pensions, totaling 1.8 billion euros. Opposition MPs derided the pension reform brought forward by Syriza, which served to mask reductions of pensions across the board, which would only deepen the economic and social crisis²⁵:

We all have understood that the 2016 budget is nothing more than a plan which intensifies the frustration and the despair of Greeks, a plan for recession, unemployment, reductions and taxation... it is a budget which weakens social security, destroys wage-earners and pensioners, pulverizes free professionals and farmers, creates new unemployed and a new wave of abandonment of our country by the young... The main and the supplementary

pensions are being reduced. The social benefits and the social solidarity benefits for pensioners are being reduced.... (ND MP)

The KKE adopted a different stance; it saw no difference in the policies contained in this budget compared with the previous ones, as the same type of policies continued²⁶:

It is provocative, to say the least, to tell the Greek people that this budget is different from the previous ones and that it has a social orientation. We say it is in the same line as the previous ones, so it is the same... We also say that it culminates the attack against the people. (KKE MP)

Standing Committee of Social Affairs

Another part of the parliamentary debates is found in the Standing Committee of Social Affairs, which are available for the post-2010 period only. Here, we focus on two of the most relevant and important discussions of the Committee. The first is the discussion, which took place on 15 February 2012, on 'New Poverty and Social Exclusion', organised with the cooperation of the National Centre for Social Research.²⁷ Not only MPs but also academics and representatives of non-governmental organizations (NGOs) and social institutions were invited to attend this session. The second debate took place between 6 and 12 March 2015 and its objective was to discuss a Draft Law, entitled 'Arrangements for taking immediate measures dealing with the humanitarian crisis, the organization of the Government and governmental bodies and other provisions'. This was the first law tabled by the new Syriza-Anel government, and once again, experts and representatives of NGOs and other social organizations were invited to give testimony.

What is different in these sessions is that, since they were dedicated to social issues, the discussion was often much more detailed and specific. Moreover, all parties, including those in power, seemed to agree on the extreme intensity of the social crisis and expanded on its various aspects.

In the first discussion in particular, different MPs highlighted particular problems, such as child poverty or youth unemployment, while the criticism on the MoU policies adopted and their link to the social situation was on the whole less intense and limited (it was primarily expressed by an MP of Syriza). The climate was more consensual on the need to find ways to support the poor and the excluded. The participation of non-political experts and practitioners certainly contributed to this effect, as probably

did the fact that this was a discussion not related to a particular government policy or law.

In contrast, the second discussion was much more politicized, as the debate was about the first law submitted to the parliament by the new Syriza-Anel government; moreover, it had a symbolic meaning, as the measures described were meant to address the humanitarian crisis, which Syriza had raised as a first-order political issue during the pre-election campaign.

What is interesting in this respect is that the intensity of the discussion was driven to a large extent from the government side, as the Syriza MPs in particular seemed to continue their pre-election discourse, although their party was now in government²⁸:

Extreme brutal policies have resulted in the violent social and economic deprivation of a part of the Greek people. These policies have transformed Greece into a champion of unemployment and poverty among the EU member states. (Syriza MP, 06.03.2015)

Humanitarian crisis is not any longer a situation during wars, extended displacements of people in Africa, lacking basic goods. It is what is happening in Greece, people are pushed into undignified living, and cannot afford basic goods as food, housing and electricity. (Syriza MP, 12.03.2015)²⁹

The opposition's critique addressed technical issues, such as the lack of an adequate definition of 'extreme poverty', which is what the bill was supposed to tackle, but it mainly focused on the limited amount of funds made available with the programme outlined in the law and on its ad hoc nature. Opposition MPs compared Alexis Tsipras' pre-election promises for a two billion euros relief package for vulnerable groups with the 200 million euros budgeted in the law and stressed its inadequacy to address the phenomenon of extreme poverty. Notably, although Syriza had been one of the parties that had pressed for the introduction of the GMI even before the crisis, the competent minister defended the scheme proposed in the law and was unwilling to discuss GMI's implementation at the time, as both opposition MPs and independent experts proposed.³⁰

5.3.3 *Electoral Discourses Before the Crisis*

Greek parties were reactive rather than proactive in their treatment of poverty and social exclusion issues before the crisis. They released relevant

announcements only after the publication of reports on poverty by ELSTAT or the IMF. The political programmes of the parties before the crisis did not include any substantial references to poverty or social exclusion. In their speeches, political leaders were mentioning the words ‘poverty’, ‘social exclusion’ and ‘inequality’ in an abstract manner, typically empty of context. There was hardly any reference to the characteristics or the special needs of specific vulnerable groups. Party programmes mostly contained promises and wishes for the elimination of their problems. Measures to tackle poverty and social exclusion were limited to the provision of benefits, thus reproducing the dominant social policy paradigm, which was based on cash transfers. General declarations of support to pensioners, workers and mothers were also typically included.

For example, during the electoral campaign of 2004, the leader of ND, Costas Karamanlis, promised the convergence of pensions to the EU average; the increase of the Social Security Allowance, from 140 to 230 euros, and further opportunities for early retirement for mothers. In September 2004, at the Thessaloniki International Trade Fair, a few months after his election as prime minister, his only references to social policy were the following pledges³¹:

Boosting employment, raising living standards, improving the quality of life...

The smooth integration of repatriated Greeks, the Greek Roma population, but also economic immigrants.

On the other hand, during the election campaign of 2004, the president of PASOK, George Papandreou, promised to enhance social cohesion through the implementation of a comprehensive policy to combat poverty, social exclusion and large inequalities in the distribution of income and wealth. He also declared that he would guarantee the quality of education services, health and social security and the strengthening of the welfare and social protection systems.³²

In the 2007 electoral campaign, the president of PASOK presented more detailed measures, such as vocational training programmes to tackle unemployment and a set of horizontal measures to reduce female unemployment. Papandreou had declared that poverty was not just a social phenomenon. It was a political problem which reflected the weaknesses and inadequacies of the political, economic and administrative system of Greece. He added that poverty reflected the incapability to ensure equal opportunities of integration in productive society.³³ PASOK’s

conceptualization of social issues was influenced by contemporary European social democratic thinking on social policy.

In September 2007, in the Thessaloniki International Trade Fair, the prime minister of the ND government, Costas Karamanlis, announced the establishment of the National Social Cohesion Fund to support families in need. He also announced more benefits for the families with three children, and he promised that after 2009 he would establish a National Minimum Pension, which would exceed the poverty line.³⁴ ND's conceptualization of these issues reflected a more conservative, family-oriented approach to social policy.

On 10 September 2007, the then leader of Syriza, Alecos Alavanos, gave a brief description of the social groups facing financial difficulties. He referred, in particular to the '*400 euros generation*'; to the thousands of unemployed and underemployed; to the unregistered workers (working in the black economy); and the over two million indebted households'.³⁵ To the best of our knowledge, it is the first time a political leader referred to the heavily indebted households, an issue that took extreme dimensions after the onset of the crisis and provoked acute disputes. More generally, Syriza's conceptualization of these issues reflected a mix of traditional left-wing, working-class-oriented ideas and some more radical left-wing notions.

The 2009 elections were the last before the outbreak of the crisis. PASOK included in its programme a set of measures for heavily indebted households and the protection of consumers against the banks' policies, pledged to take measures for the universal and immediate access of citizens to primary healthcare, and, as we saw before, promised a social solidarity benefit for the most vulnerable.³⁶ The president of ND (incumbent prime minister), on the other hand, avoided promising benefits or increases in wages. He presented an austerity programme to reduce the impact of the global financial crisis.³⁷

5.3.4 *Electoral Discourses During the Crisis*

After the crisis erupted, social problems found their way into political programmes and gradually became key elements in political speeches, particularly of opposition parties' leaders. However, these references focused more on criticising the government's policy choices rather than on the characteristics of the problems and specific policy proposals. On the other hand, prime ministers during this period consistently promised new initiatives

for the relief of vulnerable groups and tried to demonstrate what their government had already done in this policy area.

For example, in the Thessaloniki International Trade Fair on 10 September 2010, the prime minister of PASOK government, George Papandreou, announced that the government would invest 3.5 billion euros in employment and social insurance programmes for the support of the unemployed and vulnerable groups. He also announced that all the unemployed would have access to free healthcare.³⁸ In 2011, from the same venue, he declared that his government would ensure that no family with an unemployed member would be without income.³⁹

The social consequences of the crisis became a central issue in the rhetoric of political leaders and in the programmes of the political parties at the elections of 2012, the first since the outbreak of the crisis. Both the president of ND and the president of Syriza made references to vulnerable groups of the population during the election campaign of 2012, references which were also part of the parties' programmes. ND's president, Antonis Samaras, did not so much refer to the poor or to issues of social exclusion as focus on ways to 'repair the injustices' done to groups such as the low-income pensioners. On the other hand, during the presentation of Syriza's programme, both the president of the party, Alexis Tsipras, and the party official responsible for presenting the social and labour policy programme of Syriza, Panagiotis Lafazanis, made extensive references to poor and socially excluded people, to the fragmentation of society and growing inequalities and to the unemployed while also presenting the outline of a government programme for addressing what Syriza called the 'humanitarian crisis'.⁴⁰

In the presentation of PASOK's political programme, Evangelos Venizelos, the party's new president, also argued that one of the policy pillars of the new government should be the mechanisms of social protection. Being the president of the party that had handled the crisis until then, he acknowledged the severe social problems caused by the crisis and pledged to remedy them by referring to specific initiatives that had already been voted and implemented and others that his party planned to implement if elected to power.⁴¹

Later that year, the prime minister of the new coalition government (ND-PASOK-DEMAR), Antonis Samaras, did not make any reference to social policy or poverty during his speech at the Thessaloniki International Trade Fair.⁴² Alexis Tsipras, however, made extensive references.⁴³

As the crisis deepened and its social consequences became more severe, opposition leaders were increasingly bringing issues of poverty, unemployment and social exclusion (typically not defined as such) to the fore of the political debate. This was particularly the case from 2012 onwards, when the political map of Greece was substantially redrawn and ‘Anti-memorandum’ parties, from the radical left (Syriza) to the nationalist (Anel) and even neo-Nazi (Golden Dawn) far right, were on the rise, while the communist party (KKE) attacked the bailout policies in the context of a broader anti-capitalist discourse.

In this context, in the Thessaloniki International Trade Fair of 2013, Alexis Tsipras, who in the meantime had become main opposition leader, emphasized the problem of unemployment, making special reference to the host city of Thessaloniki:

...a city [Thessaloniki], which... withers away due to bankruptcies, de-industrialization, unemployment and migration. It has become a city that exemplifies the Memorandum.⁴⁴

In a similar but more aggressive tone, accompanied by nationalistic overtones, the president of Anel, Panos Kammenos, referred to the multiple social effects of the crisis, mentioning the huge loss of income, the millions of Greeks living below the poverty threshold, the plight of the unemployed, the increase in the percentage of suicides and the complete deterioration of social services.⁴⁵

In the same venue, Prime Minister Antonis Samaras tried to defend his government record by highlighting programmes for the support of the unemployed, the local integrated programmes for socially vulnerable groups and the vocational training programmes for young unemployed up to 29 years old.⁴⁶

This dialectic between a government trying to portray its socially sensitive profile within the constraints of the MoU policies and the opposition fiercely attacking the government, using the social effects of the crisis as a showcase for the latter’s lack of social conscience, became a common theme of the political discourse. It was another indication of the long-term polarization of the Greek party system even over commonly acknowledged problems such as poverty.

Moreover, gradually this dialectic was enriched with another one, whereby the few—and, in most cases, insufficient—social policy measures taken by the government were juxtaposed with a completely alternative

policy programme presented by the opposition, with policies for the protection of the most vulnerable segments of society at its core. The first elements of such a programme, which were outlined originally in the elections of 2012, were updated by Alexis Tsipras already in the Thessaloniki International Trade Fair of 2013⁴⁷ but took on a more ‘official’ aspect following the victory of Syriza in the European Parliament elections of May 2014. Indeed, at the Trade Fair of 2014, knowing that elections would come in early 2015,⁴⁸ Alexis Tsipras presented Syriza’s proposed *National Reconstruction Plan*, the so-called ‘Thessaloniki programme’, whose first pillar was a programme for addressing the humanitarian crisis, with a budget totaling two billion euros. The programme specified in more detail many of the pledges presented in the previous year’s speech by Tsipras. The Thessaloniki programme, which on the whole included relief measures (e.g. the abolition of land property taxes and the reinstatement of pensions) of approximately 11 billion euros, became the main pre-election platform of Syriza.⁴⁹

During the election campaign of January 2015, the emphasis on the social effects of the crisis was evident in the opposition’s political programmes and also was repeatedly included in the electoral speeches of the opposition parties’ leaders:

We have a vision in our homeland that no child is left without food on their plate, without warmth, without a book, without kindergarten. We have a vision in our homeland that no man has his life mortgaged [...] without free healthcare. We have a vision that no one dies helpless because he is left with no money.... We have a vision in our homeland that no one suffers from cold in the ferocity of winter, helpless towards the brutality of the state, beaten by the brutality of the banks. No one should live in the dark because he cannot afford electricity... No elderly to be left abandoned with a meagre pension, to live in poverty and freezing cold, that lead to slow and degrading death. We have a vision in our homeland not to leave any citizen unprotected in the despair of unemployment. (Alexis Tsipras, 22/01/2015)⁵⁰

I called all Greek women and men to unite like a punch, to unite our hands and souls and to resist against the New World Order and the misery of Greeks. [...] 70 per cent of young people are unemployed. Thousands of young people have moved abroad to work. So here we are to let you know that we will bring you back. We promise to the 6000 families who lost their loved ones who could not make it, that no one else would be lost.⁵¹ [...] We say

to those who see their homes in danger that no house shall be left in the hands of a banker... (Panos Kammenos, 22/01/2015)⁵²

On the other hand, Prime Minister Samaras, in his presentation of ND's programme, emphasized more the rationalization of the system and the elimination of the pathologies of the past in order to create a more efficient and effective system⁵³:

A very important breakthrough is the reconstruction of the welfare state. So that it becomes fair, secure and efficient. With transparency, in order to safeguard the return of the social security contributions and the survival of the pension funds. With speed in the payment of pensions. With a blow against the unbelievable corruption that existed. And of the waste of money... (Antonis Samaras, 10/01/2015)

A similar picture emerged during the electoral campaign for the elections of September 2015. This time, Syriza's Thessaloniki programme, which had been abandoned after the failure of the Syriza-Anel government's negotiation and the signature of a third MoU, was replaced by the so-called 'parallel programme'. This programme would supposedly run in parallel with the third MoU and remedy many of the injustices of the bail-out programme, which, according to Syriza's rhetoric, had been imposed on the government by the country's creditors through blackmail. Overall, in the autumn of 2015, given the developments of the previous months, references to poverty, social exclusion and degradation were much less frequent by all parties.

5.4 PATTERNS OF POLITICAL DISCOURSE ON POVERTY AND SOCIAL EXCLUSION

Summing up the analysis, we observe that the parliamentary debates and electoral campaigns, which were analysed in this chapter, reveal certain patterns present in the discourse of Greek political elites about poverty and social exclusion, before and after the outbreak of the crisis.

First, the issues of poverty and social exclusion were never a priority in parliamentary debate before the crisis. In fact, there were very few references in the political discourse on 'extreme poverty', 'destitution' or 'misery', typically originating from parties of the left. Such references, for the most part, were limited to denouncing rhetoric on government policies

or expositions on the structural ‘vices’ of the capitalist system more generally. Similarly, while the issues of poverty and social exclusion were typically included in the electoral programmes of parties, this was done more as a lip-service exercise rather than as an exposition of well-thought-out and articulated policy programmes. Poverty and social exclusion were conflated and there were very few references to socially excluded groups, with the exception of references to the unemployed and the pensioners.

This finding is not surprising given the characteristics of the Greek political system and political economy, namely the tradition of patronage politics, intense polarization and a fragmented society along sectoral and occupational economic interests. These characteristics could explain the tendency of MPs to use social degradation phenomena as a tool for opposition politics and to focus on the distribution of cash benefits. The preference of using benefits to cover the needs of selected groups of the population instead of providing universal social services is a characteristic feature of the Greek welfare system; it serves extremely well as an instrument of patronage politics, compared with the establishment of universal social protection.

These patterns did not change substantially after the crisis, although references to poverty and social degradation became more frequent. Governments admitted the negative social impact of the crisis and made promises to adapt social policies to face the situation. Opposition parties presented a more dramatic picture. There was no middle ground or basis for policy consensus in what became an extremely polarized political climate. The phraseology employed by MPs demonstrates this; after the outbreak of the crisis, MPs started talking about ‘humanitarian crisis’, ‘war-like conditions’, ‘impoverishment’ and ‘abject poverty’. Also, MPs in parliamentary sessions, and parties’ leaders in election campaigns or in key speeches, repeatedly made use of specific numbers and data, typically taken from various reports to demonstrate the depth of the crisis. However, in many cases, the use of these numbers was not correct, whereas in other instances, numbers were employed by political leaders in order to dramatize their discourse but were completely unfounded, at least according to official data.

In this context, a paradox emerged whereby, despite the increasing references to phenomena of poverty and destitution, there were very few references to the ‘traditional’ poor strata and socially excluded groups as more and more politicians from all parties started talking about the suffering of the middle class. The political discourse shifted to new concepts of

poverty: new poor, highly indebted households, and working poor. The middle class was at the core of the public discourse on poverty. Especially hit by the crisis were entrepreneurs, owners of small- and medium-sized enterprises. In a sense, there was a notion that poverty does not discriminate among the people and that almost every citizen is potentially a new poor person. This shift in the political discourse was partly owed to the fact that, indeed, the Greek middle class was suffering an unprecedented economic crisis. However, this shift also seems to be a political manoeuvre, as new or previously minor opposition parties saw an opportunity to ‘bring on board’ the disgruntled middle class. For instance, the closure of small businesses (whose ownership represents approximately one third of the Greek labour force) seems to appear more often in the political discourse of all parties than the redundancies in the private sector or the reductions in wages and salaries. Given the complete reshaping of the Greek political landscape in 2012–2015, this strategy seems to have worked.

While the denunciation of the social circumstances prevailing after the onset of the crisis was a common discourse theme of all opposition parties, the parties on the left side of the political spectrum, particularly Syriza, placed special emphasis on such issues, as was also the case before the crisis. Moreover, the way Syriza did this was different from the way right-wing parties talked about social issues. The difference is evident in the excerpts of the speeches of the leaders of Syriza and Anel in the run-up to the January 2015 election, presented in the previous section: while both heavily criticised the government and the Troika for the social consequences of their policies, the president of Anel did so in the context of a nationalist narrative, whose main thrust was one of anger and uprising against those who had ‘betrayed’ the country, conveying a negative message.

On the other hand, Alexis Tsipras talked about a positive vision of the future when the social ills of the austerity programmes will have been remedied; it was a message of change and hope, which culminated in the articulation of an entirely alternative social policy agenda in the context of the Thessaloniki programme (leaving aside its evidently weak technocratic background and unrealistic promises). On the other hand, government MPs and leaders increasingly tried to present and explain various social policy initiatives, adopting a more technocratic tone, which, in the context of a highly polarized climate, had little hope of attracting the attention of the public.

At the same time, social exclusion seemed to be almost absent from the public debate, as was largely the case before the crisis. Moreover, some of the MPs seemed to conflate the concepts of poverty and social exclusion, a

tendency which could explain, to some degree, their inability to articulate more specific and targeted analysis and policy proposals. The tendency to neglect social exclusion occurred although unemployment became one of the most debated issues in political discourse. The extremely high rate of unemployment (the highest in the EU), the measures to tackle unemployment, youth unemployment and long-term unemployment were found repeatedly in both parliamentary debates and electoral speeches. However, this issue was not linked to phenomena of economic and social inequalities, social exclusion or both, which were seldom discussed by politicians in a direct way, much less so in terms of measures for social inclusion.

Finally, one significant change that occurred in the political discourse was that, after the start of the crisis, the discussion on benefits, which were largely off-limits because of fiscal consolidation constraints, was replaced by a discussion concerning the implementation of EU-funded programmes, targeting for the most part vocational training and internship, as a temporary relief for some of the unemployed. However, this re-orientation did not reflect a change of the dominant social policy paradigm but was mainly the result of the externally imposed fiscal constraints. This is evident by the fact that when opportunity arose (e.g. when fiscal consolidation over-performed, creating a larger-than-expected fiscal surplus), governments were quick to provide one-off cash handouts, as was the case with ND's social dividend in 2014 and Syriza-Anel's Christmas benefit to pensioners in late 2016, which was advertised by the government as the fulfilment of its much-publicized pre-election promise of the restoration of the 13th pension. This was also evident with Syriza's first law on the humanitarian crisis, which effectively called for a framework for a one-off dispensation of benefits to targeted groups of the population, a proposal solidly embedded in the dominant pre-crisis social policy paradigm, although it came from a government coalition whose partners (Syriza and Anel) had never governed before. On the other hand, the implementation of the GMI, while discussed even before the crisis, was not implemented until 2017, and then only after it had become a key deliverable for the conclusion of the second assessment of the third bailout programme.⁵⁴

5.5 CONCLUSIONS

All in all, the previous analysis paints a bleak picture of the quality of the political discourse on poverty and social exclusion in Greece, where ignorance and the political communication exigencies of a patronage-based

and polarized party system precluded serious analysis of the welfare system and targeted proposals for the eradication of poverty and social exclusion. Despite the increased frequency with which such issues were included in the political discourse after the crisis, the qualitative aspects of this discourse did not change fundamentally and remained disappointing.

Intense political polarization precluded any consensus on solutions despite the common acknowledgment of the depth of the social crisis. The continuation of this typical long-term pattern of Greek politics confirms the research hypothesis formulated at the beginning of this chapter. It is telling that opposition parties, particularly from the left and the nationalist/far right, consistently voted down all legislation proposed by the governing majority, even when this concerned measures with a positive social sign. The typical justification was either that these measures were ill thought out or that they constituted a one-off 'charity', whose purpose was to deceive the public and mask as socially conscious a policy programme that in reality was socially destructive. Unfortunately, political parties were more interested in exploiting the potential political gains from an aggressive rhetoric which tapped into people's anger and frustration rather than in coming together to alleviate the suffering caused by the crisis. It is characteristic that a temporary consensus between government and opposition parties was reached only in August 2015, on the occasion of voting the third MoU and after Greece had found itself on the brink of Grexit.

On the other hand, as we have seen in previous chapters, governing parties failed to introduce major reforms or adopt significant new initiatives. When they did so, it was, ironically enough, partly under pressure from the Troika (e.g. for the GMI) and it came too late. The distribution of cash benefits, though restricted by the economic realities of the crisis, continued nonetheless to be the preferred policy of successive governments when opportunity arose.

In this context, it is obvious that the prerequisites for a change in the dominant policy paradigm and for substantial reforms in the Greek welfare state did not exist. Although the crisis clearly constituted a 'critical juncture', which in theory could spur a substantial reform of social policy in Greece, Greek political elites could not overcome the constraints of past pathologies. To use Vivien Schmidt's (2008) terminology,⁵⁵ they opted for a communicative rather than a coordinative discourse, whose aim was to produce maximum political gains at the expense of their political rivals. In this sense, the findings of this research exercise imply that, in a crisis

context, political elites moved a step backwards from the limited progress towards a more encompassing coordinative discourse that previous research had documented, as a result of EU membership (e.g. Sotiropoulos 2004). The crisis not only failed to foment further consensus towards coordinating policy actions for the alleviation of the social crisis but, on the contrary, reignited political rivalries which contributed to the policy stalemate in the field of social policy.

NOTES

1. Beyond the physical endowments of the land and particular historical legacies, these characteristics are also the result of previously taken political decisions and long-established institutional arrangements.
2. It has been customary for the country's prime minister to set out his government's policies for each coming year in a speech at the annual Thessaloniki International Trade Fair. The leaders of all the other political parties similarly set out their own political programmes.
3. Speech of the President of Syriza, Alecos Alavanos, at the Plenary Session for the approval of the State Budget of 2005, 22.12.2004, available at http://www.Syriza.gr/article/id/33113/Omilia-toy-Proedroy-toy-Synaspismoy-Rizospastikhs-Aristeras-Al.Alabanoy-sth-syzhthsh-gia-ton-kratiko-pro%CF%8Bpologismo-2005.html#_U3Ntb_l_vT8 [accessed on 20.06.2013] [in Greek].
4. Minutes of the Plenary Session of the Hellenic Parliament, 22.12.2004, available at <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es041222.txt> [accessed on 19.06.2014] [in Greek].
5. Ibid.
6. Ibid.
7. Minutes of the Plenary Session of the Hellenic Parliament, 20.12.2007, available at <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es071220.txt> [accessed on 19.06.2014] [in Greek].
8. Ibid.
9. The Solidarity Fund was an institution created by the government of New Democracy at the time.
10. Minutes of the Plenary Session of the Hellenic Parliament, 20.12.2007, available at <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es071220.txt> [accessed on 19.06.2014] [in Greek].

11. Minutes of the Plenary Session of the Hellenic Parliament, 22.12.2009, available at <http://www.hellenicparliament.gr/Praktika/Synedriaseis-Olo-meleias?search=on&DateFrom=20%2F12%2F2009 &DateTo=22%2F12%2F2009> [accessed on 19.06.2014] [in Greek].
12. Minutes of the Plenary Session of the Hellenic Parliament, 22.12.2010, available at <http://www.hellenicparliament.gr/Praktika/Synedriaseis-Olo-meleias?search=on&DateFrom=20%2F12%2F2010 &DateTo=22%2F12%2F2010> [accessed on 19.06.2014] [in Greek].
13. Ibid.
14. Ibid.
15. Ibid.
16. Minutes of the Plenary Session of the Hellenic Parliament, 06.12.2011, available at <http://www.hellenicparliament.gr/Praktika/Synedriaseis-Olo-meleias?search=on&DateFrom=06%2F12%2F2011 &DateTo=06%2F12%2F2011> [accessed on 19.06.2014] [in Greek].
17. Ibid.
18. Minutes of the Plenary Session of the Hellenic Parliament, 11.12.2012, available at <http://www.hellenicparliament.gr/Praktika/Synedriaseis-Olo-meleias?search=on&DateFrom=11%2F11%2F2012 &DateTo=11%2F11%2F2012> [accessed on 19.06.2014] [in Greek].
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22. Minutes of the Plenary Session of the Hellenic Parliament, 5.12.2014, available at <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20141205.pdf> [accessed on 15.03.2015] [in Greek].
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27. The papers of the speakers are available at http://www.ekke.gr/images/PDF/Vouli_Nea_Ftoxeia.pdf
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- candidate proposed by the governing parties, the most probable outcome would be failure to elect a president and the dissolution of the parliament in order to hold a new election.
49. In January 2015, shortly before the elections, Syriza presented a programme with several amendments to the Thessaloniki programme in an effort to make the former more ‘realistic’.
 50. Speech of the President of Syriza Alexis Tsipras in Athens, available at <http://www.tanea.gr/news/politics/article/5201798/sthn-plateia-omonoias-h-kentrikh-proeklogikh-omilia-toy-aleksh-tsipra/> [accessed 30.05.2017] [in Greek].
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 54. The preparatory work and the roll-out of the GMI were characterized as key deliverables according to the Supplemental MoU signed with the country’s creditors in June 2016. Available at https://ec.europa.eu/info/sites/info/files/ecfin_smou_en.pdf [accessed 30.6.2017].
 55. According to Schmidt, coordinating discourse occurs among policy actors (technocrats, epistemic communities, advocacy coalitions, etc.) in the context of deliberations over the formulation of public policy whereas communicative discourse occurs between political actors and the public in the context of debating policies in the political sphere (Schmidt 2008).

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(Mis)understanding the Social Effects of the Crisis: Elite Perceptions of Poverty and Social Exclusion in Greece

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The economic crisis has resulted in dramatic increases in poverty and unemployment, as shown in the first three chapters of this volume. However, social and political elites, such as decision-makers (e.g. politicians and policy advisors) and opinion-makers (e.g. journalists, trade unionists and representatives of interest groups), do not seem to understand these dramatic increases in a similar fashion. Rather, they differ on their estimation of poverty and unemployment problems and also on whether the financial crisis has been accompanied by a crisis in social values.

In what follows, we are going to briefly present the analytical framework and the methodology of the research underlying this chapter. We will then discuss first perceptions and values of four different groups of Greek decision-makers and opinion-makers regarding poverty and

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declining living standards as well as social exclusion and homelessness. We will interpret their views and we will conclude that they differ by political ideology and occupational status and that some members of these groups misperceive issues of poverty and social exclusion, thus aggravating the already complex social and political fragmentation brought about by the economic crisis.

6.1 ANALYTICAL FRAMEWORK

The academic literature on perceptions of poverty and social exclusion shows that misperceptions of poverty abound and focuses primarily on misrepresentations of the poor and varied perceived causes of poverty. For example, in the US, while rates of poverty are traditionally high in the minority of African-Americans, there is a gross misperception that African-Americans constitute the majority of all American poor (Kluegel and Smith 1986). The role of the mass media in diffusing the idea that the poor are ‘substantially “more black” than is really the case’ has been underlined (Gilens 1996).

Research on popular understandings of what causes poverty has shown that relevant perceptions are of three kinds: some people privilege structural causes, such as failure of the economic system or discrimination, including ideas of unmerited poverty; others underline individualistic causes of poverty, such as perceived lack of effort, including ideas of ‘merited’ poverty; and yet others mention ‘fatalistic’ causes, such as lack of ability and talents (Kreidl 2000, 154), which in sociological terms may be called ascribed characteristics.

Further on, research discusses independent variables which can explain variation in perceived causes of poverty. Judgements about poverty depend on one’s own political ideology, social class origin, social status, educational achievement, personal experiences with deprivation, dominant ideology, national political culture and the prevailing mode of thinking, the ‘Zeitgeist’, of different generations (Kreidl 2000, 158).

In view of the above, it would be useful to study the perceptions of influential groups or groups close to decision-making centres, as we do in this chapter. These are Members of Parliament (MPs) and government ministers, policy experts, journalists, representatives of labour unions and professional associations.

Such groups contribute heavily to the hegemonic understandings of poverty and social exclusion. Through their participation in policy

consultation and policymaking, they influence how poverty and social exclusion are to be managed (or neglected) by a country's institutions (Reis and Moore 2005).

Yet typically research on perceptions relies on public opinion surveys (Kreidl 2000; European Commission 2010) or social psychology experiments (Zucker 1993). Paradoxically, the perceptions of elites have not been as frequently studied. Perceptions of MPs and opinion-makers, such as journalists and union representatives, are worth studying because they either hold political power or can help accumulate resources necessary to fight poverty and social exclusion in a certain country or can refrain from doing so. The degree of precision with which they understand the social situation in the country will obviously guide their actions.

Admittedly, perceptions are not just measurable understandings of a social reality, void of normative and value-laden elements. Rather, the integration of norms and values into cognitions leads to the construction of perceptions and turns the latter into a more stable kind of beliefs than fleeting opinions (Reis and Moore 2005).

In Greece, as in other countries, members of political and social elites do not constitute a coherent group (Sotiropoulos and Bourikos 2002; Tsirbas and Sotiropoulos 2016). Rather, they are divided along occupational lines and deep political divisions. The Greek labour market is very fragmented, and Greek society is divided into multiple, narrow-interest groups (Sotiropoulos, this volume, Chap. 4), while the political party system used to be, and still is, polarized (Mouzelis 1987; Kalyvas 2015). The fragmentation of interests has been exacerbated because of the financial crisis, as austerity policies have inflated past ideological and social cleavages.

6.2 METHODOLOGY AND SOURCES

The chapter traces whether and how elite members differ in their perceptions of poverty and social exclusion on the basis of political party affiliation and occupational group origin.

This exploratory analysis is based on 67 interviews that we conducted with sampled members of four different groups in 2014 and 2015 in Athens. These were 19 interviews with politicians (MPs or active or former government ministers), 14 with public-sector technocrats or policy advisors, 17 with journalists and editors, and 17 with representatives of associations, including trade unions and professional associations.

Based on a semi-structured interview schedule, we have used qualitative content analysis in order to map the variety of perceptions of poverty in Greece during the crisis. We have conducted face-to-face interviews in the offices of the interviewees. Owing to the limited and non-random character of our sample, we have not performed quantitative tests. Some of the interviews were recorded, but the majority of interviewees did not give us their consent to record the interview.

6.2.1 *Sample Selection and Composition*

We used a ‘snowball technique’ to sample interviewees of different profile from each of the groups that we wanted to approach. In detail, we interviewed six MPs of the centre-right New Democracy (ND), the main political party of Greece’s coalition government from June 2012 until January 2015; five MPs of the radical-left Syriza, the main opposition party until January 2015 and main government coalition partner of the radical-left/far-right government formed after the elections of 25 January 2015; four MPs of the centre-left Panhellenic Socialist Movement (PASOK), the party which ruled as a single majority government from October 2009 to November 2011 and then was member of the ND-based coalition government until January 2015; one MP of the centrist Potami, a political party which was formed in spring 2014; one MP of the Democratic Left (DEMAR), a political party participating in the coalition government with ND and PASOK until June 2013; one politician of the Social Agreement, a small political party to the left of PASOK that quickly became extinct; and one politician of the far-right LAOS, a political party which participated in a coalition government ruling Greece in November 2011–May 2012. We were denied interviews with the far-right party Anel (‘Independent Greeks’, the government coalition partner of Syriza), the neo-Nazi Golden Dawn and the traditional communist (KKE) party. The leadership of these parties rarely, if ever, grants permission to work with researchers.

Regarding the group of technocrats, we interviewed five policy advisors, five former high-level analysts working for the government and four members of public think tanks and researchers in public research centres and institutes (a total of 14). All of the interviewees had been involved, in different ways, with designing or implementing policy in the context of the bailout programmes. Concerning the elite target group of representatives of trade unions, professional associations and associations of employers, we interviewed six representatives of trade unions, six representatives of professional associations and five representatives of

associations of entrepreneurs (a total of 17). Regarding the group of journalists, we interviewed eight journalists and editors of six large-scale newspapers, five journalists working in the electronic press, two journalists working for TV channels and two freelancers (a total of 17). All of the interviewees in the press category have worked on issues related to the crisis.

The timing of our research was itself a challenge. As Greece's regional and European Parliament elections took place in May 2014, it was difficult to reach politicians, government members, MPs and journalists in the period just before and just after these elections. Moreover, national elections took place in January 2015 and were extremely polarized as Syriza and ND fiercely competed for power and thus the challenges we had faced in May 2014 were repeated in 2015. In this context, some of our interviewees became suspicious and reluctant to answer all questions.

6.2.2 *Data Analysis*

We use a qualitative research technique known as the thematic analysis approach (Boyatzis 1998). Thematic analysis is way of seeing as well as a process for coding qualitative information. We have looked for interconnections between the financial crisis in Greece, poverty and social exclusion. We have transcribed the interview data and have coded interesting features of responses to our questions (aspects of poverty and forms of social exclusion) and categorized the data.

Interesting features of the data were coded in a systemic way across the entire data set, and data relevant to each code were collated. This was followed by collating codes into themes and gathering all data relevant to each theme. A thematic 'map' of the analysis was generated. We applied ongoing analysis to refine the specifics of each theme and the overall story the analysis tells, and we analysed interview data using cross-case analysis. Relying on this research technique, we discuss several aspects of perceptions of poverty and social exclusion, in an exploratory, inductive manner below.

6.3 PERCEPTIONS OF POVERTY

6.3.1 *How was Poverty Perceived in Greece?*

When asked to describe poverty and give concrete examples, politicians referred to the impoverishment of the middle class, citing examples of households whose members had lost their jobs. Among the most common

examples of poverty were highly indebted households and people resorting to soup kitchens to receive food. Some politicians gave examples of what they considered ‘extreme poverty’: ‘homeless people’ (MP of ND), ‘Greeks looking for food in the trash, Greeks who are beggars’ (MP of ND). Others elaborated in some length:

I can tell you that there are families in Perama (port city near Athens) who live without electricity and in order to have electricity, they steal it. They live only on rations provided by the Church. The most worrying thing is that there are entire families who belonged to the middle class before the crisis, but today both adult members in these families are unemployed. They hide their situation because they feel ashamed. Their children go to school without having eaten. (MP of ND)

An example of extreme poverty is a family of four which is not able to have food. Another example is children having to drop out of school. (MP of the Panhellenic Socialist Movement—PASOK)

There are 300,000 families without access to electricity. This is extreme poverty. (Prominent MP of the Radical Left—Syriza)

As the above quotes indicate, politicians converged on types of poverty but diverged on the scale of poverty: the MP of ND and the MP of Syriza gave the same example of poverty, namely households without access to electricity. The difference was that the Syriza MPs emphasized the large magnitude of the issue (*‘300.000 households, without access to electricity’*) whereas the MP of ND referred to families not having access to electricity in a working-class neighbourhood. Another Syriza MP said that ‘2/3 of the population have become impoverished. Poor is not the beggar, but the average person’.

MPs agreed that there change poverty and that poverty took extreme forms (malnourished children, households without electricity, Greeks looking for food in trash), but they avoided using the term ‘humanitarian crisis’ itself. The term has been popular in the Greek and the international press (e.g. Pruszewicz 2012). It has been extensively used by the anti-austerity parties in Greece (before a real humanitarian crisis, in the form of hundreds of thousands of refugees landing on Greek islands, affected the country in 2015–2016).

An explanation for the fact that our interviewees did not employ the term ‘humanitarian crisis’ could be that, accustomed to live in a European

developed country, which had not been in a severe crisis until 2010, they did not comprehend what massive and abject poverty is. This is observable in developing countries and may evolve into a humanitarian crisis. Another explanation could be that, in the context of our interviews, anti-austerity politicians did not employ the full range of themes they had previously used in pre-electoral campaigns in order to over-dramatize existing poverty problems and garner political support.

Another interesting finding was that politicians referred to the impoverishment of the middle class. There was hardly any reference to the traditional poor strata, namely the long-term unemployed, the unskilled or semi-skilled workers or other outsiders of the labour market:

Middle strata of society are now impoverished and consequently socially excluded. (MP of ND)

The political management of the crisis [...] led to the closure of Small and Medium Enterprises (SMEs) and to the impoverishment of a large portion of the middle class... (former minister of PASOK)

Of course, there were politicians (four out of the 19 we interviewed) who were more sensitive to gradations of poverty and more realistic about extreme poverty:

Although this is not an exhaustive list, especially immigrant children, children of single parent families or children without family ties experience poverty. (MP of the centrist 'River' party)

Depending on one's own assessment, one perceives poverty as a situation in which one is not able to afford a very expensive branded garment, whereas another perceives it as the status of people looking for food in the garbage. (Politician of the far-right LAOS party)

Poverty is not the same everywhere in Greece. There is absolute poverty in urban centres caused by unemployment and other social problems that existed before the crisis and have been exacerbated after the crisis erupted. There is relatively less poverty in the rural areas where social solidarity is stronger. (MP of PASOK)

The perceptions of representatives of social partners about poverty were also diverse. For instance, the representatives of the entrepreneurs'

associations gave examples of individuals who were unable to meet the expenses of their businesses. After the breakout of the economic crisis in Greece (2010), many businessmen either closed down their business or stopped paying their taxes and health and social insurance contributions. The most common example of poor people given by these interviewees, apart from bankrupt entrepreneurs, was people who begged for money while riding buses or the underground.

Other interviewed representatives of associations, such as trade unionists, mentioned people who visited soup kitchens and queued outside community clinics as examples of who was poor. Poverty was more visible in families hit by unemployment. However, as one of the trade union representatives mentioned, ‘poverty in Greece is not evident to everyone. The Greek household hides the problem and this is a cultural characteristic of Greece’.

Technocrats referred to households unable to cover their basic needs or to families whose living standards were depressed and had to move abroad. Yet they also coincided with the aforementioned view by the trade union representative on the relief provided to poor by their families:

Despite an increase in the poverty rate in Greece, a large number of people do not live in poverty because of social networks, especially families, on which they rely. Individuals living outside such networks face the strongest difficulties. Large families and particularly so families of undocumented migrants face the most difficult situations. (Technocrat)

Poverty in Greece is not as extensive as one would expect, based on data on large-scale recession and unemployment. Poverty is kept in the family. There is exaggerated talk about poverty. Homelessness, for example, is not as extensive as the corresponding phenomenon in America. (Technocrat)

Journalists whom we interviewed mentioned the ‘new poor’ and those experiencing a ‘poverty of the middle class who led a comfortable life until now’. For instance, a journalist talked about his ‘colleagues who have been deprived of either all or of part of their incomes, have changed social status, and of course suffer the psychological consequences’.

As was the case with other groups of interviewees, some journalists also mentioned that families constituted a significant support network and that

poverty should be understood not out of context but in the context of an advanced Western society.

Poverty has many forms: working poor, new poor because of the crisis. There are people living in absolute poverty, their voices are not heard. Poor people count on the support of their relatives and friends. Solidarity mechanisms are insufficient, so they rely on family and community ties and the pocket money they receive from their relatives. (Journalist)

We talk about poverty in terms of the Western world. Many people have stopped going on holiday and have begun to use public transport. Since 2012 the middle class has cut a lot of its living expenses. (Journalist)

One journalist claimed to have seen ‘well-dressed gentlemen with torch lights ripping apart garbage bags, looking for left-overs from a nearby butcher.

6.3.2 *How Are the Economic Crisis and Poverty Connected?*

MPs of Syriza believed that the economic crisis caused poverty and did not associate poverty with the pre-crisis period: ‘Poverty is a result of the crisis’ (MP of Syriza). ‘Poverty, extreme poverty is a result of the crisis’ (MP of Syriza). ‘The crisis is causing poverty which is continuously expanding and creates several problems for many people with regard to food, housing, ability to pay the rent or their home loan’ (MP of Syriza). Only one MP of ND asserted the same.

By contrast, the rest of interviewed politicians believed that the economic crisis revealed the previously existing poverty and increased it. For example: ‘In recent years the prosperity which Greeks enjoyed was a bubble. It was based on borrowed money. When the borrowing stopped, poverty increased’ (MP of ND). And another politician noted:

The welfare state in Greece was a state of social benefits for specific groups, unable to meet the needs of all the population. The health care system covered the needs of those specific groups. But when the money became less, the little available money continued to go to those specific groups, leaving the poor and the unemployed uncovered by the welfare state. (Politician, ‘Potami’ party)

In contrast to the aforementioned tendency to attribute poverty to the eruption of economic crisis or to the pre-crisis period, other politicians

specifically blamed the way in which the crisis was managed by national and international authorities. This is shown in the following remarks:

The effort to overcome the crisis created poverty and lack of liquidity even in non-poor strata. (MP of ND)

The political management of the crisis; the violent austerity policies; the fiscal consolidation combined with devaluation policies reduced the purchasing power of households, increased unemployment dramatically and led to the closure of SMEs, to the impoverishment of a large portion of the middle class and to the marginalization of vulnerable social groups. (former minister of PASOK)

The attempt to tackle the crisis created poverty and lack of cash even for the non-poor social strata. (MP of ND)

Notably, some interviewed technocrats focused on the management of the crisis by the government and Greece's creditors as a cause of increased poverty: 'if we had managed the crisis differently, poverty levels would not be so high' (Technocrat).

Among the representatives of social partners, most considered the economic crisis to have been the cause of poverty. This held true for representatives of associations of employers and of trade unions: 'The crisis shrunk the labour market; the link between the economic crisis and poverty is absolute' (employers' representative); 'The crisis leads to impoverishment' (trade unionist).

Like the other groups of interviewees, the journalists agreed that there is a connection between poverty and the economic crisis. The crisis broadened the types of groups living in poverty as well as increased the risk of poverty for specific strata, especially the middle class.

As time passes, the crisis deepens poverty. It touches sections of the Greek society that were not initially touched. Poverty deepens in the middle class and the people who were at risk of poverty now live below the poverty line. Poverty touched more those who beforehand were not fully integrated. (Journalist)

The most significant result of the crisis is the decimation of the middle class. The crisis not only increases the number of the poor, but also the number of the people who gradually lose their assets and could be pushed into poverty. (Journalist)

In addition to asking questions on the poor, we asked our interviewees about the rich. We asked them to tell us whether they agreed with the following statement:

The rich social strata were not appreciably affected by the crisis.

Answers were coloured by the interviewees' political affiliation. Almost half of the interviewed politicians tended to agree that the rich were not significantly affected by the crisis, whereas the other half thought that they were. Politicians of ND either tended to disagree or totally disagreed that the rich were not affected by the crisis. The majority of Syriza politicians either agreed totally or tended to agree with the statement, whereas PASOK representatives were divided on this issue.

What we observe here is that for some MPs supporting the coalition government of ND and PASOK (in power in 2012–2014), the rich were also affected by the crisis. By contrast, for the left-wing MPs, this was not true.

Political preferences probably affected the view of technocrats and experts too. Among them, those working for the ND-PASOK coalition government focused on the 'visibility' of poverty in society. They referred to the 'safety nets' of society and supportive role of the family and highlighted the inefficiency of the welfare state as well as the greater impact of the crisis on specific strata. Policy advisors agreed that the crisis influenced the middle class more than other social classes. However, they pointed out the decline in living standards rather than the increase of poverty. The members of the think tanks positioning themselves in the centre and left wing of the political spectrum focused on the increase of social inequalities as a result of the crisis.

In sum, our interviewees agreed that unemployment and economic exclusion cause poverty and threaten social cohesion. The economic crisis caused a sharp increase of unemployment, mainly because of the large number of the medium and small businessmen who have gone out of business and the reduction of posts in the public sector. Our interviewees considered that the middle class in Greece has been severely hit by the crisis.

In our view, the crisis revealed the existing poverty and at the same time caused new poverty. The new poor come from different sectors of society: they are people who used to belong in the middle class; the working poor

(people who have a job, but cannot afford the cost of their living, due to low wages and increased taxation; for more on the concept of the working poor see Shipler 2004); workers in insecure employment; households with one or no employed member; young individuals 18–24 years old, single-parent families and households with adults having no access to labour market or to welfare services; and middle-aged people who lost their jobs just before retirement.

The majority of the interviewees made references to malnourished children, long queues at the soup kitchens, and families living without electricity. The frequency with which interviewees mentioned Greeks seeking food in trash or begging for food rations obviously shows that such images were surprising for the interviewees. The ‘traditional’ poor, people in need, used to be the people living on the margins of society (e.g. migrants, Roma and the disabled). The crisis, according to the interviewees, affected ‘people with dignity’, who had a ‘controlled’, ‘normal’ life, but their living standards were violently downgraded.

Poverty, as the majority of the interviewees agreed, increased after 2010. The effects of the financial crisis, though, would be more severe if it had not been for the strong family ties in Greek society which mitigated the effects of poverty.

However, there were differences of perceptions among our respondents. Interviewed politicians, representatives of associations and journalists typically understood poverty as a rather new phenomenon caused by the economic crisis or by the manner in which the crisis was managed. Technocrats and experts had a more nuanced understanding of the size and variations of poverty.

Based on evidence offered in other chapters of this volume, such a more realistic and structured understanding of poverty can be summarized as follows: the economic crisis in Greece revealed the poverty that was hidden for more than two decades under the carpet of an artificial prosperity and the failure of governing elites over the last decades to establish an effective social welfare state and substantially support the weak/vulnerable groups. For more than 20 years, middle class and lower middle class Greeks had been living a quite comfortable life based on the loans they were able to easily obtain from the banks. Many middle-class Greeks used to receive relatively high welfare benefits. Such living standards were sustained by the clientele system in Greece and the clientelist relations of successive governing elites with selected professional and business associations and favoured trade unions.

6.4 PERCEPTIONS OF SOCIAL EXCLUSION

A large number of our interviewees conflated poverty with social exclusion. They were probably not aware that the concepts are analytically distinct. International organizations, governments and the academic community have not adopted a common definition of social exclusion but have converging views on this concept.

More concretely, exclusion consists of dynamic, multi-dimensional processes driven by unequal power relationships interacting across four main dimensions—economic, political, social and cultural—and at different levels, including individual, household, group, community, country and global levels. It results in a continuum of inclusion/exclusion characterised by unequal access to resources, capabilities and rights which leads to inequalities (Popay et al. 2008). ‘Social exclusion’ is used in relation to a wide range of categories of excluded people and places of exclusion (Peace 2001).

As described in the introductory chapter, the European Commission uses a social indicator combining poverty and social exclusion, namely people ‘at risk of poverty and social exclusion’ (AROPE) and has operationalized this concept as follows:

‘The AROPE indicator is defined as the share of the population being in at least one of the following three conditions:

1. at risk of poverty, meaning below the poverty threshold,
2. in a situation of severe material deprivation,
3. living in a household with very low work intensity’ (European Commission 2014).

More concretely, a situation of severe material deprivation refers ‘to the proportion of people who cannot afford at least four of the nine following items: (1) (arrears on) mortgage or rent payments, utility bills, or other loan payments; (2) one week’s annual holiday away from home; (3) a meal with meat, chicken, fish (or vegetarian equivalent) every second day; (4) unexpected financial expenses; (5) a telephone (including mobile phone); (6) a colour TV; (7) a washing machine; (8) a car and (9) heating to keep the home adequately warm’ (European Commission 2016).

When we asked whether the economic crisis has caused phenomena of social exclusion, many of the interviewees responded that the crisis has intensified these phenomena.

Exclusion from the labour market is one of the most significant forms of social exclusion after the crisis started. Young people are excluded from the labour market, while people in their 50s who have lost their jobs cannot be reintegrated into the labour market. Long-term unemployment constitutes a form of social exclusion and is strongly connected to poverty, especially after austerity measures were implemented, leading to significant reductions or total elimination of social benefits. While this is a realistic and accurate picture of the linkages between unemployment and social exclusion, it has turned out that various groups of interviewees tended to confuse other issues, as shown below.

6.4.1 *Confusing Poverty with Social Exclusion*

The problem of conflating poverty with social exclusion became evident in our interviews with politicians and journalists. Almost all politicians and journalists merely repeated examples of poverty or extreme poverty when discussing social exclusion. In contrast, for example, to non-governmental organization staff members (Chap. 7), politicians of all parties as well as the journalists rarely referred to typical examples of social exclusion. For instance, they mentioned as cases of social exclusion the problems of middle-class people who have suffered heavy losses of income or have had to adapt to lower-level living standards by cutting expenses on entertainment or on summer vacations and summer camps for their children.

Some politicians who were interviewed during our field research, pointed out that the crisis has dramatically affected groups that were being discriminated against, if not excluded, before the crisis started. They referred particularly to the Roma population, individuals with disabilities, and blind people.

Examples of such assessments by politicians are the following:

The phenomena of social exclusion were intensified, although they had existed before the crisis. (MP of ND)

The management of the crisis exacerbated phenomena of social and economic exclusion, increasing the inequalities in Greek society, decreasing the productivity in the economy and causing brain drain. (former minister of PASOK)

There is an issue of social rights. We witness people who experience a downward shift in their social status [...] The unemployed face social exclusion. (MP of PASOK)

The absence of welfare structures intensifies the problems of social exclusion for specific categories of people, namely people with disabilities, the blind, et cetera. (MP of ND, former minister)

Politicians underlined that social exclusion is a result of unemployment. People who have lost their jobs, long-term unemployed, people without any income and even middle-class people are socially excluded. Because of losing their job, people are violently pushed to the social margin and are isolated. Young people, women and people in the middle-aged group are excluded from the labour market and cannot access healthcare and education. Unemployment also causes the social exclusion of migrants, especially those employed in the construction sector, and of low skilled workers in their 50s:

[...] we have social exclusion phenomena in the case of middle-age people who are long-term unemployed. Because of long-term unemployment they eventually lose the ability to integrate into society. (MP of ND, former minister)

People were surprised by the effects of the crisis on their personal lives and were violently pushed to the margins of society when dismissed from their jobs. Exclusion from work results into isolation from social environment. (MP of PASOK, former minister)

In other words, politicians hardly referred to the ‘traditional social groups’, which have been suffering social exclusion for decades. Instead, they focused on the ‘new’ exclusion of the middle class. The focus of politicians on the middle class can be explained by the importance of the electoral pool of middle-class voters and also by the historical significance of the middle class in post-1945 Greece. This was a quite sizeable class which was formed through recruitment to the public sector and the evolution of groups of small shopkeepers, artisans and craftsmen (Tsoukalas 1985).

Although social exclusion is often related to economic exclusion, it may acquire a broader meaning. For example, MPs of Pasok have pointed out the emergence of phenomena of racism:

People became less tolerant, and tolerance is a key factor. We have less tolerance and more social solidarity...We see phenomena of social solidarity and extreme phenomena (*of intolerance*) as well. (MP of PASOK, former minister)

Discrimination amid crisis has become intensified, for instance in the case of Roma and others. Also the unemployed face social exclusion. (MP of PASOK)

The interviewed technocrats and policy advisors agreed that the crisis has created phenomena of social exclusion, but occasionally voiced a diverging opinion, which ties in with research showing the rise of social solidarity in Greek civil society (see the third part of this volume):

Not only the crisis has not created phenomena of social exclusion, but it has also resulted in the enhancement of human relations. It has promoted the community relations in neighbourhoods and people and families have come closer. (policy advisor)

While only one of the politicians referred to the homeless as a form of social exclusion, five of the sampled technocrats and policy advisors referred to homelessness as an increased phenomenon because of the crisis. Examples of socially excluded people mentioned by these interviewees were the following:

A large number of people are unable to meet their basic needs, particularly the homeless. (technocrat)

Families who used to have a certain control of their lives (e.g. the husband had a job) collapsed financially when an adult family member was laid off. Now family members do not have access to basic goods, for example, heating. They live in precarious housing and are excluded from the health system. (policy advisor)

It is the first time that when we talk about homeless, we refer to entire families. (technocrat)

Other forms of social exclusion are the lack of access to healthcare for people who do not have health insurance, people who are highly indebted and individuals excluded from education (especially children).

As expected, technocrats and policymakers had a more concrete notion of social exclusion. They put social exclusion in the context of social relations and non-integration of some groups in the society.

The majority of the representatives of social partners agreed that the the phenomena of sharp rise of unemployment among the young and extensive

long-term unemployment among middle-aged individuals have led to their exclusion from access to basic services such as healthcare and education.

A main example of social exclusion is the case of the long-term unemployed who are 45 years old or older. Three-fourths of the unemployed are over 45 years old. (trade unionist)

Unemployment is the first step an individual takes to social exclusion. Social exclusion does not follow directly from the economic exclusion (the loss of a job). There is a time at which it begins and takes hold. First, the individual becomes unemployed, then he or she becomes long-term unemployed and then the individual doesn't feel like getting into contact with anyone. (representative of employers' association)

The majority of the journalists who were interviewed agreed that the most significant form of social exclusion is unemployment, especially long-term unemployment:

The economic crisis has exacerbated older phenomena of social exclusion and has unearthed new such phenomena (young people excluded from the labour market). More people lack access to health and education services. (journalist)

It was the poor strata that were affected by the crisis and are being marginalised. (newspaper editor)

To sum up this section, we conclude that interviewees agreed that the crisis has caused phenomena of social exclusion or has intensified such phenomena that existed before the crisis or both. While few groups of people (migrants, Roma and the disabled) were socially excluded before the crisis, a wider social group has now been marginalized. The lower class has been pushed to live below the poverty line, while people previously belonging to the middle class saw their social status and living standards deteriorate rapidly.

However, some interviewees conflated the concepts of poverty and social exclusion. People were led to social exclusion mostly by unemployment and defective social support networks and welfare systems. Family networks have replaced, to some extent, the absence of an effective welfare state. Long-term unemployment, youth unemployment, and exclusion from healthcare and education were considered by our interviewees to be the main forms of social exclusion.

The crisis caused the emergence of new groups of socially excluded, such as highly indebted individuals, businessmen and new homeless people. Still, our interviewees did not have a precise image of the depth of the crisis and they prefer to talk not so much about the poor who were already on the brink of collapse before 2010 as about the fate of middle class Greeks who have been obliged to lower their living standards after 2010.

6.5 CONCLUSIONS

This chapter aimed at mapping and interpreting elite perceptions of poverty and social exclusion. Based on interviews with a limited sample of politicians, policy advisors and technocrats, representatives of interest groups (associations and trade unions) and journalists and editors, the chapter may serve as a base for constructing research hypotheses for future research.

To summarize, the economic crisis is perceived by elites to have resulted in the increase of unemployment and poverty. Our interviewees also perceived poverty as resulting from sudden and extensive rises in taxation and reductions in wages and salaries. They also blamed the social welfare services for their incapacity to combat poverty and social exclusion.

Fortunately, traditional social networks, such as the family and kin networks, have to a small extent limited the consequences of poverty. The economic crisis, though, had a great impact on the social life and health of the poor and the socially excluded.

Yet, as this chapter has shown, there were many misunderstandings and misconceptions of poverty and social exclusion. Our interviewees justifiably perceived that measures to combat poverty and social exclusion were haphazardly designed. Policy measures were not seriously meant to tackle poverty and unemployment but to offer a temporary relief (e.g. ad hoc benefits) to people living in poverty.

As expected, the problem of unemployment was at the core of the perceptions we have investigated. Greece's extremely high rate of unemployment (the highest in the European Union) and inadequate measures to tackle unemployment, youth unemployment and long-term unemployment were the most frequent themes of our interviews.

Before 2010 (i.e. before the crisis struck), debates about vulnerable groups were focusing on welfare benefits policy. Politicians were trying for decades to promote the interests of their voters, neglecting the most vulnerable groups, such as the socially excluded, who did not have the means to voice their political demands. As documented in this chapter, even after

the crisis had started taking its toll, social exclusion was not well understood by most of our interviewees. Moreover, some of the interviewees (e.g. some politicians) conflated the concepts of poverty and social exclusion.

Indeed, as our interviews have shown, new concepts were used to describe the situation of the Greeks: new poor, new homeless, working poor. The profile of the new poor included individuals of high educational credentials, whose level of life used to be satisfying and who fell to poverty because of unemployment or a very sharp decline in household income.

Judgements about poverty depended on one's own political ideology and probably social status. MPs of anti-austerity parties, such as Syriza, painted poverty and social exclusion in starker colors than the rest. They also tended to attribute poverty and social exclusion to austerity measures. MPs of other parties, as well as non-affiliated technocrats, saw these phenomena as existing before the outbreak of the crisis and as having been exacerbated after the crisis adopted full speed. Such divergence of opinion was expected. Perceptions of sensitive issues were always imbued by conjectural political party strategies (e.g. Syriza's strategy of opposition against the ND-PASOK coalition governments in power in 2012–2014). This finding corroborates the part of academic literature, mentioned in the analytical framework of this chapter, which stresses the importance of political ideology as far as bias of perceptions is concerned.

However, political ideology was not the only determinant of perceptions. Occupational status, anchored on occupation or expertise or both, also had an impact on perceptions. None of our interviewees had a personal experience of deprivation. Further on, some journalists, typically members of the middle class, tended to focus on the impoverished middle class (e.g. their colleagues who had lost their jobs). Technocrats tended to have a more fine-tuned perception of poverty and social exclusion, as they used a more informed approach, making differentiations among gradations and types of poverty and comparisons with non-Greek situations of poverty.

The purpose of this chapter was not to provide a fully documented approach to how poverty and social exclusion were perceived in Greece during the crisis but rather to map a variety of understandings of these two phenomena among groups close to decision-making centres, such as politicians, technocrats and policy advisors, representatives of social interests, and journalists. The chapter aimed also to explore, in a pilot manner, the different emphases and nuances which such groups put on the issues of poverty and social exclusion in crisis situations.

Echoing this book's theme, a fragmentation of perceptions and understandings of poverty and social exclusion emerged from our research. We focused on the dramatic case of a European society, Greece, many members of which came face to face with an abyss of poverty and social exclusion after 2010. Yet evidence presented in this chapter shows that, with regard to poverty and social exclusion, the perceptions of politicians, technocrats, representatives of social partners, and journalists reflected the reality of pre-crisis fragmentation. Our interviewees could not identify the traditionally excluded, who were forgotten by the welfare state already before the crisis, nor could our respondents look beyond the middle class to which many of them belonged. They sometimes offered blanket-like statements, subsuming all Greeks under a general situation of humanitarian crisis, and other times neglected categories of the population which suffered the most, before and after the crisis. For example, they rarely mentioned the outsiders of the labour market who had precarious employment or no employment at all and members of social minorities, such as migrant workers. In short, our respondents, who, as members of the educated and most-well-informed strata, were ideally placed to have a comprehensive view of the social situation in Greece, in fact had a partial, imprecise, fragmented view. Further research could more systematically explore the observed differences in perceiving and understanding poverty and social exclusion in crisis situations in the developed world.

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Civil Society Discourses on Poverty and Social Exclusion During the Greek Crisis

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7.1 INTRODUCTION

The experience of the current economic crisis in Greece has often instigated a variety of contradictory reactions. On the one hand, economic life is conceived in abstract economic models, macro-scale accounts of dramatic bail-outs and incomprehensible numbers that owing to their performative character (Callon 2006) have nonetheless become commonplace and often over-ritualized. On the other hand, there is an overt emphasis on Greek people's suffering, which often is described in terms of a 'humanitarian

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crisis' as a way to foreground the harsh everyday realities of ordinary people caused by the politics of austerity implemented within the Eurozone.

By focusing on the material and ideational cleavages emerging in the wake of the economic crisis, we here approach crisis as 'the noun-formation of contemporary historical narrative' (Roitman 2014, 3) as the most common and most pervasive qualifier of the contemporary condition in Greece. Whilst 'crisis cannot be separated from the viewpoint of the one who is undergoing it', as Habermas so eloquently claims (1975, 1), 'the evocation of crisis, nonetheless, entails reference to a norm because it requires a comparative state for judgment. Crisis compared to what?' (Roitman 2011, online).¹

Pictures like the lady searching the garbage represent the reality of crisis... or the lady waiting for the market place to close, in order to collect the fruit left over to feed her kids... that is the biggest crisis we have ever gone through. (Stirixi)

In the above words, our interviewee delineates an experience of abnormality and implicitly seems to associate with crisis the idea of a force that changes completely his life as well as the life of the subject (here the lady) recounted. For interviewees, crisis is seen as a state of emergency (the words usually used are: 'storm', 'a streak of lightning'), a temporal bracketing, a period of transition that fragments the coherence or unity of society—the latter seen as a degradation of society's structure, a sinking or a demolition of society—in so far as it affects the ability of people to secure the fundamentals in life (food, work, basic income). It entails the demise of 'the taken for granted', it often poses the threat of reaching the limits of intelligibility, or as the representative of the non-governmental organization (NGO) 'Floga', was quick to point out, 'crisis is an unacceptable situation'. It is often experienced as a feeling of loss: a loss of stability, security or clarity; a loss of order affecting our ability to plan ahead and to actualize our dreams and hopes.

Crisis then as a type of event serves here as a 'frame', as a way, in other words, to refer to 'ideas that fashion a shared understanding [...] by rendering events and conditions meaningful and enable a common framework of interpretation and representation' (Sökefeld 2006, 269–270). In so doing, crisis as a frame channels the way in which we tend to understand certain phenomena and events and thus is productive. In this light and against this background, it is important to understand, for the purposes of this chapter, how poverty is materially and discursively constituted, both as a category of thinking and as a label applied to particular social catego-

ries in and through the frame of ‘crisis’ at Europe’s margins; how it is linked to social exclusion and to the overall experience of living under contracting economic conditions in Greece; how poverty and social exclusion, caused by the crisis, threaten stability and cohesion in Greek society and what new groups of vulnerable population are emerging because of the crisis.

After a brief methodological section, we focus on the political theory developed by John Rawls, which promotes, we argue, a more encompassing concept of poverty and of social exclusion. In the next section, we analyze the perception of civil society actors about poverty and crisis. Then poverty is linked to exclusion phenomena in fields such as education, work, health and social services in an attempt to bring to the fore new categories of vulnerable population. In its concluding section, the chapter considers issues of fragmentation in ascriptions of blame and accountability and briefly explores the implications of such understandings of the social dynamics (by the civil society actors) for the future.

7.2 METHODOLOGY

In order to examine the connections between poverty and exclusion in the discourses of civil society actors, we employ qualitative content analysis. The Atlas.ti software for qualitative analysis data has been used for this purpose.² We focused on the answers of 79 representatives of local and national NGOs and new emerging informal organizations during the crisis.³ The sample was divided into eight different categories. More specifically, 26 organizations of the sample are active in the sector of social solidarity, 19 in the health sector, 8 in the field of economy, 7 in societal issues, 4 in the sector of culture, 4 in education, 1 in the environment and 10 had multiple areas of activities. The large majority of the organizations (81 per cent) were typical NGOs (disposing a legal status), while 19 per cent were informal civil society initiatives.

The face-to-face interviews, conducted in the spring of 2014 and 2015, were based on semi-structured questionnaires and lasted 2 hours on average. The interviews were conducted in Athens, the capital and largest city of Greece, and Patras, the third largest city, located in western Peloponnese. In Patras, the sample size includes practically all the important and medium-sized NGOs and informal organizations. In Athens, 32 NGOs were selected from the National Register of NGOs by using appropriate algorithms. Thus, no informal organizations have been analyzed in this area.

7.3 THE LIBERAL RAWLSIAN POLITICAL THEORY OF POVERTY AND EXCLUSION

In their attempt to remedy the marginalizing effects of austerity in Greece, civil society actors offer important insights into the seemingly disparate practices and experiences among those classified as ‘poor’, and the production of the new ‘excluded’, whilst also questioning previous assumptions about what constitutes poverty in Greek society. In so doing, they seem to reject poverty as a self-evident category or an absolute measurable condition. For them, poverty and exclusion are not just the material outcomes of processes of fragmentation, thus constituting the outcome of specific social relations; they are also deemed as categories of representation through which civil society actors classify and act upon the world.

In recognizing then that ‘the concept of poverty draws a whole constellation of social, symbolic, and embodied states around itself, and it comes through history trailing changing meaning and issues’ (Vigdis Broch-Due 1995, 3), our exploration falls squarely within current trends in studying poverty that recognize that it ‘is always a complex condition at the centre of a dense web of political controversy, material forces, and interpretative procedures’ (ibid, 3). Thus, if rising levels of poverty are linked to processes of fragmentation and exclusion both within and among European societies, indicating their material aspect, there is also a substantial ideational aspect embedded in these processes.

Accordingly, while we accept a definition of exclusion and fragmentation depending on the concept of poverty, we nevertheless argue that poverty cannot be defined simply by a small number of economic indicators. Our conception of poverty is framed by the theory of justice of John Rawls (1971) that a well-ordered society is a society governed on justice, understood as fairness. The theory of justice as fairness is, in turn, based on two principles: the first principle insists that ‘each person has an equal right to the most extensive scheme of equal basic liberties compatible with a similar scheme of liberties for all’ (Rawls 1982, 161). These principles are called basic in the sense that they allow the exercise of the moral human capacities. According to the second principle—the ‘difference principle’—‘social and economic inequalities are to satisfy two conditions: they must be (a) to the greatest benefit of the least advantaged members of society; and (b) attached to offices and positions open to all under conditions of fair equality of opportunity’ (Rawls 1982, 162). Thus, according to the principle of difference, inequalities in social and economic goods are acceptable only if

they promote the welfare of the ‘least advantaged’ members of society. These two principles constitute the basis of Rawls’ social contract theory.

In his definition of poverty, Rawls links it with the concepts of fragmentation and exclusion by using the theory of ‘primary goods’. ‘The least advantaged are defined as those who have the lowest index of primary goods, when their prospects are viewed over a complete life’ (Rawls 1982, 164). The primary goods (income, wealth, liberties, opportunities, social conditions of self-respect, etc.) cover the freedoms and fundamental rights which all members of a just society should have access to. Thus, a fragmentation of such a society leading to specific groups of people being excluded from such goods is one of poverty’s characteristics.

The prescriptive way of Rawls’ definition of poverty aims to fix an indicator of primary goods for all citizens. His point of view intends to be universal and applicable in all circumstances, even in times of crisis. Consequently, he argues that ‘each person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override’ (1971, 3). Thomas Pogge (2014) goes even further in the declaration and definition of such a right, as he notes that severe poverty can be conceived as a human rights violation. He stresses that ‘a human rights violation involves unfulfilled human rights and a specific active causal relation of human agents to such non-fulfillment. This causal relation may be interactional; but it may also be institutional, as when agents collaborate in designing and imposing institutional arrangements that foreseeably and avoidably cause human rights to be unfulfilled’ (2014, 10). For example, in the same perspective, on 11 April 2008, an internal note of the United Nations, produced by the Office for the Coordination of Humanitarian Affairs, mentions that, in Africa and Asia, rising food prices resulted in poverty situations.

The theory of primary goods follows a path different from that taken by Amartya Sen (1981), as it is independent of individual needs or desires of people.⁴ By developing a theory of primary goods, Rawls invites us to consider poverty and exclusion beyond individual capabilities (i.e. Sen’s approach focusing exclusively on subjective well-being). The concepts of fragmentation and exclusion are defined through the access to primary goods and the inequalities in the access to these primary goods. Those already excluded from the system are ‘pushed to the edge of society’ (Council of Europe 2004, 8), losing access to basic social services and to economic rights, and so do the newly excluded of the Greek crisis. In other terms, a fair Greek society would be able to ensure the fairness of the conditions of people’s participation in it.

By applying a Rawlsian framework to the crisis context, we divide the Greek population into two categories: the ‘insiders’ and the ‘outsiders’. The group of ‘insiders’ includes the less stricken or the ‘privileged’ of the economic crisis, whereas the ‘outsiders’ are vulnerable citizens diachronically characterized by lack of access to primary goods even before the crisis. In this group, a new group is born during the crisis, the so-called ‘new outsiders’ or ‘new excluded’, who were perceived before the crisis as ‘protected’ or ‘insiders’.

7.4 POVERTY AND THE DOUBLE FRAGMENTATION OF ECONOMY AND IDEAS

7.4.1 *Poverty and Crisis*

Crisis and poverty, two words strongly interconnected, even synonymous... (Center for the professional rehabilitation of disabled people, Athens)

First of all, the crisis revealed, made evident, the poverty that already existed, but also extended poverty thus widening the social cleavage between the rich and the poor. Today we all are poorer than we used to be. Moreover, there exist more poor people than in the past. (Cooperatives Zografou, Athens)

For the great majority of the interviewees (62 out of 79), poverty and crisis are strongly interconnected. Yet such a link is widely analyzed and discussed on a variety of levels, making poverty a much more complex phenomenon in its facticity and interpretation than seeing it as casually linked to the crisis. More specifically, crisis and poverty are seen as mutually constituted; they reciprocally influence and reinforce each other, but they are not reducible to one another: crisis creates and widens poverty, while poverty deepens crisis and at a country level it is deemed one of the attributes of crisis. Interestingly enough, while crisis is seen as a mechanism of speeding up, deepening and spreading poverty, the latter is not described in quantified terms. Although our interlocutors come from organizations and networks that in some cases are directly linked to the global developmental discourse on poverty and its homogenizing rankings (Green 2006)—which aim to compare the amount and depth of poverty—they do not present poverty as a ‘thing’ to be measured but as a material outcome of a multifaceted crisis. As will become evident in our discussion below, poverty as an object of discussion is not abstracted from people and the context. Rather, the social processes that make certain

categories of people subject to its effects in crisis-stricken Greece are openly discussed and acknowledged (O' Connor 2001, 15).

In what follows, we will dwell on the differences discussed between the issue of poverty in today's Greek society and in the past. How, in other words, have civil society actors come to understand their experiences of increased material poverty and social suffering in relation to the past? The issue of 'how crises stimulate temporal thought whether tilted in the direction of historicizing, presentifying, futural thought, or some combination of these possibilities' (Knight and Stewart 2015, 2) is well documented in a sizeable corpus of ethnographic literature. For example, some refer to the 'years of hunger - the great famine' (Knight 2012, 2015) or the poverty in the post-war era. An interesting distinction was made, though, between two phenomena: already existing poverty (characterized by shortages on goods of luxury of the middle class or by shortages on basic goods of few vulnerable groups) and new poverty (characterized by lack of access to basic goods to a great part of the population).

There is incredible poverty at all levels... misery. Crisis affects how everyday people live at the simplest level, it affects ... basically... people's simplest needs. (Greek Thalassaemia Association, Athens)

People come here for food ... life has changed in this aspect... People do not even care about their health anymore; they want to survive. (Agaliazio, Patras)

In this sharp contrast, another element is of note: the sense of goods' shortages and hardship in the past was accompanied by hope: the limited assets people had in terms of wealth did not impede them to develop 'individual or collective strategies to enhance their own well-being and the well-being of future generations' (Narotsky and Besnier 2014, 4) or to accomplish their expectations in a given conjuncture. Thus, hope constituted an important asset at a moment when the material resources were lacking. Today's poverty, on the contrary, is experienced with a sense of disappointment and disillusionment.

All interviewees (79 out of 79) painted a rather dark picture of the crisis: fear; loss of dignity, joy and hope; human suffering; feelings of anxiety; uncertainty; lack of orientation and inability to act; psychological problems and disorders (dementia, depression, stress), to mention some of the issues raised.

Look, I believe that people are left destitute; they are scared, have lost things strongly interlinked with dignity... why do they punish us this way? This is really harsh. I think people have lost their joy... I see around me people who

are sad, brooding, some are even depressed... there are people next to us who suffer. (Time bank, Patras)

...citizens have lost their hope, they feel fear and disappointment, they are concerned with their kids' future. Young people do not easily proceed with making families and kids, and there is a pervasive uncertainty about everything... (Merimna, Educational Centre for Children with Special Needs Patras)

This line of argument in some cases entails a reference to the enduring Greek subject of the post-war era. In their discussion of the American Dream, Narotsky and Besnier argue that (2014, 10) 'The "American dream", for instance, articulates an individual form of aspiration to a collective configuration of hope relating to the well-being of the entire society and in turn to a particular form of relations of production and distribution, namely, historically, Fordism'. In a similar way, post-war economic relations in Greece partook of specific ways of attributing value and gave rise to institutional frameworks that nonetheless gradually allowed access to different kinds of valued assets for a widening majority of Greek people. In highlighting the experience of the past socio-economic hardships, our discussants talked about the tough times that Greek people faced in the past and the lessons they have learned about how to prepare for the future in order to ensure the future happiness of their children.

Attuned to the possibilities allowed by the above framework, Greek people are said to have been well equipped to cope with crisis in its initial stages in and through conjuring strength through their family networks. Yet such a coping strategy presupposes a structure that can 'replicate itself in the expected way' (Sahlins 1985, 153) and cannot be utilized when crisis becomes part of ordinary people's everyday reality and vital insecurity a permanent condition.

The majority of Greek people endured, for they have looked ahead... they had savings for helping their kids, their grandchildren... and this allowed them to stay upright. And you will ask me: what if the savings disappear, what will happen next? ... Then difficulties will come along. (Center for the professional rehabilitation of disabled people, Athens)

In trying to make sense of their experience of increased social suffering, insecurity and material poverty, some of our research subjects evoke a temporal thought tilted not only in the direction of historicizing with refer-

ence to the post-war enduring Greek subject but also in the direction of an immediate past—just before the economic crisis. Two relevant aspects are discussed. First, the issue of a society enjoying a high standard of consumption and prosperity, in which people had the illusion of a prosperous well-being through having access to a wealth that in reality did not ‘belong’ to them.

But more importantly today we are aware that we are poor... we were poor in the past—some of us at least—but because we had access to money that did not belong to us, we shared the illusion that we had money, although it was not certain we could pay the money back. (Cooperatives Zografou, Athens)

This realization comes hand in hand with the acceptance that the issue of poverty nonetheless is not new in Greek society.

There has been impoverished people even before crisis erupted and crisis can deepen poverty... but I do not think that crisis leads to poverty... that is if crisis is over, poverty will disappear. (The smile of the child, Patras)

It is, though, the overt emphasis on the fragmented and exclusionary character of today’s poverty, which along with the crisis are rooted in the long-held malfunction of political and economic apparatuses (according, for example, to the representative of *Apostoli*, the charity organisation of the Greek Orthodox Church), that makes poverty more visible and puts it firmly on the agenda in the form of ‘structural poverty’: while the steep rise of unemployment and job losses during the current crisis are obviously connected to poverty, it is the vicious circle of social exclusion produced by unemployment that our interlocutors focus upon:

When we talk about poverty in Greece we talk about structural poverty, which means that we are talking about the vicious circle of exclusion. What does this mean practically? Those who lost their job during the crisis, they are potentially or even practically long-term unemployed. Being in such a condition for 3–4 years, means that they exhaust their social and economic resources [through family and relatives] and get into the category of the poor. If the age of these people is above 50, this means that they are excluded from the labour market... I am afraid that we are talking about a social phenomenon that affects more and more people. (SOS Children’s villages, Athens)

7.4.2 *'Discursive' Poverty*

However, poverty is perceived not just on a material but also on a discursive-cultural and ideational level. As a social worker of *Frodizo* (an Athens-based NGO working in the area of care for the elderly and the disabled) claimed: 'Crisis produces various levels of poverty'.

At the material level, crisis is linked to economic poverty while moral and spiritual crisis effectively relate to moral and spiritual poverty.

There is definitely increased poverty and we see it here daily in Caritas and in statistics. On the other hand, there is spiritual poverty which has also grown too... (Caritas Hellas, Athens)

We always had poor people. In the present, besides material poverty -which leads people to come here to get a bag with the basic goods- there is also poverty on a human level. You see people who need to talk, as this crisis has isolated us, has made us to close up to our self, to our own problems; I think that poverty exists both on a material and a psychological level. (Association of Orthodox women 'Agios Filaretos o eleimon', Athens)

In the ethnography of poverty produced by our research subjects, it is striking how they voice the unsettling link between material and spiritual poverty:

The poverty we experience here is very deep... and this brings along despair and contempt of all values ... Democracy recedes, social injustice prevails... and Greek people face an unprecedented attack ... I believe that the background on which the spiritual poverty of our society lies is the issue of survival. (Vyronas Social Pharmacy, Athens)

In introducing economic structures and relations that forced people to lose their previous standard of living, economic maldistribution along with deprivation, and gross disparities of wealth and income, our interlocutors foregrounded the importance of cultural or recognition claims for specific groups of people.

During crisis, there is a deepening of discrimination and exclusion. Those, however... pre-existed...In the time of prosperity society did not care a lot about them, about the few - I do not know whether there were few or more groups, I think there were more - who were close to the poverty threshold,

faced social exclusion, discrimination... Perhaps now we are able to put them firmly in the agenda as our problems. Perhaps now we can more easily claim things. (Families' association for mental health, Patras)

So perhaps, following the cue of one of our research subjects, one can argue that the effect of the crisis is not poverty per se but the subversion of traditional definitions of poverty. In the words of one of our interviewees: *'now what we consider poverty has changed'* (NGO Praxis; it specializes on humanitarian programmes and medical interventions all around Greece). Today's understanding of poverty then moves towards its conceptualization as a multi-dimensional deprivation, not merely of income but of rights as well (e.g. Ruggeri Laderchi et al. 2003; Sen 1981; Broch-Due 1995; Wolff et al. 2015).

7.5 MATERIAL AND IDEATIONAL EXCLUSION IN TIMES OF CRISIS

Social exclusion is a major consequence of any economic crisis. According to our analysis, in the case of the Greek crisis, all the problems of social exclusion described by interviewees focus on a single dimension: the problem of access (access to employment, healthcare and social services, and education; access to society; and finally even access to basic goods to satisfy fundamental human needs). Interviewees claim that exclusion from work is the most common type of social exclusion, and 40 per cent of them made references to the unemployed. For one third of the interviewees, exclusion from health services is the main problem for Greek society because of emerging new vulnerable populations who are not necessarily at risk of poverty. The exclusion from social services appears to be the most important type of exclusion for 18 per cent of the interviewees. Educational issues are described by 8 per cent of civil society's representatives as the main cause of social exclusion. Finally, only 2 per cent of the interviewees believe that there is no difference in the percentage of exclusion before and after the crisis. They argue that exclusion did exist before the crisis as well; therefore, there is no connection or direct link between the economy and poverty or social exclusion.

In order to understand more about the issue of social exclusion before and during the crisis, it is crucial to link it to the issue of vulnerability (e.g. the crisis-stricken vulnerable groups of Greek society that constitute the new excluded groups).

Article 14 of the Greek law 4375/2016 describes the categories of people who are deemed vulnerable and therefore eligible to benefit from interventions on behalf of the state. These vulnerable groups are the following: (a) unaccompanied minors, (b) persons who have a disability or who are suffering from an incurable or serious illness, (c) the elderly, (d) women in pregnancy or having recently given birth, (e) single parents with minor children, (f) victims of torture, rape or other serious forms of psychological, physical or sexual violence or exploitation and persons with a post-traumatic disorder, in particular survivors and relatives of victims of shipwrecks, and (g) victims of trafficking in human beings. This list raises serious concerns that people with less visible and certainly emerging vulnerabilities remained unidentified.

There are very few cross-national surveys that identify new vulnerable groups in times of crisis. This problem is related to the lack of information and data available for these specific groups even during periods of high economic growth. Zafropoulou (2014) identifies seniors and cancer patients as the new marginalized populations because of the crisis. Economou et al. (2014, 99) argue that:

Uninsured, unemployed, older people, migrants, children and those suffering from chronic disease and mental disorders are among the groups most affected by the crisis in Greece. High costs, low proximity and long waiting lists are among the main barriers in accessing health care services.

Papadopoulou et al. (2014, 43) detect a generalized vulnerability of the entire workforce, pointing out that:

...systematic exclusion of young people and of people with disabilities and the inability to reintegrate older workers who lose their jobs... (which) exacerbates the problems of the informal employment of immigrants and sets the problems into a general context which affect the entire productive working population.

Greek Ombudsman's reports of 2013 and 2012 expressed concerns about discrimination in the access to healthcare, education and social services, not only towards migrants (which is usually the case) but also towards unemployed persons, young people with disabilities and especially seniors. Access to services for these groups, according to the report, is worse than for the rest of the population.

Similarly, civil society's representatives identified these groups of vulnerable populations as related to material exclusion (i.e. young people uninsured and unemployed, retired persons with small pensions and healthcare problems, disabled persons and people with chronic health conditions, and immigrants) but also detected some new groups that emerged during the crisis related to ideational exclusion (i.e. children excluded from education and persons with anxiety problems, between the age of 40 and 50) or to material exclusion (i.e. large and single-parent families and generally the Greek middle class). These new vulnerable populations affected by the crisis are characterized by a difficulty in acting as citizens, as fully cooperating members of society (Rawls 2001). For example, children or young people excluded from education or training opportunities may in the future be treated as 'low status' citizens because of their low level of education. In addition, especially during the crisis, people with anxiety problems are often excluded from social relations, neighborhoods and civic participation.

The complex egalitarianism of Rawls requires a democratic and equal provision of 'primary goods', or 'citizen's needs', such as basic liberties and opportunities. Following this theory, Greek society must accommodate access to services for the least advantaged citizens. The sections below focus on the top four answers of exclusion according to the interviewed civil society actors.

7.5.1 Exclusion from Access to Work Opportunities

Social exclusion is very much associated with long-term unemployment, the loss of social rights and the process of labour market formation in general (Gore and Figueiredo 1997). In Greece today, more and more people, redundant from their work, are facing a low probability of working again. In 2017, the highest rates of unemployment and of youth unemployment in the EU were recorded in Greece (23.2 and 47.9 per cent respectively in February 2017).

Unemployment is linked both to material exclusion (poverty issues) and to ideational exclusion (i.e. often synonymous with the rupture of relations with society, the lack of participation in the daily social life). Greek society appears fragmented as the unemployed are placed or place themselves outside mainstream society. In Greece, during the crisis, an increasing segment of the middle class became uninsured or unemployed

or both, while those who were self-employed or run small businesses faced a deterioration of economic activity, which often led to bankruptcies and closures. All these people faced both economic and psychological problems:

Unemployment is the most important, OK? Violence, impoverishment of large... large parts... uh, mainly of low classes, but also of middle classes which tend to be destroyed. Well, we had a very strong middle class, which... violently, I think, that right now, is falling apart. Since we do not have heavy industry in our country, 95 per cent of enterprises are small and medium-sized enterprises, which employ from one to ten, maximum fifteen employees... it is this category which is essentially confronting the biggest problem of exclusion and even the biggest risk of extermination. The middle class is being destroyed... These people do not participate in the daily social life. They do not have social contacts... they cannot afford it ... not only economically... but psychologically as well. (Agrotica, Athens)

Interviewees focus on exclusion processes that emerged during the crisis, especially for young people. Difficulties in accessing work opportunities have created rifts in Greek society: between young people unemployed and employed, between young people with academic achievement and those without, between young people escaping economic hardship by migrating to other countries and young people 'stuck' in Greece. Civil society actors point out the material exclusion of young people (30 per cent), but the majority (50 per cent) stress the psychological effects of youth unemployment.

The financial crisis contributed to the exacerbation of 'brain drain'. A 2016 report by the Central Bank of Greece estimated the 'brain drain' of young, educated Greeks since 2008 at 223,000 (Bank of Greece 2016). This exodus is a mass emigration of PhD students and young people with academic degrees. Beyond the long-lasting high levels of unemployment, due to the crisis, other factors that contribute to the phenomenon of brain drain are the issue of over-education, which occurs when the number of graduates per capita is in excessive supply (Livanos 2010), and the skills mismatch in the Greek labour market (Rodokanakis and Vlachos 2012; Oreopoulos et al. 2006). The overwhelming majority of interviewees, 40 from typical NGOs and 12 from informal initiatives, noted the marginalization of unemployed and especially of young unemployed people with high educational attainment during the economic crisis. During the crisis, there

is an underdevelopment of social connections between young unemployed university graduates and employed ones without a university degree.

Young people are over qualified for a society in crisis. They cannot be paid for the time and energy 'spent' in the university. That is the main reason the market excludes them. However, unqualified young people find more easily a job and this ... freaks out the ones who spent 'a life' in the university. And that is the main reason they exclude themselves from social life. (Ecological movement of Patras)

My cousin is a civil engineer, graduated from the university in the beginning of the financial crisis. Since then, he works as a taxi driver and even as a logistics worker. He has spinal disc problems and is overweight... You can understand how harmful this job for his health and even for his mental health is! He has poor self-confidence as a consequence of stress. He is dissatisfied and feels excluded from society. He frequently compares his professional situation with the situation of others who are plumbers or shoemakers who have money, a house and a car, marks of a social status in Greece. He wants to go abroad and be away from this unequal society. (Agia Paraskevi, Patras)

This decline of social cohesion within the group of young people reflects a deep economic and ideational fragmentation in Greek society. This rift is less obvious (only 10 per cent of interviewees evoke it) but can be witnessed between young trainees and regular employees. Salpigktidis et al. (2016) recently reported that young doctors trained in Greece scored higher average levels of emotional exhaustion and depersonalization, especially during the crisis. The feeling of emotional fatigue and even burnout syndrome is very common to trainees. During the crisis, the lack of other work opportunities stresses them even more and many of them emigrate to other countries while others do not participate in professional social life.

7.5.2 *Exclusion from Education: Special Concern for the Young and the Disabled*

OECD (2011) considers education the solution to ending the crisis and to economic recovery. During an economic crisis, the fundamental right of education can be deeply contested. Focusing on equal access to 'primary goods', we can define social exclusion in education as the exclusion of some categories of the population to participate equally or fully in the

education or training opportunities offered by Greek society. According to the interviewees, during the economic crisis, especially young and disabled people do not have full and equal access to education. This phenomenon is linked to (a) the economic opportunities of the household the children grow up in and (b) the degree of parental involvement related to their economic and psychological state.

For 14 interviewees, based exclusively in the periphery (Patras), a constantly increasing number of pupils have to give up school, in order to find a job, because their parents are unemployed. University students are facing the same problem, as they must work while studying, in order to financially support themselves, as their parents cannot afford the cost of their studies. In many cases, these students cannot finish their studies in time and thus the probability that they will be stuck in low-paid jobs with low satisfaction or enter unemployment in the future is increased.

Also, interviewees claim that owing to the high cost of private fees, pupils cannot learn foreign languages.⁵

The family cannot cover the cost of [private] teaching their children foreign languages, and society does not support them on that... The child is automatically marginalized by the group of peers who attend foreign languages tutorials. This creates feelings of inferiority. (Centre for Child and Adolescent Protection, Athens)

Another problem mentioned by eight interviewees is the pupils' transportation to school. The reduction of bus services and the concentration of educational institutions in the city centre add an extra difficulty, especially for high school or elementary school pupils who live in the suburbs or nearby villages. Discrimination is created between city centre and village pupils. In addition, pupils with special needs face a similar problem of exclusion from education.

There is lack of specially equipped buses to transport these students to school and the economic crisis prevents their parents from spending more money to help them. Thus, these families feel alone and not recognized by society. (Merimna, Educational Centre for Children with Special Needs, Patras)

Civil society discourse focuses on the lack of societal recognition and of their participation fully as citizens in education. Half of the interviewees consider that low levels of educational attainment constitute 'a bad

starting point for life' (Merimna, Educational Centre for Children with Special Needs, Patras). Especially for children, this unequal access to the primary good of education impacts on the development of 'personal qualities required in adult life and employment' (Evans et al. 2000), which is indirectly linked to the 'freedom of thought' (Rawls 1982, 163). Parental involvement in their child's learning is important; the daily provision of support by the parent is an essential factor, as the parent serves as an example and may teach the child to become a good learner. However, this is not easy anymore.

A lot of families with great economic problems face psychological issues... which stress them and occupy them so, that they do not have energy or time to supervise and guide their children in their homework. (Agia Paraskevi, Patras)

Finally, this lack of education, understood in its wider societal form, is strongly linked to a major change in values and principles, reflecting a changing society.

A big degradation has started taking place, a change in values and principles thus defining our social life: it's the lack of education...which has to do, not with the education that we draw from schools, but the one referring to social education. I believe that those are the main problems. It's not poverty, it's not unemployment, it's not social decline, nor drugs. The basis of the iceberg is just the lack of education and the change of values and principles. (Kinisi-protasi, Patras)

7.5.3 *Exclusion from Healthcare and Social Services and the Emergence of New Vulnerable Groups*

In Greece, until 2016 (law 4368/2016 and joint Ministerial Decision 25132/2016, *Regulations to ensure access of the uninsured to the Public Health System*), there was no guaranteed universal health coverage of the population, except for emergency health issues. Vulnerable groups such as the disabled, refugees without legal documents, Roma or chronically ill patients had no guaranteed free access to health services for daily care. However, while in 2016 the right of free access to healthcare and medicines has been extended to all people (uninsured and migrants 'without papers'), the accessibility to these services remains a key challenge. In fact, the most frequently cited type of exclusion is the one of the people most

dependent of the healthcare sector (people with chronic health conditions, disabled people and cancer patients) (Economou et al. 2014).

It is assumed that there is no access at this time for a huge part of population, to health, to primary health care, which are the simplest things. This kind of exclusion is social, because when one has no access to health services, essentially he is isolated from society. (Frodizo, Care for the elderly and the disabled, Athens)

A representative of Médecins du Monde in Greece revealed that:

Before the economic turmoil migrants used to be our main users. The last years it is particularly noteworthy that a great part of them are natives.

For 58 interviewees, the crisis has also affected the already precarious economic situation of chronically ill people. Patients with chronic health conditions (such as diabetes, chronic respiratory diseases or cancer) form the most vulnerable group of this category. Indeed, while recent changes in Greek health legislation are particularly favourable to them, the daily reality of these patients is different because of the lengthy, frequent and expensive treatments. In a sectional study carried out with a sample of 1200 patients, the self-rated health score was 62.2 on a scale of 0 to 100 for hypertensive, diabetic and chronic obstructive pulmonary disease patients (Skroumpelos et al. 2014). Access to healthcare services is related to the socio-economic status of the patient. Chronically ill patients with higher income and educational level are less likely to face accessibility problems due to economic constrains or waiting lists.

According to the respondents, the disabled population face both healthcare and social exclusion problems.

There exist both programmes and global social security, but there is no national plan... In 2012 the Greek Parliament ratified the UN Convention for people with disabilities and this law was adopted, but it remained on paper only... Well, when there is an economic crisis the disabled person is the one who pays for it the most, because she/he will be the one who will not have the financial ability to go out. It will be the one who cannot take the medication needed, the one who cannot have the hospitalization needed, the one who consequently must have her/his basic needs covered. (National Association of Paraplegics, Athens)

In addition, preventive activities were not very regular during the crisis. A cross-sectional study of 225 women in the outpatient clinic of a large anti-cancer hospital in Athens noted the high unemployment rate of this target group (56.9 per cent were unemployed and 24.1 per cent declared no income). In addition, according to this study, women with higher educational level are 1.85 times more likely to get regular Pap smear tests compared with less educated women, and they also have the highest percentage (85.1 per cent) of getting regular mammograms (Riza et al. 2017).

Another population group facing social exclusion, though not necessarily poor, is the elderly. The ‘paradox of the elderly’ (Zafiropoulou 2014) is based on the fact that the elderly are the age group that is the less poverty-stricken (in the material sense of the term) and at the same time the most excluded from healthcare services. We observe that according to official statistics the poverty rates of the elderly were initially much higher than those of all other age groups (29.4 per cent in 2003). However, since the mid-2000s, the elderly’s position improved over time, reaching 22.3 per cent in 2008. Between 2009 and 2011, their poverty rates increased from 21.4 to 23.6 per cent but then declined substantially to 17.2 per cent, making this age group the less poverty-stricken. In fact, it is the only age group for which the relative poverty rate fell, as low pensions were cut less compared with wages (see Chaps. 2 and 4 in the first part of this book). However, while the elderly’s lot seems to have improved in relative terms, paradoxically the elderly’s exclusion from access to healthcare services and medicines (which is one of the primary goods according to Rawls) is very high. The reduction in pensions has reduced the ability of the elderly to access healthcare services. Increased co-financing for medication and the closure of certain local health structures have aggravated this situation. Difficulties arise when follow-ups or further medical examinations out of the hospital are required at a later stage. In these cases, the elderly often drop out of treatments or miss follow-up. According to EU Statistics on Income and Living Conditions data, the self-reported unmet needs for medical examination (because of the high cost of services, their geographic coverage or extended waiting lists or a combination of these) for retired people rose, from 7.6 per cent in 2008 to 9.4 per cent in 2012.

What we see is obvious. I think it’s a common finding that the income of such persons, of elderly or of people with disabilities has been reduced. So, the point is that these people need a lot of support, because beyond their

problem they have to support their children and grandchildren. And the problem is, that the elderly cannot support future generations; this constitutes a very serious issue. It's the reason why disorders, dementia, depression and anxiety have increased at this age. We observe even serious mental health disorders. (Frodizo, Care for the elderly and the disabled, Athens)

The new vulnerable groups of the mental health sector are mostly young persons (unemployed and students), unemployed men (40–55 years old) and the elderly (Economou et al. 2014). Young patients suffer from anxiety disorders (i.e. unemployment and anxiety for the future), while men suffer from more permanent mental health problems due to family dysfunctions and unemployment. For 69 of our interviewees, the mental health of the Greek population is linked to social exclusion. It is noteworthy that 60 of the interviewees consider that women and especially men of 40 to 50 years old are the most likely to face severe mental health disorders.

The Greek father feels trapped. He is often self-employed or unemployed; he is responsible of taking care of his children, who usually live with him. He has to be strong in his family's eyes and be an example for all the family members and for the society as well. Frequently he cannot stand it. He collapses and feels alone. (Protasi, Movement for another lifestyle, Patras)

Generally, during the crisis, owing to economic problems, fear of intimidation, lack of information or cultural barriers, depressed people avoid contact with social and healthcare services and resort to self-medication or isolation.

Stress is the main impact of the economic crisis in the daily life. A Greek, young or elderly, poor or rich, healthy or patient, feels sometimes oppressed, stressed and even depressed. There is a day when every Greek citizen feels excluded. Excluded from society, from the social and healthcare system, from the EU.... (Time Bank, Patras)

Finally, immigrants already in a vulnerable situation even before the crisis have become one of the most excluded groups. The current migration and refugee crisis has brought into the open their primary healthcare and social integration needs more than before. In the *Greece in 2016: Vulnerable People Left Behind* report, Médecins Sans Frontières highlight the gaps of the current system: first, vulnerable people are not properly

identified; second, once identified, they do not receive appropriate protection and care.

Immigrants are neglected during the crisis... Much more than before... They are not informed about their rights of access to healthcare and social services. It is a tragedy. (*Médecins Sans Frontières*)

The report illustrates how the psychological well-being of men, women and children is affected by their precarious situation and uncertain future. It is very interesting to note, however, that only six representatives of typical NGOs and one of a self-administered informal group pointed out the precarious situation of immigrants. Such an observation makes one think that the crisis as experienced by the Greek people draws attention away from the problems of the immigrants, leading to a deepening of their pre-existing exclusion. In this case, the crisis has reduced social cohesion in the host community. Thus, a new fragmentation is created in Greek society: between new vulnerable Greek citizens (locals) and immigrants.

There is no social integration for immigrants. During the crisis, the Greeks feel that immigrants are over protected... that immigrants have more social benefits... that immigrants are the advantaged of the crisis... this creates a new discrimination system. (*Social Kitchen, Athens*)

7.6 CONCLUDING REMARKS: FRAGMENTATION AND RESPONSIBILITY

In times of austerity, poverty is conceptualized by our research subjects both as a category of thinking and as a label applied to particular social categories differently than in the past—a conceptualization that links it with deprivation of entitlements and rights and thus brings it closer to the issue of social exclusion and the emergence of new vulnerable groups. Fragmentation and exclusion mechanisms seem closely linked to various responsibility patterns (Zafiropoulou et al. 2017). In fact, disclosed by such an understanding of poverty and social exclusion are moral (dis)placements and existential anxieties about the ‘self’ and the ‘others’. Such moral (dis)placements can be more readily disclosed through paying attention to the way the narratives of crisis are transmitted through and mediated by a language of responsibility and more specifically through ascriptions of blame and accountability.

The role of civil society itself in reinforcing social solidarity is all the more significant, as the common deflated ‘Us’ is in competition with an

inflated 'I', as noted by a representative of Stirixi, an NGO based in Patras. The alternative political vision offered by civil society calls Greek people to reflect upon their role as citizens and relies mainly upon principles such as active citizenship, public participation and recognition of citizens' responsibilities. In the same perspective, the Rawlsian framework focuses on the necessary 'reciprocity among citizens' that guarantees a social minimum providing the basic needs of all citizens (1999). In periods of crisis, this criterion of reciprocity seems crucial in order to ensure social inclusion.

However, in ceasing to deliver primary goods to its citizen, the Greek state has failed and lost credibility among its people. Thus, for the Greek people the future is mainly envisaged through the 'the personal is political' lens; feeling deeply the consequences of a prolonged crisis and taking for granted that the state and societal mechanisms have lost their place, it seems that the line of delineation for the great majority of the civil society actors 'moves considerably closer to the individual' (Vigh 2008, 16). Owing to the deep fragmentations inside Greek society, some groups of the population (such as young people, the elderly with low income and without insurance, disabled people and chronically ill patients and children in low-income families), considered 'outsiders' of the system, have lost access to 'primary goods' (such as education, health and social services). The responsibility of this fragmentation is perceived by civil society in a controversial way: the interviewees blame either the whole economic system or the population itself by arguing that (a) the 'insiders' (co-citizens, colleagues, pairs or friends) do not help the 'outsiders' to get integrated or (b) the 'outsiders' position themselves in the edge of the system. Consequently, new fragmentation gaps are born: regular employees are characterized as 'insiders' and young trainees as 'outsiders', chronically ill patients are seen as 'outsiders' compared with the rest of patients which are seen as the privileged of the system, and finally the young unemployed university graduates (outsiders) are in sharp contrast with the employed ones without a university degree (insiders). The fragmentations of the Greek population reflect a Greek society confused, lacking reciprocity and mutual respect among reasonable citizens (what Rawls calls non-ideal principles).

In brief, one can argue that by using the 'crisis' as a productive framework for making sense of the current Greek reality, poverty and social exclusion are proved to be highly contested issues by our research subjects. In so far as its traditional definition is altered, poverty is conceptualized as a multi-dimensional deprivation of income as well as of rights and thus is strongly connected to the issue of social exclusion and the emergence of new vulnerable

groups. Nonetheless, such a connection between the material and the ideational outcomes of processes of fragmentation brings to the fore, on the one hand, historically embedded issues of fragmentation in Greek society and, on the other, the emergency of examining them also as categories of representation through which civil society actors classify and act upon the world.

NOTES

1. To use Habermas's words, 'to conceive of a process as a crisis is tacitly to give it a normative meaning—the resolution of the crisis affects a liberation of the subject caught up in it' (1975, 1–2).
2. The primary document families-files (79 interviews each averaging seven pages) allowed us to group our data in eight categories. Memos have been added in order to capture some insights, but owing to the great number of comments, it was not possible to connect the memos directly to the data, and they were then linked to codes. The codes were grouped in three categories: (1) NGOs' and emerging organizations' codes, (2) argumentation patterns of civil society codes and (3) linguistic strategies' codes. Each comment was designated as a quotation, and the codes were attached to the quotations. Finally, the visual representations of data (codes and quotations) have been used in order to explore connections in discourse analysis.
3. Typical NGOs are characterized by a minimum of formalization, recognition and institutionalization by the state and have a legal status, whereas informal groups are self-governed collective actions or movements.
4. Many researchers are tempted to follow Sen's theory, promoting a conceptualization that takes into account the specific needs and desires of people. However, these needs are not absolute and they are defined with difficulty in times of crisis. Our approach attempts to be objective, not relying on subjectivity and individual capabilities. We argue that in period of crisis, where emergency issues exist, prompt responses at a global level must be given regarding inequalities.
5. Public schools and universities in Greece are free and there are no tuition fees. The teaching of foreign languages is included yet is considered by the majority of the Greek parents to be unsatisfactory, a fact that explains the widespread operation of private foreign-language teaching centres.

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PART III

Civil Society's Reaction to the Crisis



Understanding Civil Society's Positioning and Strategies during the Crisis

Maria Zafiropoulou

8.1 INTRODUCTION

Even though civil society actors ‘articulate political interests and confront the state with demands arising from the life worlds of various groups’ (Habermas 2006, 417), compared with lobbyists and other stakeholders, civil society actors have relatively limited access to the public sphere and their influence is constrained. Such constraints are particularly relevant for Greece, given its weak civil society tradition, and apply even more to informal civil society groups, which, though politicized (Sotiropoulos and Bourikos 2014), tend to be distant from the State, according to Greek researchers (Sotiropoulos 2004). On the other hand, well-known professional associations, such as those of liberal professionals and health and law professionals, and generally the trade unions of the wider public sector (Sotiropoulos 2004) are among the traditionally strong civil society organizations (CSOs) in Greece. According to Sotiropoulos and Bourikos (2014), their strength is derived from their efficient organization and high representation among Members of Parliament and Cabinet Ministers, regardless of which political party is in power.

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However, in times of crisis, new mobilizations and identities can emerge, changing the political behaviour of citizens and developing their political participation (Crouch 2014). Thus, new formal and informal organizations may emerge. The (until now) invisible work of informal initiatives of civil society seems to become more important. During the period of economic recession, typical non-governmental organizations (NGOs) and especially informal initiatives of civil society work silently without mobilizing directly or in a visible way the public sphere but represent the interests of significant economic and social groups.

Traditionally, in Greece, civil society is examined under a political or economic lens. The originality of this research is that it employs analytical tools from management studies to examine civil society's strategies. More specifically, the chapter makes use of a model that has been used for the study of social enterprises and NGOs in several European countries and that has been adapted for a period of economic crisis. The model of 'Proximity-Regulation' is a heuristic instrument used to help us identify civil society's strategies related to specific characteristics of the Greek political, normative, social and economic system. This exercise will help us track the transformation of Greek civil society during the economic crisis.

After a section on the research methodology employed, the analysis will focus on the theoretical presentation of regulation and proximity strategies of formal and informal organizations and groups of civil society and on their embedding and co-evolution in time and space. Next, the real and self-perceived positioning of Greek CSOs, regarding regulation and proximity strategies, and a sectoral mapping of CSOs located in Athens and Patras will be presented. Following this analysis, the emerging patterns of civil society activation during the crisis will be identified and discussed. Finally, a brief summary of the main findings and some concluding thoughts complete the chapter.

8.2 METHODOLOGY

Our research focused on a wide array of 79 organizations ranging from typical NGOs to informal civil society initiatives. The CSOs studied have been selected so as to offer an overview of the variety of Greek civil society actors in a number of sectors. The CSOs were then grouped in four main categories—(a) health and social welfare, (b) economy, (c) society and solidarity and (d) education-culture-environment-multiple sectors—in an attempt to capture the different dynamics of different issue areas.¹ The

CSOs studied were located in Athens, the capital and biggest city in Greece and the country's main economic and political centre, and in Patras, Greece's third largest city. Being the second largest urban centre in late-nineteenth century Greece and benefiting economically from its role as the main export port for agricultural products of the Peloponnese, Patras has suffered in recent decades from the significant impact of de-industrialisation. In more recent years, the image of Patras is identified with large numbers of illegal immigrants as well as with amplified poverty and exclusion phenomena.

In the spring of 2014 and 2015, 72 face-to-face semi-structured interviews were conducted with representatives from both formal and informal CSOs (25 in Athens and 47 in Patras). Also included in the sample were another seven health sector organizations, which are funded quasi-exclusively by the state and are based in Athens (care homes and units for the chronically ill). The average duration of each interview was 2 hours. Keywords have been extracted from the 79 interviews and classified in a taxonomy according to the model of regulation and proximity (to be presented below) in order to form classifications. These classifications constituted the basis of an ontology² for describing heterogeneous information concerning mainly anti-crisis strategies, their interface with the theoretical model, and their semantic unification.

The ontology development tool Protégé 4.2 (protege.stanford.edu), considered one of the most widely used and domain-independent tools, was chosen, and the OWL-DL version, resting on Description Logic (Baader et al. 2005), was used. In the context of this research, the use of the ontology aimed at offering an unambiguous definition of the term 'crisis' as a socio-economic phenomenon in the light of the views of NGOs and informal groups of civil society. Two domain experts were involved in ontology engineering by analyzing and annotating the questionnaires that were used as the main instrument for capturing the domain knowledge (Thomson 2007). These experts, in collaboration with ontologists, sketched the overall methodology using search engines, thus eliminating the problem of irrelevant results.³

8.3 REVISITING FORMAL AND INFORMAL GREEK CIVIL SOCIETY ORGANIZATIONS IN TIMES OF CRISIS

CSOs and particularly informal initiatives are governed neither by hierarchical principles nor by their place in the market. Despite their positioning between the market and the hierarchy, their organizational form is not

similar to a hybrid form between these two archetypes. Between the two classic models of reference in a society seeking modernity and flexibility, network organization has emerged as a new ideal type (Livian 1998). Such networks comprise (a) typical NGOs and (b) dynamic, informal groups, which have emerged in Greece particularly during the crisis. Typical NGOs are characterized by a minimum of formalization, recognition and institutionalization by the state and have a legal status, such as rural women cooperatives, trade unions of farmers, social enterprises for integration of disabled people and societies for citizens' empowerment; informal groups are self-governed collective actions frequently 'made visible during mass protest events' (Feixa et al. 2009), social movements (Huliaras 2014a), such as the 'no middlemen' or 'Greek Indignados' movements, community-based grassroots migrant groups, social kitchens of solidarity, 'Atenistas' or 'Patrinistas' situated respectively in Athens or in Patras.⁴ However, even if informal groups of civil society do not have legal status, they may have written documents such as internal charters or information documents for the users, reflecting a degree of formalization and standardization.

During the crisis, in Greece, we observe a 'transformation of the NGO sector, culminating in informal networks overlapping with "old school" NGOs' (Petropoulos and Valvis 2015, 160). The network mode of coordination of people and organizations through, for example, Facebook, self-help groups of vulnerable people, social pharmacies and clinics, has emerged during the crisis as a significant trend in civil society activation (Zafiropoulou and Papachristopoulos 2017). Owing to their proximity to society, these attempts, based on a new structure of civil society actors and a new organizational behaviour, demonstrate the flexibility and adaptation of civil society's 'Greek mould' to the complex needs of the population, especially during economic recession.

The structure of a typical NGO or informal initiative and its levels of management and standardization create a unique and precarious equilibrium. This paper employs Reynaud's theory of regulation (1989), which operates both within and outside the organization or initiative, by analyzing the imposed rules on behalf of the law and public policies or the self-management process and their autonomy. It is noteworthy that in times of economic and political instability both formal and informal regulatory mechanisms are essential for civil society and for the adaptation of the system to these new conditions.

8.4 THE PERMANENT DIALECTIC OF AFFINITY AND TERRITORIAL PROXIMITY STRATEGIES WITHIN CIVIL SOCIETY

Observing CSOs or initiatives, we note that they frequently emerge through the cooperation of organizations and neighbouring stakeholders in the same geographical area or between actors in border areas. Whatever the strategies of civil society, its structural characteristics, management processes or regulatory mechanisms, it is clear that territorial proximity remains central to it. On the one hand, this is because civil society often responds to the need to 'territorialize' public policies. The provision of services is thus based on their territorial reorganization, which promotes responsibility and increases the institutional capacity of local actors in the face of a declining state presence. On the other hand, sometimes public policy promotes a proximity-based civil society by financing NGOs based in a certain geographical area. However, proximity is not limited to a geographic conceptualization; proximity can also refer to a wider domain of action: that of the representation of actors. In the same perspective, civil society projects correspond not only to geographical proximity but also to social proximity. In addition, the proximity within civil society groups or organizations appears increasingly through 'non-space' or non-geographically defined venues, such as web-based networks and services solutions (e.g. tele-assistance). Thus, a CSO can refer to geographical proximity based on a defined territory and to cultural or social proximity that matches a wider territory, one of action and representation.

Proximity fosters relational capital. Relational capital occupies a central place not only in the psycho-sociological approach of proximity but also for the managerial process. Thus, the intensity and quality of exchanges reflect the interest and commitment of individuals. The quality of the relationship changes through daily links of CSO volunteers and staff with the (vulnerable) populations in times of crisis as well as thanks to the friendships that are formed. The management of proximity during crisis is often based on the necessities of everyday life as services are personalized and delivered on a daily basis. This type of proximity, so to speak, meets the everyday needs of the population (e.g. daily anxiety problems linked to socio-economic instability). Consequently, new informal initiatives or groups of civil society produce new forms of everyday solidarity (neigh-

bourhoods of self-managed users, intergenerational accommodation for the elderly and young students, rediscovery of the family of the countryside, etc.). The management of proximity in an informal group passes through a day-to-day care of the people in immediate proximity and then through the collective management of this everydayness. Accordingly, when referring to this type of proximity in this chapter, we will talk about affinity or emotional proximity.

8.4.1 Crossing Geographical and Affinity Proximities

To understand the types of proximity conveyed within a CSO, we will focus on the reading grid of the economists Rallet and Torre (2007) by adapting it to the CSO sector. The authors intersect organized proximity with geographic proximity to arrive at different results in terms of interactions. Despite the interesting data in this grid, this approach seems to us imperfect and static because the affective and emotional dimensions of the actors as well as the dynamics of interaction are not present. Table 8.1 describes the results in terms of interactions of geographical and affinity proximities. It should be read from left to right. The arrows demonstrate the changes of CSOs regarding proximity strategies.

Table 8.1 The privileged proximity modes within Greek CSOs in times of crisis (adapted grid from Rallet and Torre 2007)


	<i>Geographical proximity</i>	<i>Affinity proximity</i>
<i>Secondary proximity</i>		
<i>Primary proximity</i>		
<i>Geographical Proximity</i>	"Introvert" and "vague", geographically-based CSOs (agglomerations of local civil society)  A	Important relational and emotional closeness concerning mainly procedures. Intense phenomenon of geographical proximity B
<i>Affinity proximity</i>	Sharing of technical platforms, mobility of volunteers and of staff, limited sharing of knowledge C	New informal groups created during crisis Innovative CSOs, not based exclusively on territory D

Table 8.1 highlights the fact that the affinity proximity coupled with geographical proximity reduces the risk of partitioning and confinement of CSOs or their members. CSOs using only geographic proximity (A) are local, small and 'introvert' because they are unwilling to establish new partnerships outside their geographical area. The CSOs of this category (i.e. place-based philanthropic groups) are often concentrated in large cities and have embryonic governance.

Priority geographic proximity followed by secondary affinity proximity (B) results in cooperation based on similarities between the main actors and on self-interest. Associations exhibiting this type of proximity are associations of neighbours protesting for the construction of a national road or of the nuisance of television antennas nearby.

Conversely, CSOs favouring first affinity proximity, while relying at a second level on geographic proximity (C), are often characterized by limited sharing of knowledge because of the limited common space of action. Elite networks such as rotary clubs use this type of interconnected proximity.

In contrast, CSOs based only on affinity (D) are often created during a crisis and seem innovative because of the strong relationships of their members, users and partners. Some examples of these emergent forms of collaborations of civil society are the online groups 'without intermediaries', the time banks and the informal clubs of social workers of Greece.

Our research points out a transformation of CSO proximity strategies: 20 typical and five informal groups of civil society declared that, before the crisis, they used exclusively geographical proximity but that, during the crisis, they moved to other categories mixing geographic with affinity proximity.

8.5 REGULATING THE GREEK CIVIL SOCIETY

A lot of researchers have tried to understand civil society moving beyond the 'market- hierarchy' archetypes. Miles and Snow (1986) talk about 'network organizations' and Uzzi (1996) about 'corporate networks'. In order for a network—and, as far as we are concerned, for a CSO—to find its 'good shape', it needs regulation and ongoing adjustments. It is not primarily the structural elements that differentiate CSOs but (a) their mechanisms of internal or external regulation (i.e. the nature of regulation) and the degree of their dependence on legal and political pressures

(e.g. through provisions or restrictions on public funding) and (b) their adjustment over time in response to changes in their regulatory environment (e.g. in times of economic recession).

Reynaud (1989) argues that regulations evolve permanently maintaining their efficacy and legitimacy. NGOs, in their majority, are considered organizationally institutionalized forms of cooperation, usually publicly funded or regulated by law. In the case of non-institutionalized and informal partnerships of civil society, we are in the presence of precarious groups or networks. The concept of regulation employed here is constructed according to two criteria: the degree of autonomy of civil society actors and the structure affecting the conduct of these actors, the rules of the sector. Thus, if the degree of autonomy left to the stakeholders is low, their activities are regulated and they are supported in institutional terms.

From the intersection of these two aspects, two principles are proposed:

- Phenomena that give rise to structured regulation involve a low degree of autonomy of civil society actors. The structure weighs on and constraints the behaviour of the actors ‘in the field’. This *controlled regulation* (Reynaud 1989) pertains to feeling pressured to attend a goal (Sheldon 2002) or to behave in a certain way (Deci and Ryan 2000). However, this public-state regulation is not sufficient to respond to a crisis as ‘institutionalization does not create itself stable phenomena’ (Reynaud 1991, 124). It is a normalization process that consolidates change.
- Reynaud (1999) notes that excessive control may lead to the development of deviant behaviours. Thus, self-regulation, supported directly by local actors without strong governmental intervention, has been the response of Greek civil society to the publicized cases of corruption and misuse of public funds threatening the reputation and funding of typical NGOs. The regulation of such ‘anarchic’ initiatives, characterized by a high degree of autonomy regarding decision-making and organization, is what Reynaud calls *autonomic/self-regulation*.

From the above discussion, one can construct a continuum of regulatory phenomena. The continuum ranges from the lack of structured public or normative regulation (representing informal initiatives or groups) to a fully or at least partially publicly coordinated civil society (representing typical NGOs).

8.6 A MODEL OF CIVIL SOCIETY POSITIONING IN TIMES OF CRISIS

Civil society appears as an ideal place to experiment with new forms of regulation, proximity and governance. In this context of multiple political and territorial experiments, Vaesken and Zafropoulou (2008) proposed a model of analysis based on studies (2008–2012) of 200 social companies in the framework of two European research projects: EQUAL⁵ and IRSES.⁶ This model, centred on social innovation, results from the interaction between modes of governance and regulation in the social solidarity sector. Significant changes have been made to this inductive reading grid so that it can adapt to the realities of the civil society sector, especially in periods of economic crisis. Thus, proximity becomes the central element of this reading grid because of the specific characteristics of CSOs.

The horizontal axis of the model (Fig. 8.1) shows the continuum of proximity modes. To the left, we find geographical proximity, while at the other end, we find affinity proximity. It should be noted here that the positioning in one side of the continuum does not mean the total absence of the other type of proximity but rather its prevalence compared with the other type. The vertical axis is constructed from the continuum of levels of

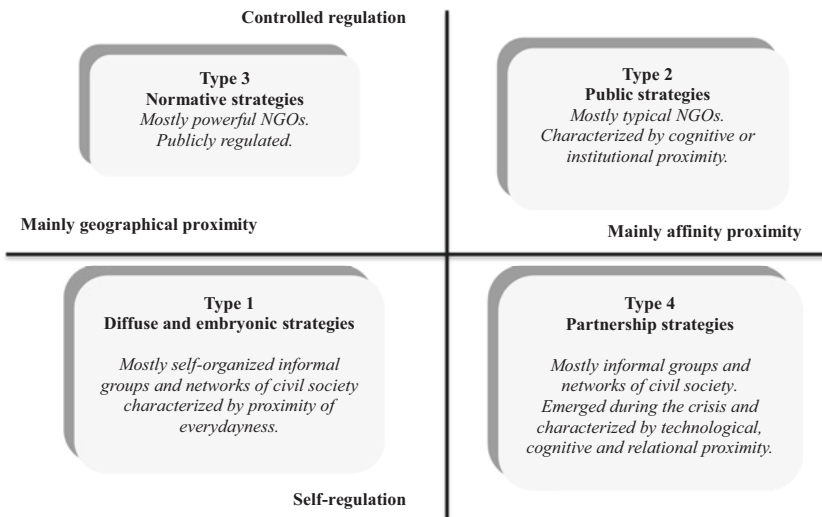


Fig. 8.1 Model of ‘proximity-regulation’

regulation. The lower part of the graph shows the emerging modes of regulation characterized by low intervention of public authorities. The more one moves to the upper part of this axis, the greater the capacity of the state, reaching a level of quasi-centralization of the regulatory function of the CSO. Finally, the closer we get to the crossing of the two axes, the more mixed strategies of proximity and joint regulation strategies emerge.

The combination of these two dimensions produces a typology of CSOs' strategies. The 'extreme' ends of both axes would lead to a centralization of actions or to shared projects, either in the hands of public authorities, without leaving a real capacity for action to the civil society, or in the hands of civil society actors without any legislative and policy framing and support. Linking different aspects of proximity and regulation is used to introduce different strategies and configurations of local adaptation developed in times of crisis. Without neglecting the fact that civil society's strategies are often unclear and sometimes seem repetitive or random, we will focus on their study with the assumption that some CSOs have a prospective strategy, especially in times of crisis, with a medium- or long-term outlook.

Four types of strategies are shown in Fig. 8.1 corresponding to the articulation of proximity and regulation. The interpretation proposed does not try to categorize NGOs and informal groups of civil society strictly but to emphasize their basic features.

Type 1 (Diffuse and embryonic strategies) represents a situation of development of networks or groups of civil society undertaking a variety of projects and developing uncoordinated actions. These initiatives are often self-regulated groups of citizens characterized by geographical concentration based on the neighbourhood and thus the proximity of everydayness. Therefore, if the action of the organization is neither framed nor organized, strategies remain uncontrolled and unchanneled. They often are informal groups, such as social clinics and pharmacies developed during the economic crisis. This type is characterized by an opening to the outside world and a variety of often contradictory behaviours associated with high heterogeneity of processes and values. Its embryonic governance is either associative or competitive. In addition, these 'autonomous' networks or groups are characterized by diverse activities ranging from education, human rights and democracy to prevention and social exclusion and are based typically on volunteering (e.g. social kitchens, 'nobody alone' networks of social solidarity, and movements for the defense of migrants' rights in Patras). With often limited financial means, they define a frame-

work which allows the informal group to operate while promoting adherence of its members. The latter must find their place in this structure. Institutional or political support or both are essential elements for the evolution and survival of these groups. Consequently, there is a need to develop criteria-standardizing procedures and put in place a global framework positioning them especially during the economic crisis. The proof of the necessity of this standardization is the trend in recent years of informal groups' formalization through institutional mechanisms such as social cooperatives (KOINSEP) and civil non-profit companies (A.M.K.E.).

Type 2 (Public strategies) highlights a level of controlled regulation facing a system of cognitive or institutional proximity of the affinity type. This is actually a situation where the public intervention is strong. Therefore, the positioning of these NGOs and the process of development of their projects and actions are guided by centralized political directions. However, despite the political orientation of these NGOs, there is a lack of public regulation on the field of intervention. These NGOs are often supported by politicians, thus public pressure is high. Typically, they are well-known, organized and well-coordinated NGOs and often powerful. Coordination within the formal organization but also with other local partners is a priority for these types of CSOs that are characterized by a certain degree of geographical proximity and strong competition at local and national levels. The development of local synergies (institutional or cognitive proximity) and the specialization within their territory of action can contribute to the demarcation of their field and their recognition which is essential to their survival, especially during the economic crisis. Municipal NGOs in the sector of education or in healthcare are two examples of CSOs following this kind of strategy.

Type 3 (Normative strategies) identifies the territories in which the typical NGOs operate in a normative framework, in the sense that civil society's actions are determined by specific legislative choices, according to geographical proximity principles. In fact, organizations emerge with the backing of strong sponsoring and grants, which organize, coordinate and motivate sector organizations (e.g. powerful local associations of farmers). These are mainly new organizations created during the crisis or informal groups which had emerged before and after a while have been institutionalized in order to respond to the new challenges of the crisis. For example, informal citizens' initiatives such as time banks or electronic platforms of exchange (initially of partnership positioning) have been institutionalized during the crisis, becoming municipal structures and

thus adopting normative strategies. Local governance according to geographical proximity principles, corresponding to the normative regulation, generally results in the creation of ‘integrated’ bodies responsible for capitalizing and adding value to the activities developed by civil society (such as federations and professional groups). Consequently, apart from newly institutionalized organizations, which assume local action, in this type we also find compact and formal NGOs such as Praxis, Médecins sans Frontières, World Wildlife Fund (WWF) or different NGO umbrella organizations, which are delegated specific work, in particular geographic areas.

Type 4 (Partnership strategies) allows a collective form of social action. Civil society is part of the collective action field but is often developed independently of public policy guidelines and is based on self-regulation mechanisms. Technological, cognitive and relational proximity occupy a central place in this type of civil society positioning. These self-managed groups and networks, created during the crisis, are often based on online tools such as electronic platforms, websites and blogs proposing a rethinking of the status quo of formal organizations (Zafiropoulou and Papachristopoulos 2017). Most of them are efforts made by specific social groups stricken by the crisis or even individuals and are not-for-profit (e.g. ‘no middlemen’ citizen movement expressing a strong social demand for cheap food without commercial intermediaries in popular districts of big cities). During the crisis in Greece, we can observe a proliferation of these types of informal organizations (very open both externally and internally, using new technologies of information and communication more generally). Research by Zafiropoulou and Papachristopoulos (2017) on mental health-related self-help Facebook groups created between 2009 and 2015 showed that only 12 out of 61 groups, active in this sector, were supported by, mainly, local NGOs. The result of this lack of support is often the decline of the dynamism of these online groups (diminution of online comments and posts and even of membership).

During the crisis, another form of type 4 strategy is related to public protests. For example, the ‘Indignant Citizens Movement’ movement,⁷ which started mainly through the social networking site of Facebook and mobile phones, had a significant role in the coming together of Greek protesters in various Greek cities. The democratic discourse of the movement was, in fact, ‘an inter-class response to a major political crisis, against a state which is becoming authoritarian’.⁸ The ‘Indignants’ demonstrations drew up to 100,000 people, and since 2102, when attendance

decreased considerably, they created a public electronic platform for discussion about Greece's economic and political problems.

8.7 REAL AND PERCEIVED POSITIONING OF THE GREEK CIVIL SOCIETY

Our sample contains 45 CSOs created before the crisis and 34 that emerged during the economic recession. More specifically, 26 organizations of the sample are active in the sector of social solidarity, 19 in the health sector, 8 in the field of economy, 7 in societal issues, 4 in the sector of culture, 4 in education and 1 in the environment and 10 had multiple areas of activities. The large majority of the organizations (81 per cent) were typical NGOs (disposing a legal status), whereas 19 per cent were informal civil society initiatives.⁹

Taking into consideration the administrative and narrative information¹⁰ of the surveyed organizations regarding their sources of funding since 2005, we observe that:

- Before the crisis, only 10 per cent of typical NGOs were funded by EU structural funds; structural funds represented only 1 per cent of the funds of informal initiatives. The rental income of both NGOs and informal initiatives made up 19 per cent of their total funds and users' charges were an important income for civil society actors as well (15 per cent of total income). Loans representing 3 per cent of NGOs' income before the crisis have disappeared since 2009. In-kind government donations, financial public grants for specific expenditures, particularly salaries, represented 52 per cent of the total income of typical NGOs before the crisis but after 2009 public direct or indirect funding has decreased considerably.
- In addition, during the economic recession, rental income and private donations have decreased on average by 60 per cent, while EU funding has increased; 70 out of 79 CSOs' representatives noted that one of their mitigating strategies in order to face the financial impact of the crisis was to generate public funding from the EU.
- The detailed study of the annual balance sheets and budgets of the 79 CSOs revealed that, during the crisis, all of them experienced a devastating decline of resources that ranged between 15 and 80 per cent. A judicial investigation was ordered in 2011 into allegations about the lack of transparency and financial mismanagement at

Greece's NGOs. However, according to the results of our research, 82 per cent of typical NGOs surveyed declare that their main resource is still either state or EU funding. Municipalities are the main sponsors of such NGOs by granting—with or without a symbolic rent of one euro—public spaces for their activities and by subsidizing events organized by NGOs. On the contrary, 90 per cent of the informal groups of civil society surveyed turned to self-funding, relying on members' own contributions. Characterized by the lack of a regulatory framework, as they have no official status, informal civil society initiatives often refuse public or private (e.g. from companies or charities) financing.

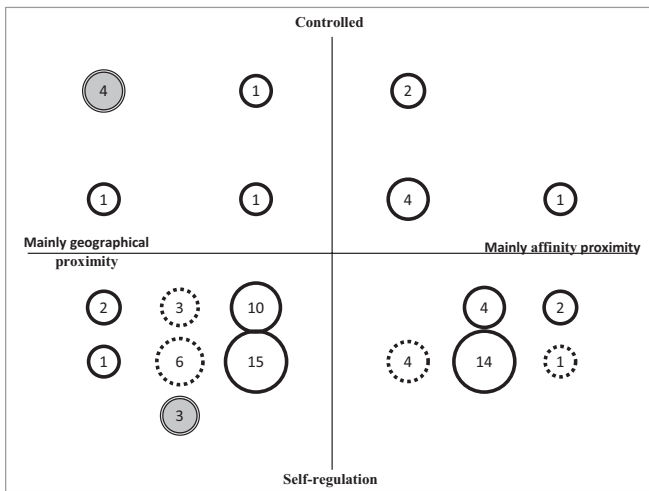
- It is noteworthy that an organization with legal status and well-organized structure is expected to be more likely to seek public funding and participate in programmes funded by the public or private sector than an informal initiative with embryonic governance.

Figure 8.2 below shows the way CSO representatives perceive the positioning of their formal organization or informal group in regard to the regulation and proximity model.¹¹ Interestingly enough, and contrary to the findings of the analysis of the financial and administrative information described above, the perceptions of formal organizations and those of the informal initiatives do not seem to differ substantially regarding their regulation positioning. A mere glimpse of the figure indicates that the great majority of the NGOs and informal initiatives studied perceive their organizational structure and culture as pertaining to either absolute self-organization or weak state intervention and strong self-regulation, whilst only a very small number agree that their organization works under strong state intervention. Among the 58 typical NGOs studied, only 10 consider themselves as exhibiting a strong state intervention. However, given the financial data provided, the great majority of the NGOs should have been positioned at the upper level of the axis on regulation.

Out of the 14 informal groups of civil society studied, only three consider themselves as having weak state intervention of some sort, while church organizations are the only bodies that fully recognize the government's intervention and support. It is noteworthy that only three of the seven highly state-dependent organizations (more than 80 per cent of the funding is public funding or there is considerable material/human support) have positioned themselves in the lower part of the graph. An informal group of Patras—fully supported by a political party in power—constitutes

an example of the paradox of self-perception and real positioning of the Greek civil society. This informal group of young people, self-positioned in the lower part of the regulation axis, was created before the economic crisis; it pays no rent, electricity or water bills and does not even pay its limited paid staff, because it is fully supported by a political party and since 2015 by the municipality. We consider that even if its status is not fully legally institutionalized, this organization is under joint or controlled regulation; thus, its real positioning should have been in the central or upper part of the regulation axis.

In addition to showing the self-perceived positioning of civil society regarding regulation, Figure 8.2 demonstrates the perceived proximity strategies. The proximity perceptions of the Greek civil society show a great density around points 2 (i.e. geographical proximity mainly, then the proximity based on technology, on relations between the members, etc.)






-  Typical NGOs (e.g. PRAKSIS, Art in Progress, Kivotos Agapis, TAKT HELLAS, Kinotopia, Agaliazo, I Machites, I Merimna)
-  Informal initiatives of civil society (e.g. Agrotica, Patrinitas, Syneteristes Zografou, Diktio Kinonikon Litourgon/Social Worker's Network, Enosi Ergazomenon Katanaloton/Working Consumers' Union)
-  Quasi-exclusively publicly funded NGOs (e.g. Agia Skepi elderly home, Elpida oncology center)

Fig. 8.2 CSOs' and informal groups' perception of self-positioning

and 3 (i.e. proximity based mainly on technology, on relations between organizations' members and then geographical proximity). In other words, CSOs acknowledge the significance of mixed proximity. Only 12 out of 79 organizations consider their proximity to be forged in an exclusive way, around geographical or affinity proximity.

This positioning is often at odds with reality. Thus, for example, the proximity perception of informal civil society often excludes geographical proximity as its main axis of forging relations, while its narratives and activities demonstrate that its logic of action is actually based exclusively on territorial aspects. Indeed, informal initiatives of civil society based on vicinity and locality such as *Agia Paraskevi* proposing weekly potlucks—a gathering where each guest contributes a different and unique dish of food, homemade, to be shared—in the neighbourhood uses, in reality, exclusively geographical proximity strategies. In the same way, unlike their self-perception of mixed proximity positioning, electronic platforms for exchange of products and services such as 'Take it-give it', Facebook self-help groups on breast-feeding or time banks apply solely technological proximity.

Seven NGOs of the health and social sector were quasi-exclusively funded by the State and positioned themselves to the left part of the proximity axis self-presented as 'altruistic entities' (*Agia Skepi*) and highlighting that their users come from specific geographical districts of the city. According to 65 per cent of the respondents of the sample, the most persistent explanation of proximity strategies is the level of need of certain populations in times of crisis.

8.8 SECTORAL MAPPING OF CIVIL SOCIETY ORGANIZATIONS CREATED BEFORE AND DURING CRISIS AND LOCATED IN ATHENS AND PATRAS

In the comparison between Athens and Patras, the same tendencies appear to apply. Indeed, in Patras, only 6 out of 47 organizations and initiatives of civil society consider themselves as exhibiting characteristics of strong state intervention, whilst 41 talk about either absolute self-organization or weak state intervention and strong self-organization, with the great majority (29) talking about absolute self-organization. In Athens, only four out of

seven quasi-exclusively publicly funded health organizations appear to explicitly acknowledge the importance of state intervention.

In Athens, civil society's perception of its proximity positioning ranges from sole geographical proximity to a blurred model of geographical proximity and relational affinity but with only one CSO presenting itself as based solely on relational affinity. Given that online associations are very common in Athens, we would imagine that affinity proximity would have been more present in their discourse. In Patras, civil society declares itself more attached to affinity proximity than in Athens (Fig. 8.3).

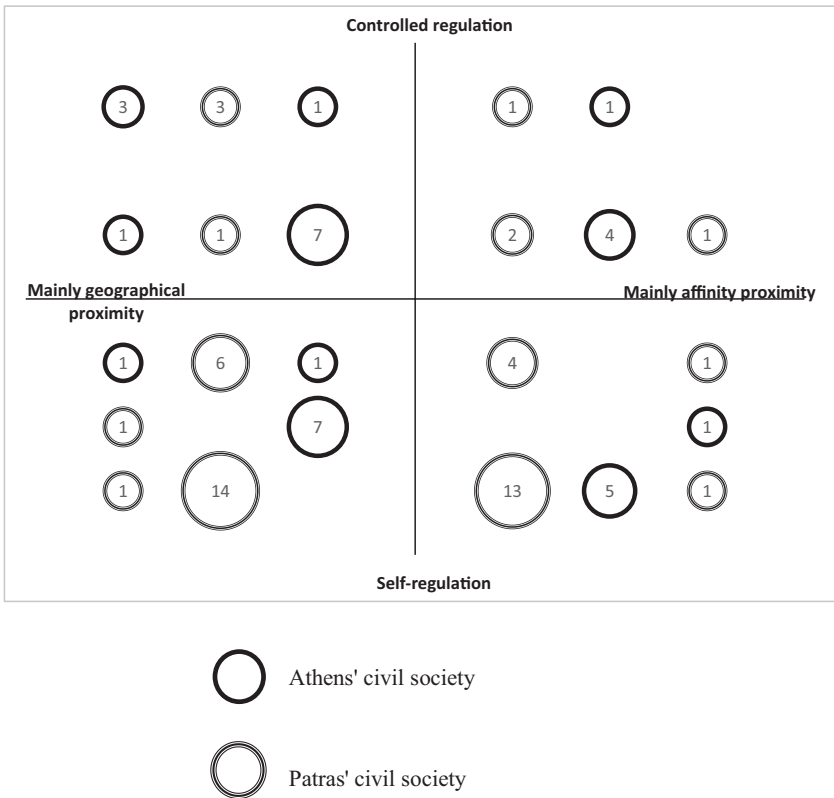


Fig. 8.3 Civil society's positioning in Athens and Patras

8.8.1 *Health Sector*

For both formal and informal civil society initiatives, the date of their establishment seems to play a very important role. Health organizations established after the beginning of the economic crisis (three typical NGOs and one informal initiative of civil society) are centred more on self-organization than those established before 2009. The new civil society actors established during the crisis are considered alternative healthcare providers.

In addition, comparing NGOs and quasi-exclusively publicly funded organizations in the health sector, we observe that the quasi-exclusively publicly funded organizations partially acknowledge state intervention and perceive their self-positioning exclusively in the left part of the continuum of proximity, thus recognizing the territorial dimension of their activities; this proximity perception is not expressed unanimously by other sectors (such as education and social solidarity) or categories (such as informal initiatives or typical NGOs in general) of civil society.

8.8.2 *Society and Solidarity Sector*

Interestingly enough, regarding the society and solidarity sector, in examining the differences between the CSOs established before the eruption of the crisis and those that emerged after 2009, one cannot but notice the gradual shift towards a proximity perception that tends to acknowledge the importance of relations and technology and more generally of affinity proximity. This perception is observed more in informal initiatives and particularly in the informal civil society based in Patras. Furthermore, it is noticeable that whilst before 2009 only 2 out of 23 organizations were informal networks or initiatives, after 2009 more than 50 per cent of the new formations were informal.

Most formal CSOs of this sector perceive themselves as absolutely self-organized, a perception that expectedly applies also to all informal initiatives. However, as we already saw above, their positioning should have been situated in the upper level of the regulation axis of the model. Another important observation concerns church charity organizations and their regulation perception. They acknowledge solely either strong intervention of state or strong state intervention along with weak self-regulation. To understand the position of these orthodox NGOs, one must take into account the special relationship between the state and the church in Greece.

8.8.3 *Economy Sector*

In the field of the economy, the majority of the formations surveyed are informal initiatives that were born during the crisis. The only initiative existing before the crisis was also an informal one. Interestingly enough, although there is no difference between Patras and Athens in so far as their proximity perception is concerned, the Patras-based initiatives claim absolute self-regulation whilst in Athens a weak state intervention is acknowledged. Another important feature is the similarity in their proximity perception before and after the eruption of crisis.

8.8.4 *Multiple Sectors*

In the 19 CSOs active in various categories and mainly in continuing education, only three acknowledge either strong state intervention or strong state intervention and weak self-regulation, and the rest talk about their regulation in terms of mainly self-regulation or strong self-regulation. Their proximity perception centres on mixed proximity. Interestingly, all the informal initiatives studied were born during the crisis period.

In this category, the comparison between Patras and Athens is informative mainly about the issue of proximity; Athens-based organizations and initiatives are described as shifting their proximity mode towards a more relational/technological affinity, more than the Patras-based ones.

8.9 PATTERNS OF CSO STRATEGIES DURING THE CRISIS

8.9.1 *Development or Survival Strategies?*

The behaviour of CSOs is a result of a continual learning process and depends on their organizational characteristics and their distinctive motivational rationale (background and experiences of CSO members, etc.). Their presence is dynamic and changing and not always of the same quality and intensity, depending not only on their own strategies but also on the context (e.g. a crisis context). Strategies of establishment, development and survival of a CSO must adapt to its sometimes unstable and changing environment. It is then its organizational capacity of intervention in time which will make a CSO innovative.

In a period of economic recession, we observe that some CSOs follow a developmental rationale and others a survival one. For some NGOs,

their main concern is to differentiate their mode of production of services and the nature of the provided services, particularly regarding the development of proximity and their local presence, in order to be closer to the target population in times of crisis. This strategy is chosen mostly by informal civil society, particularly in Athens. This choice may limit the growth of other organizations which have, at least in part, the same target audience. In this sense, this strategy is not only an evolution strategy but also a survival strategy. For example, one informal initiative in the health and social sector in Athens adopted a growth and development strategy in the same geographical area of an NGO umbrella organization (*Médecins sans Frontières*) and a public institution (day-care centre of people with mental health disorders), creating informal groups of psychotherapy in the basement of a member's house. Numerous informal initiatives, just like the one above, focus on survival strategies, which are based on the acknowledgement that when survival is at stake, collective action does not follow a single or the most expected logic of action. Therefore, self-management in the informal groups is not a static concept and strategies that would be in a 'normal' period inappropriate become, in a period of crisis, possible solutions. In such a context, even disorganized informal groups with diverse and fluctuating membership can prove to be effective.

This logic of parallel or competitive development compared with the formal organizations of civil society and to the public services turns out to be, according to 15 typical NGOs and 12 informal groups, very effective in times of crisis.

8.9.2 *The Linkage to Public Policies*

A minimum of institutionalization is necessary to move from the stage of partnership and cooperation to that of a formal organization of civil society. We see that during the different phases of a CSO, the need for political support is more or less present. Indeed, for NGOs that are positioned in type 2, political and legal factors are quite strong and are used as a reference to the action on the field. Similarly, for type 3, CSO actions are determined by a given political choice. CSOs of the first type are mainly self-regulated and their relations to public authorities are often completely missing. For these informal groups, more than for CSOs of type 2 and 3, general political support or financial support from public institutions becomes a key element of success and organizational survival. This is the case of informal initiatives such as the time banks funded or helped with in-kind donations by municipalities.

However, in times of crisis, the lack of such broad public support can be replaced by support of local populations (or other local civil society actors) and visibility in the local public sphere. In fact, in Drama (a medium-sized Northern Greece city), in June 2014, the local Labor Centre asked for KIFA's (social pharmacy-clinic) evacuation, stating that the KIFA of Drama is not legally acknowledged and evoking the need for other services to be hosted on the premises. The solution for KIFA has been found by seeking citizens' donations. In the same perspective, it is the support of local populations that contributed to the survival of the KIFA of Patras, although in November 2015, the president of the Medical Association of Patras criticized the uncontrolled operation of the KIFA, pointing out some serious issues about its functioning regarding medical or patient confidentiality and safe medical practices. The aim of stability-sustainability of self-organized groups may oblige them to change their positioning. The KIFA of Hellenikon, which is one of the more active KIFAs created before the crisis, changed its strategies during the economic recession—probably because of the necessity of a minimum recognition by the State (Health ministry) and by local Medical Associations—endorsing more flexible and adaptive strategies.

Nonetheless, these informal groups are not always able to find long-term strategies of survival since often they concentrate on structuring their 'autonomous' development, completely neglecting or refusing political options and potential for institutional support.¹² Consequently, it is this lack of local arrangements of the informal civil society compared with organized typical NGOs and the inability of its actors to compromise and adjust to circumstances when these require deviations from the original 'vision' that largely cause its instability.

8.9.3 *(R)evolution of Greek Civil Society Based on Transgression*

According to the positioning of the CSOs in the grid 'Proximity—Regulation', there are CSO strategies more likely than others to produce social innovation for the benefit of users and thus to be resilient in times of crisis. Indeed, the CSOs which are characterized by diffuse strategies (type 1) are organized according to autonomous systems that often defy the public and normative system or the market rules. These CSOs then radically transgress state and market rules by disseminating bottom-up practices and by reversing certain traditional processes, established by the regulatory power (by law or by public authorities). In this case, innovation

and resilience are the result of a brutal conflict with the public authorities, with the usual and legitimate actors or both. An example of this strategy is the creation of KIFA social pharmacies and clinics, by certain NGOs or by an informal partnership of citizens defying the healthcare system, often self-characterized as operating out of the boundaries of the law. The social medical and pharmaceutical centre of Vyronas, for instance, does not have a legal status, not even a bank account. Volunteers are not insured for their activities in the social pharmacy since they include unemployed people and pensioners.

On the other hand, partner-type groups (type 4), detached completely or at least to a significant degree from limited territorial strategies as well as from top-down regulatory strategies and generally based on the development of new technologies, are often pioneers of innovation through ingenious collective strategies.

In contrast to the strong and sharp reactivity of diffuse-type CSOs and to the autonomous and clever positioning of partner-type CSOs, the normative-type CSOs (type 3), based on the balance of power or convenience, adopt adaptive behaviours in order to be able to innovate and be resilient. The strong territorial dimension of this type of CSOs, associated with modes of governance often caused by a strong normativity, leads to action and reaction modes of less radical innovation. Similarly, the public-type CSOs (type 2), with generally more centralized governance modes and based on relational, often inter-organizational, proximity, are also characterized by 'transgression modes' given the tension between 'public' oversight/influence and 'private' autonomy. Indeed, the CSOs that lie at the higher levels of the vertical axis are characterized by excessive 'exposure' to political or normative influence. It is noteworthy that big umbrella NGOs providing care for children who are at risk either for health reasons or because of poverty and lack of supportive family environment, encountered various financial problems during the crisis and were obliged to modify their strategies in ways that could violate some of their basic procedures because of requirements imposed by public authorities. This lack of operability was finally overcome by modifying their legal status.

In general, the conflictual dimension of type 2 and 3 CSOs is less important than that of type 1 and 4 CSOs because of their level of controlled regulation but also the fact that they are typically large institutionalized CSOs. Relying on their size and their sources of authority, public or normative intervention, and autonomy, the public- and normative-type CSOs are less likely to generate radical innovation.

From the above, it seems that crises can provide opportunities for awareness and empowerment. The success of CSOs that emerged during the crisis demonstrates that working in networks facilitates and encourages not only the implementation of self-regulation mechanisms but also processes of mutual learning which are crucial for a resilient organizational scheme. Thus, the dynamic processes of sustainable self-regulated informal initiatives of civil society are of greatest scientific interest for further analysis, especially in times of crisis.

8.10 CONCLUSIONS

Civil society's behavioural patterns depend on public direct or indirect support, proximity strategies and regulatory mechanisms linked to sectoral (e.g. health, social and economic), size (e.g. umbrella organizations or informal initiatives), local (e.g. Athens or periphery) or time (e.g. period of social and economic instability) specificities. Faced with the need to transform lifestyles and the absence of established models of successful action, Greek CSOs are driven to self-made solutions (such as day-to-day care of vulnerable people, online self-help groups, direct support of umbrella organizations, and change of legal status) in response to emergency situations. Vicinity, locality and affinity are perceived to be successful strategies for both formal and informal civil society.

In Greece, the weakness of the public safety net, especially during the crisis, exacerbated existing disparities and caused the disadvantaged population to fall further behind. The emergence of new civil society initiatives and the expansion of the activities of existing ones, demonstrate civil society's effort to fill this social protection gap. However, although during the crisis Greek civil society, especially its informal part, tried to reduce fragmentation and exclusion processes thanks to its values, horizontality and flexibility, and despite its affinity proximity mechanisms employed in order to reach vulnerable groups of population in need, it has paradoxically also introduced new fragmentations and exclusions.

Informal groups have put a distance between themselves and both the state and formal civil society. They have adopted parallel or competitive strategies compared with the formal, traditional organizations of civil society and with the public services. Their radical self-regulated positioning becomes more visible than before the crisis but without reaching a full participation in the public sphere. These new informal civil society actors ignore the political role of the state and transgress the rules of standardization and

institutionalization, generating complex and porous ‘disintegration’ systems inside Greek society. It is noteworthy that the majority of both informal and even formal CSOs produce a discourse of exclusion by attributing negative stereotypes to state-based policies and regulations, attempting theoretically to deconstruct the public policy framework and construct an alternative autonomous social order. It is interesting to note, as described above, that this discourse largely derives from a misconception of their own real positioning vis-à-vis both society and the way they communicate with it (e.g. geographical versus affinity proximity) and, most importantly, their relation to the state.

In this context, the future of Greek civil society appears uncertain. Considering that its quality and strength depend on the amount of civic engagement (Heitzmann et al. 2009), many researchers, in view of the initiatives adopted during the crisis and documented also in this chapter, note the potential for a paradigmatic change of Greek civil society (Kantzara 2014; Huliaras 2014b). However, they also stress, given the vulnerability, particularly of the informal groups, the lack of evidence of a growing strength built on sustainable bases (Huliaras 2014b; Sotiropoulos 2014; Simiti 2015). The stability and sustainability of Greek civil society remain to be proven and for this to happen the gap between ‘the perceived and the real’ needs to be reduced.

Special thanks to Aspasia Theodosiou for her valuable contribution to the preparation (ontology and mapping exercise) of this paper.

NOTES

1. The interviewees were asked to categorize their initiatives according to the following list: (a) Education, (b) Arts and Culture, (c) Environment, (d) Economy, (e) Solidarity, (f) Health- social welfare, (g) Society and (h) Multiple sectors. In the later stages of our data interpretation, the sectors were grouped according to four main categories for reasons pertaining to our research questions and ontology.
2. Ontology, in computer science, is a methodology used to identify, describe and categorize concepts and relationships that can exist for an agent or a community of agents. Ontologies as techniques for the strict identification of semantic relations between concepts (such as crisis, CSO policies, poverty, and exclusion) have become standards used to support knowledge representation and sharing in a number of social sciences.
3. With the proper methodology design, search engines ‘know’ what the user means when specifying a search query. Providing content descriptions of

resources from the corresponding domain, the ontology allows the retrieval systems to provide focused results (Bonino et al. 2004). For example, when searching for 'positioning', one may be interested in positioning of NGOs according to a specific theoretical model. A search for 'NGOs' positioning', without specifying anything else, returns results that refer to marketing positioning, skillful positioning, etc. But a search based on the Framex (research programme on which this research is based, as described in more detail in the introductory chapter) domain ontology, for 'NGOs' positioning', allow users to restrict their search to references that relate 'positioning' with terms such as 'proximity' and 'regulation' and to ignore the other references.

4. These informal initiatives, launched in 2010 and situated in different cities of Greece, attempt to set a network of volunteers and to manage daily urban life.
5. The Community Initiative Programme EQUAL-Destiny (Economic Development and Solidarity Territories through Innovation) concerned the detection and recovery of activity niches in the social economy, training engineering in social solidarity awareness, training in experimental territories, the development of tools, territorial monitoring and testing of the concept of District social and solidarity Economy (in light of Marshallian districts).
6. The IRSES (International Research Staff Exchange Scheme) project (2011–2015) addressed three specific areas of research anchored in social development: Cultural, health and social policies; 120 enterprises of these sectors have been analyzed. This work has been validated by the European Union as one of the experimental models of positioning gerontology health networks in Europe. Therefore, research grants were awarded (2013–2015) in order to apply them to five European countries by the General Directorate for Health and Consumers (DG Sanco). Also, it is one of the tools used by the expert group of the European Commission ESCO 'Health and social sectors' (European Skills, Competences and Occupations taxonomy).
7. The term refers to massive protests and anti-government mobilizations in Greece in May to November 2011. The main and common feature of these events was their peaceful call for "real democracy now" manifesting the crisis of politics and political representation. However, although the movement was in the beginning 'a colorful assortment of mostly non-partisan individuals with views ranging from the far right to the far left' (Aslanidis and Marantzidis 2016, 130), it soon functioned as 'a resonant beacon of counter-hegemonic opinion with a non-partisan and non-ideological—and therefore legitimate—hue' (Aslanidis and Marantzidis 2016, 138), cementing the emergence of a new divide in Greek society between pro- and anti-

- bailout citizens and thus consolidating anti-establishment contenders (Aslanidis and Marantzidis 2016).
8. Rocamadur, Blaumachen texts, available at <http://www.blaumachen.gr/2011/11/the-2%80%98-indignados%E2%80%99-movement-in-greece/> (accessed on 25.6.2017).
 9. In Athens, no informal initiatives have been studied as the methodology focused on the national registry of typical NGOs.
 10. Interviewees provided available administrative information (annual balance sheets and budgets) about their organization's sources of funding since 2005. They were asked to describe (a) the initial strategies regarding the financing of their organization (pre-crisis period), (b) whether and how their funding sources were affected by the crisis and (c) the strategies developed to cope with these funding changes.
 11. The interviewees responded to the following two questions:
 1. Which proposition best describes the functioning of your organization: (a) strong state intervention in the functioning of your organization, (b) strong state intervention and weak self-organization, (c) weak state intervention and strong self-organization or (d) absolute self-organization?
 2. Would you say that your organization uses (a) geographical proximity as the only axis of approach; (b) geographical proximity mainly, then the proximity based on technology, on relations between the members, etc.; (c) proximity based mainly on technology, on relations between organizations' members, etc. and then geographical proximity; or (d) only proximity based on technology, on relations between members, etc.?
 12. By political, we mean the consideration of the affairs of the locality by cooperating with, for example, local authorities.

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A Fragmented but Strengthened Civil Society?

Dimitri A. Sotiropoulos

As noted in the introduction to this edited volume, owing to home-grown structural problems, which were combined with the global financial crisis, Greece has been undergoing a deep economic crisis since 2009–2010. The economic crisis was followed by a social crisis (Katsikas this volume; Giannitsis and Zografakis 2015) resulting from the effects of successive austerity packages, included in Memoranda of Understanding (MoUs), signed between Greece and its creditors.

Such packages typically produce an increase of inequalities and poverty, but the exact shape of their negative effects is not the same across time and space. Moreover, in contemporary societies, the harm done by an economic crisis depends on the efficiency and equity of pre-existing mechanisms of social protection and civil society organizations (CSOs) mobilizing to counter a social crisis. In other words, the scale and depth of the social crisis, discussed in the preceding chapters of the volume, should be interpreted in the context of Greece's social structure.

Between Greece's transition to democracy (1974) and the eruption of the recent economic crisis (2009–2010), collective actors of civil

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society, namely CSOs, were mostly formal organizations and institutions, such as labour unions and non-governmental organizations (NGOs). By contrast, after the crisis erupted, in addition to formal CSOs there were new social movements, informal groups and networks which choose to function outside typical institutional channels. Although policymakers may have neglected informal CSOs, the truth is that the latter changed the landscape of Greek civil society. After all, they emerged partly because trust towards formal organizations and institutions was very low. They also emerged because the Greek welfare state was found incapable, if not reluctant, to secure the delivery of social services or the provision of healthcare (see Sotiropoulos, chap. 4, in this volume).

Indeed, before the crisis, the Greek welfare state, though rather generous regarding pension outlays, was actually undeveloped as far as social assistance outlays and services were concerned. After 2009–2010, the same state did not counter the negative social effects of the crisis, leaving large categories of the population unprotected.

What was at stake was not a simple technical or financial incapacity of the Greek welfare state services which were supposed to fight poverty and social exclusion. Rather, it was an incapacity reflecting the fragmentation of Greek social structure and the very uneven articulation and representation of social interests.

In the remainder of this chapter, I am going to briefly sketch the fragmentation of Greek social structure and interest articulation and representation. Then I will discuss the underdevelopment of civil society before the eruption of the crisis and the flourishing of formal CSOs and informal CSOs after the crisis erupted. Civil society was probably strengthened in the wake of the crisis but it remained fragmented. The poor and socially excluded turned to formal and informal CSOs for social assistance. However, the fragmentation, lack of coordination and absence of an institutional framework for CSOs, and party politicization of some CSOs may make the strengthening of civil society unsustainable. I will also argue that such strengthening took an undesirable route when some segments of civil society engaged in racist and xenophobic as well as anti-parliamentary and destructive activities. Finally, I will outline the limits of the strengthened Greek civil society by presenting comparative quantitative data showing that after all even during the crisis Greece lagged behind other South European countries with regard to involvement of citizens in civil society.

9.1 GREECE'S FRAGMENTED SOCIAL STRUCTURE AND REPRESENTATION OF SOCIAL INTERESTS

Before the onset of the economic crisis in Greece, a patronage-ridden political and administrative system and a porous social safety net of the country's welfare system were uneasily seated on a very fragmented social structure. Similar fragmentation continued to exist after the crisis began. In detail, first, there is a disproportionate number of self-employed persons. While in the Eurozone countries the self-employed are 15.6 per cent of all employed people on average, in Greece they are 35.2 per cent (OECD data for 2015). Second, there is further fragmentation among the salaried strata, as approximately one third of salaried employees work in the public sector. The rest of employees work in the private sector on various types of labour contracts. Since the start of the crisis, as far as newly hired employees in the private sector are concerned, there has been an increasing trend of precarious work. After all, one does not expect to find job security in a private sector in which more than 90 per cent of all businesses employ between 1 and 10 employees (Hellenic Statistical Authority data).

Moreover, among self-employed people, there are vast income and status differences between the liberal professions and the artisans and craftsmen who form the backbone of self-employed strata in Greece. Such differences appear in a variety of gradations and depend on the capacity of different kinds of liberal professions, artisans and craftsmen to evade taxes. Tax evasion is a long-term feature of the Greek economy and is tolerated by the state because governments do not want to displease the strongest among the groups of the self-employed or risk losing the votes of the self-employed in general (see below in this section). If one adds the frequent instance of a household or even a person drawing simultaneously on part-time self-employment and a salaried job (Tsoucalas 1995), one is led to conclude that the Greek social structure cannot be neatly described and explained along typical lines of social class analysis. It is too complicated and too fragmented along multiple, separate and combined, occupational cleavages.

This fragmentation, if not pulverization, of social interests, which is based on sharply different but sometimes also combined labour market positions, is reflected in and deepened by a corresponding fragmentation at the level of interest articulation and representation. At this level, there

is a stark division between insiders and outsiders of the labour market. The former are employed in the public sector, including in large state-owned enterprises (SOEs) and also in the banking sector. Insiders are represented by nationwide confederations of labour unions of civil servants (the ADEDY confederation of unions) and unions of workers of SOEs, banks and large private-sector companies (the GSEE confederation of unions).

The employees and workers employed in the myriad of small and very small Greek private businesses or working on fixed-term or project-based jobs are not really represented by labour unions, as the administrative organs of the latter are fully dominated by the aforementioned insiders (Matsaganis 2007). The articulation and representation of interests of women, the unemployed, the young and the migrant workers are even more underdeveloped. By contrast, among the self-employed, there are strong organizations representing the liberal professions. For example, lawyers and doctors have comparatively powerful associations and in fact exert not only political influence but political power too: traditionally, lawyers, doctors and engineers are over-represented among members of the Greek Parliament and government (Sotiropoulos and Bourikos 2002), and the incumbent Prime Minister Tsipras is a civil engineer by training.

It is then not surprising that such a fragmented, if not pulverized, social structure and the concomitant interest representation and articulation have affected the development of civil society, rendering it fragmented and quite uneven, too.

9.2 CIVIL SOCIETY IN GREECE BEFORE THE ONSET OF THE CRISIS

As research has shown, before the economic crisis, Greek civil society was underdeveloped, meaning that it was weak in comparison with the political parties and the state (Mavrogordatos 1993; Sotiropoulos and Karamaggioli 2006; Huliaras 2015). The two major political parties—namely the centre-right New Democracy (ND) and the centre-left PASOK—had penetrated the labour movement and the student movement through their collateral organizations (e.g. party-led labour and student factions). Meanwhile, it was not uncommon for successive Ministers of Foreign Affairs, Health and Social Welfare as well as Education to selectively support certain NGOs instead of others. Ministers would channel state funds to NGOs active in their electoral district or NGOs with whom

they had an affinity (e.g. religious NGOs). In other words, while it would be wrong to claim that political patronage before the onset of the crisis wholly dominated civil society, it is true that the latter could only sporadically disengage itself from party and state organizations.

Nevertheless, some instances of voluntarism were visible, as in the period during the preparation for the Athens Olympic Games (2004). Another example was the periodic voluntary mobilization to protect Greece's decaying natural environment, through local environmental activism (Botetzagias and Koutiva 2015). Also, volunteers mobilized whenever earthquakes struck Greek cities (e.g. the Athens earthquake of 1999; see Sotiropoulos 2004). Such voluntary activities were not related to patronage. Regarding the fight against poverty and social exclusion, in 1990–2010 Greek NGOs offered social assistance and medical help to vulnerable groups, including small Muslim communities in Athens. Muslims were a typical case of socially excluded people who had moved to Athens from small Muslim Turkish-speaking communities of Northeastern Greece or had immigrated to Greece before the large waves of immigration of 2015–2016 (Karakatsanis 2015). Still, Greeks tended to join professional associations and labour unions rather than charity, cultural, consumer or environmental associations (Sotiropoulos 2017). In other words, they engaged in civic activism to defend material rather than post-material interests and did so in a fragmented fashion, reflecting long-standing political and occupational cleavages which crisscrossed Greek civil society.

9.3 CIVIL SOCIETY IN GREECE AFTER THE ONSET OF THE CRISIS

After the crisis erupted, some NGOs adapted to the new social situation provoked by austerity politics, while many social solidarity groups emerged in a spontaneous, informal fashion. Meanwhile, the cord linking ministries to selected NGOs was cut. First, owing to fiscal consolidation, ministries had few, if any, funds to dispense in 2009–2011. Second, in the summer of 2012, the government severed all funding to such organizations. Some urban-based NGOs had developed organizationally before the crisis and were capable of mobilizing volunteers in order to support the poor and the socially excluded. Such NGOs turned for financial aid and technical assistance to Greek not-for-profit foundations. The latter had been founded before the crisis by heirs of shipowners (Niarchos, Onassis and

Latsis). As soon as the negative social effects of the crisis became visible, the foundations started training volunteers and funding volunteer activities of NGOs, while demanding of beneficiary organizations a minimum of organizational reliability and transparency.

In the meantime, self-help groups and social solidarity networks sprang up in many neighbourhoods of cities but also in villages (Clarke 2015; Vathakou 2015). Typically, such groups and networks provided food in soup kitchens to people in need; organized exchanges of food and clothes; put up make-shift clinics in order to offer healthcare to patients excluded from public hospitals because they had discontinued paying their health insurance contributions; and performed community and education work, entertained people and helped tidying public spaces (Sotiropoulos and Bourikos 2014; Polyzoides 2015; Skleparis 2015).

The rise in civic activism took time to develop. It probably gained momentum after the early months of 2011, when Greeks realized that the economic crisis was deeper and was to last longer than anyone would have thought. Successive efforts at fiscal consolidation in 2010–2012 resulted in the rolling back of welfare state services. When poverty and social exclusion soared, social solidarity emerged as a collective response of society through the aforementioned groups and networks.

The prime beneficiaries of the strengthening of civil society through the expansion of social solidarity were, first, underpaid private-sector workers or workers who had been dismissed; second, small and very small businessmen who experienced steep decline in business turnover and who stopped paying insurance contributions to their pension and healthcare funds; and, third, the young who were just out of high school or university and realized that they were never to be admitted in Greece's shrinking labour market. In order to survive, the young fell back on their families and often relied on and contributed to informal social solidarity groups and networks. In extended families, it was common for elderly family members to offer housing and cash to younger and even middle-aged family members out of work (Mavrikos-Adamou 2015).

Of course, families could not offer medical help and medicines to their members. Many among the poor and socially excluded turned for medical care to volunteer doctors and nurses who had established the so-called 'social clinics', hosted by municipal authorities in town halls across the country. Such clinics were complemented by 'social pharmacies', organized by volunteer pharmacists. Not all of these groups had a legal personality; they were established in an informal manner.

Other informal groups played the role of intervening node in social solidarity networks of urban centres. They obtained food, clothes or other essentials from businesses or households which could spare them and distributed them to families in need. A different type of civic activism took place in rural areas. Farmers who wanted to assist poor city dwellers, circumvented the usual distribution networks of agricultural produce which used to link farms to city markets. Instead of selling their produce to merchants, farmers started travelling themselves to city centres and selling their produce directly to urban consumers at cheap prices.

In Greece, many families seek complementary tutorials for their children attending high school and preparing for the nation-wide university entrance examinations. Before the crisis, many families would save money to pay for private tutorials and cramming schools, but after 2009–2010 they could not afford such a cost. Volunteering high-school teachers formed groups which provided the children of poor families with educational support at regular intervals and free of charge.

Further on, some networks of citizens tried to create non-monetary systems. For example, for a few years, members of the solidarity and exchange network of Volos regularly exchanged goods and services, using a locally fabricated currency (the ‘TEM’). Other local groups, such as the ‘Atenistas’ group in Athens, assumed on their own the day-to-day management of squares, playgrounds and gardens.

Of course, previously existing charitable organizations and NGOs also contributed to social solidarity. One should not forget the role of the Christian Orthodox Church and church-related organisations. They opened soup kitchens or expanded existing ones. Meanwhile, other NGOs offered basic hygiene services and temporary shelter to the homeless, often with the support of municipal authorities. Altogether, after 2009–2010, there was a discernible strengthening of civil society in both its formally organized and informal, network-based varieties.

9.4 STRENGTHENED BUT ALSO POLITICIZED CIVIL SOCIETY

The adoption of the first and the second MoU by Greek governments in 2010 and 2012 respectively sparked social protest. Many Greek citizens reacted to the austerity measures by participating in large-scale demonstrations.

Rallies and strikes were called by trade unions and professional associations as well as a web of self-help and social solidarity networks. At this stage, civil society was strengthened because of the following conjuncture: major political parties of the centre-right and the centre-left, supporting the austerity packages, had lost the confidence of citizens, while smaller political parties on the right and the left had not been yet able to organize their own mobilisation and to influence civil society.

Eurobarometer data show that, after the crisis erupted, trust in political institutions and particularly trust in political parties declined rapidly. More concretely, for several years in a row, in 2010–2015, the level of trust in political parties was less than 10 per cent (Standard Eurobarometer surveys, various years). Moreover, before the crisis, there was some consultation between representatives of business and labour. This pattern has been abruptly interrupted since 2010, when consultation with social partners ceased. Indeed, since that time, successive governments have passed austerity measures without any prior consultation with representatives of business and labour, a pattern continued under the Syriza-Anel government in 2015–2018.

Under these circumstances, anti-austerity rallies mushroomed in 2011 and 2012 (Diani and Kousis 2014). But the very frequent calling of general strikes by the GSEE and ADEDY confederations also produced a gradual protest fatigue. Indeed, strikes did not produce any change in government policy. This policy was actually dictated by Greece's creditors who imposed a harsh conditionality on the state, which had been effectively barred from accessing the international markets in order to finance its soaring public debt. Thus, the weapon of strike had limited or no impact on the plans of Greek policymakers who were constrained by the aforementioned external actors.

In this context, it was expected that whichever government was in power would have to follow a policy of austerity. Of course, the mix of particular measures of austerity policy was particularly significant with regard to the politics of distribution. Under ND and PASOK coalition governments (2011–2014), the mix of policies reflected a political bias in favour of the upper-income groups, business elites, liberal professions, and public-sector employees and workers. Under the Syriza and Anel coalition governments (in power since January 2015), there was a policy bias in favour of employees of SOEs, civil servants and pensioners.

As trust in political institutions plummeted and the mobilization of labour unions proved fruitless, citizens opposing austerity participated in politics in less conventional ways, while new types of civil society mobilisation emerged.

The most well-known examples of such mobilization were two short-lived, but quite popular, instances of collective action: the ‘indignant people’ movement and the ‘won’t pay’ movement. Organized after the model of Spanish ‘indignados’, the Greek ‘indignados’ gathered every evening between May and July 2011 in the central squares of Greek cities, conducted open assembly meetings and protested against the government (Simiti 2014; Leontidou 2015). Though initially supported, if not organized, by small radical parties and groups of the left pursuing their own national political agenda, the ‘indignant people’ movement gradually overflowed the banks of the organizations supporting it. It should be interpreted as a collective reaction to the about-face performed by PASOK, which had won the parliamentary elections of 2009 on a platform of Keynesian economic policy, and to the unresponsiveness of the coalition governments implementing austerity policies without any substantive consultation with social partners. From time to time, this movement crossed the limits of issue-specific protest and burst into violent anti-parliamentarism. Moreover, the movement was divided between leftist (pro-Syriza) and rightist camps (out of which the parties of Independent Greeks and Golden Dawn drew voters).

A second instance was the ‘won’t pay’ movement, which was active in the autumn of 2011 and the winter of 2011–2012. The movement emerged as a collective response to steep price increases in toll fees required for using national highways and to a new landed property tax which was included in electricity bills and suddenly affected all households. Members of the movement periodically forced their way through the toll posts on national highways or blocked circulation.

Although there is no empirical research on the social composition of protesters, it seems that they had a varied profile. Not all members of these movements had been predisposed to radical collective action. Some were traditional voters of the ND and PASOK who felt betrayed by these two parties and thus radically changed their political preferences. The result was an implosion of the post-1974 party system. In the twin national elections of May and June 2012, ND and PASOK, which between 1981 and 2009 used to divide between themselves three fourths (75 per cent) of the total vote on average, saw their electoral influence plummet. In 2012, their combined share fell to around 40 per cent of the total vote. Simultaneously, the vote for the erstwhile small radical-left party Syriza, the protagonist of the two aforementioned social movements, increased more than fivefold: it soared from 5 per cent in 2009 to 27 per cent in June 2012.

Indeed, Syriza adroitly joined forces with anti-austerity protesters and acquired electoral support by promising everyone that, upon coming to power, it would completely reverse the MoU-based policies. Thus, Syriza became cardinal in the mobilisation of citizens with a wide-ranging socio-economic profile (Tsakatika and Eleftheriou 2013). In this context, occupational groups which were not usually associated with radical politics, lined up behind a party promising a return to pre-crisis arrangements. Examples were relatively well-paid civil servants, pharmacists or taxi drivers who took to the streets and supported Syriza and other anti-austerity parties of the left and right.

In this context, a fusion of non-politicized but suddenly radicalized citizens and left-wing party cadres and members occurred. Research shows that the most massive protests took place when parties of the opposition, trade unions and professional associations joined forces. Protests in city centres reached a peak three times: in June 2011, September–October 2011 and February 2012 (Kousis 2015). These were three definitive moments when new anti-austerity legislation was submitted to parliament. Anti-austerity political parties, primarily Syriza, benefited the most from such protests and also contributed to their growth.

The massive character of the aforementioned protests should not be interpreted as an indication of reduced fragmentation of social interests. Anti-austerity mobilization not only was based on popular discontent with austerity measures but also relied on the defense of narrow occupational interests, some of which were relatively privileged.

An example of mixing wider anti-austerity protest with staunch defense of narrowly defined exclusive rights was the mobilization against the opening of various professions, which used to thrive on ‘closed shop’ regulations. For example, before the crisis, it was almost impossible for a newcomer to open a pharmacy or buy a taxi license or a truck license. The MoUs required the opening of these and other professions and the liberalization of prices of goods and services. However, after 2010, there were very frequent closures of pharmacies by pharmacy shop owners who benefited from government-regulated very high profit rates. There were also violent blockades of major thoroughfares and ports by taxi owners and truck owners who wanted to prevent the access of newcomers to their market niches.

Another example is the case of well-paid employees of SOEs, such as the Public Power Corporation (the ‘DEI’), who in 2010–2014 were at the forefront of protests in defense of social rights. In practice, of course, they

defended primarily their own niches of the labour market and the specific, occupation-based regimes of pension and healthcare. It is telling that since 1999, through legislation passed by PASOK, the pension fund of the DEI employees has been subsidized every year with approximately half a billion euros drawn on Greece's state budget. Early retirement and very high replacement rates characterized the pension schemes of SOEs and banks. The unions of SOEs and banks had carved out such relatively privileged schemes for their members, with the complicity of past, patronage-ridden, governments.

No doubt, then, there was visible strengthening of civil society after 2010. Yet this development did not mean that the pre-crisis pattern of fragmentation changed as well. At times, civic activism propelled democratic participation; other times, it reached extremes bordering on uncivil society.

9.5 UNCIVIL SOCIETY AND THE LIMITS OF STRENGTHENED CIVIL SOCIETY

'Uncivil society' is a concept which refers to groups and networks of people motivated by racism, xenophobia and anti-democratic values who engage in disruptive and threatening, if not violent, activities (Kopecky and Mudde 2003; Glasius 2009). In Greece, after 2010, there emerged variable informal groups from across the political spectrum, which did not pursue typical civil society aims. They neither enhanced democratic participation nor organized the provision of social welfare. Instead of pursuing social solidarity and defending political and social rights, they typically resorted to using violence as their preferred mode of political participation.

To start with, after 2010, there emerged neighbourhood-based anti-immigrant groups organized by the neo-Nazi Golden Dawn. They dif-fused xenophobia and exercised violence against migrants, whom they attacked physically. In a few neighbourhoods of central Athens, groups of Greek citizens monitored the presence of foreign migrants in squares and other public spaces. With the support of Golden Dawn, they offered food and other consumer goods to people in need only if they were Greek, barring non-Greeks from such social assistance. Such racist mobilization undermined civil society as a sphere of democratic participation and deliberation but was tolerated by Greek authorities. The latter for decades had preferred to abstain from sanctioning violent groups, for fear of causing injury to protesters or alienating voters supporting the protests. The

authorities reacted only after the assassination of Pavlos Fyssas, a popular left-wing rapper, who was stabbed to death by a Golden Dawn militant in September 2013. Then Greek prosecutors and the police arrested the leadership of the Golden Dawn party and the assassin himself.

In addition, violence stemming from different ends of the political spectrum included physical attacks against pro-austerity politicians, such as former government ministers of PASOK and ND. There was also large-scale and frequent violence inspired by the extra-parliamentary left. Its repertoire included long-time occupations of buildings belonging to private owners and to state authorities, including school buildings belonging to municipalities or the central government. Occupations were not instances of exercising freedoms but involved outbursts of rampant violence. Outbursts of left-wing violence ‘from below’ reached a climax in February 2012, during the large-scale demonstrations against the austerity measures of the second MoU, when protesters in central Athens set alight about forty buildings, such as shops and movie theatres. Moreover, extreme leftist and anarchist protesters, armed with sticks and Molotov bombs, systematically infiltrated demonstrations of trade unions and student associations, often succeeding in creating havoc in Greek cities.

The police limited themselves to defending government buildings or tolerated attacks (and particularly tolerated attacks against migrants). The aforementioned violent mobilizations were not unknown before the outbreak of the crisis. However, it was after 2010 that radical-right or radical-left groups often were left unfettered to roam the central streets of Athens and—depending on their political ideology—either to attack migrants and refugees or to destroy private and public property. Obviously, this was a segment of civil society which participated in politics in ways incompatible with parliamentary democracy. This was a phenomenon of an emerging uncivil society, which started rising in parallel with a strengthened civil society.

Moreover, the rise of civil society should not be exaggerated. While in the wake of the crisis Greeks contributed food, clothes and other goods to their poorer fellow citizens, overall one cannot claim that Greece has become a society in which people have the propensity to give to other people. As shown in Table 9.1, which is based on a survey conducted in 2011, in comparative terms Greeks devote little time and money to charity.

Greek civil society became visible after 2010 owing to the rise of social protest and the increase in voluntarism, evident in the provision of welfare

Table 9.1 Charity giving in Greece in comparative perspective

	<i>Giving money (%)</i>	<i>Giving time (%)</i>
Greece	7	3
Spain	24	18
Italy	33	14
Portugal	1	10

Percentage share of respondents giving money or time to charity, 2011

Source: Charities Aid Foundation 2011. 'World Giving Index'

Table 9.2 Percentage share of responses evaluating the role of civic associations, including NGOs and professional associations, 2013

	<i>'No need for NGOs—there are other means of influencing political decision-making' (%)</i>	<i>'NGOs and other associations which are independent of the state can influence political decision-making' (%)</i>
Greece	52	56
Spain	43	62
Italy	38	67
Portugal	43	75
EU average	41	70

Source: European Commission 2013. 'Flash Eurobarometer no. 373'

services by NGOs and informal groups. Yet this interesting development was not necessarily appreciated. As Table 9.2 shows, Greeks more than other South Europeans do not consider the role of NGOs to be important with regard to decision-making. The NGO sector has not become the natural habitat, so to speak, of activism in Greece.

Even though there is evidence (summarized in this chapter) that Greeks participated more actively in civil society, membership in organizations did not necessarily become extensive. As Table 9.3 shows, three years into the crisis and in comparison with other South European societies, membership in organizations in Greece was relatively low.

9.6 CONCLUSIONS

Before the eruption of the economic crisis in Greece, civil society was weak vis-à-vis the state and political parties. The weakness of civil society was owed to post-1974 legacies (i.e. legacies of transition to democracy).

Table 9.3 Percentage share of respondents who belong to various civic associations, 2013

	<i>NGO or other association (%)</i>	<i>Trade union (%)</i>	<i>Professional association (%)</i>	<i>Chamber (%)</i>	<i>Employers' association (%)</i>
Greece	22	6	11	7	1
Spain	45	15	11	3	3
Italy	20	14	6	4	1
Portugal	30	10	9	2	4
EU average	37	16	11	5	4

Source: European Commission 2013. 'Flash Eurobarometer no. 373'

Note: Respondents could select more than one answer. The first column on the left includes all kinds of associations, including social, sports and non-governmental organizations

These included weak voluntarism, economic dependence of NGOs on the state, and party-led politicisation of the labour and student movements. Moreover, there was a fragmentation of articulation and representation of social interests along occupational and party-political lines. Further on, before the crisis broke out, selected NGOs depended on financial transfers by Ministries, such as the Ministry of Employment and Social Welfare or the Ministry of Foreign Affairs.

After 2010, civil society in Greece became relatively autonomous from the government and political parties. Owing to austerity policies, the welfare state was rolled back while trust towards political institutions, such as the government and parties, plummeted. Thus, an opportunity for non-state-dependent, non-party-politicized civic activism arose. As the crisis evolved, voters from the left and the right engaged in unconventional political participation. They protested against austerity, often regardless of their party preferences and in defense of social rights as well as more narrowly defined rights related to their occupational status. Thus, in a sense, fragmentation continued as civil society was becoming stronger vis-à-vis the state and political parties.

Meanwhile, the poor and the socially excluded resorted to health, welfare and other services offered by self-help groups, informal social solidarity networks, and NGOs. This was another instance of civil society becoming relatively stronger as the crisis unfolded. More concretely, NGOs rose to the challenge of surviving without financial aid from the state. Compared with the past, there was a visible shift in the NGO sector. Not only did

NGOs understand that the state was unable to support them anymore, but they turned to other sources for funding, such as not-for-profit foundations belonging to Greek entrepreneurs.

In a nutshell, the crisis has provided civil society with a chance to develop. Yet the fact that civil society has emerged as a sphere of anti-austerity civic activism and welfare provision does not mean that it has been strengthened in a sustainable way. As the next-to-last section of this chapter has shown, giving to charity and positively evaluating the role of NGOs and other civic associations in Greece leave a lot to be desired, comparatively speaking. Civil society has developed since 2010, but in Greece, in comparison with other South European countries, civic activism and the NGO sector are neither very advanced nor necessarily sustainable.

Moreover, the economic crisis provoked the appearance of violent groups, some of which attacked migrants and refugees while others, at the opposite end of the political spectrum, attacked politicians and occupied or torched private and public property. The unfolding of the crisis revealed a spectacle of receding state authorities, unable to manage crisis situations, and fragmented civic associations, often functioning in a haphazard way. Both of these patterns became vividly apparent when the islands of the Aegean Sea and cities such as Athens and Patras received large inflows of Afghani, Iraqi, Syrian and other migrants and refugees in 2015–2016.

Thus, the crisis, through its negative social effects analyzed in this volume, has sparked the strengthening of civil society. However, it has also revealed that civil society remains fragmented, that there are limits to Greeks' renewed tendency to participate in CSOs and that state authorities cannot either manage crisis situations or check, let alone push back, the emergence of uncivil society.

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Conclusions: Multiple Aspects of Fragmentation and a Double Mismatch

Dimitri A. Sotiropoulos

This volume had a twofold purpose; that is, it aimed to study two parallel social processes linked to the crisis. The first was a material process which affected the income levels and living conditions of citizens subjected to the economic crisis in Greece. The second was an ideational process, through which Greeks of variable political profiles and social origins slid into cleavages of misunderstanding and conflict with their fellow citizens and distrust towards democratic political institutions.

Both of the above processes entailed fragmentation and exclusion, manifested through the emergence of new cleavages within the body of Greek society and also at the level of discourse. These were patterns which the volume at hand has sought not only to register but also to analyze and interpret. For example, in addition to producing a precise image of negative developments regarding income distribution and poverty levels, contributors to the first part of the volume interpreted these patterns by placing them in the comparative perspective of the European Union (EU) and setting them in the context of the pre-crisis period. If before the crisis a useful analytical tool was the divide between ‘insiders’ and ‘outsiders’,

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after the crisis one realized that such divides multiplied in number and became deeper. As for the discourse level, this volume has sought to understand a deeper fragmentation which emerged in Greece after the crisis erupted and which pitted critics and supporters of austerity, representative democracy and EU integration against each other. The volume has also sought to interpret another development which emerged in response to the crisis, namely civil society development which has taken place since 2010. Civil society mobilized in many different, officially organized and informal ways. Civil society mobilization included instances of social protest against austerity and also social assistance to the poor and the socially excluded.

All these themes, covered in the present volume, were explored in empirical field research which was carried out in 2014–2016 by researchers of the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP), based in Athens, and researchers of the Hellenic Open University, based in Patras, in the context of the research project *Fragmex*.

10.1 POVERTY, SOCIAL EXCLUSION AND INEQUALITY BEFORE THE CRISIS

It is often wrongly believed that the economic crisis provoked unheard-of poverty and social exclusion in Greece. In line with previous research (Moutos et al. 2014), this volume claims that before the onset of the crisis Greece's social situation was unacceptable for a comparatively developed European economy and welfare state. In 1995–2008, relative poverty hovered around 20 per cent, which is a quite astonishing, but by now little-mentioned, fact. Moreover, while the mean and the median net income rose between the end of the 1990s and 2008, in the same period the share of Greek people at risk of poverty was steadily above the EU average and there was a much larger poverty gap than the EU average.

As Filinis, Karakitsios and Katsikas show in their chapter in this volume, based on Eurostat data, these pre-crisis problems were related to specific features of the Greek labour market. Greece's total employment rate was among the lowest in the EU. The employment rate for individuals younger than 24 years old was particularly low, while individuals in the age group 25–49 were more likely to be employed than those in other age groups.

As Andriopoulou, Karakitsios and Tsakoglou note in their chapter in this volume, even before the crisis started, youth and female unemployment rates in Greece were the highest in the EU, while unemployment compensation remained meagre. Before the crisis struck, those women and the young who participated in the labour market stood higher chances to fall into unemployment and thus receive slim unemployment compensation.

Indeed, the Greek system of unemployment protection was inchoate and more than anything else relied on strong family ties, where employed family members covered for their uninsured or unemployed relatives. Meanwhile, Greece, along with Italy, was one of the very few EU member states which did not have a nationwide Minimum Income Guarantee scheme. In other words, in pre-crisis Greece there was extensive fragmentation based on gender, age and employment status. Such fragmentation was reinforced, if not intended, by concrete public policy measures. For example, as indicated in this volume's chapter on the discrepancy between social policies and actual social needs, successive governments used to pursue fragmented and patronage-based policy measures which carved out sub-national, unequal welfare regimes for selected interest groups and population categories.

These findings about pre-crisis Greece should be put in a wider context. Among other reasons, the aforementioned pre-crisis trends were linked to historical family-related and cultural legacies, such as the traditional reliance of young adults on their family of origin and their tendency to live with their parents. The same trends were associated with the relatively short-term participation of Greek women in the labour force, manifested in their tendency to enter the labour market late and exit early, usually after the birth of their first child. Such pre-crisis trends were linked to the eruption of the economic crisis in more ways than one. For example, the combination of a comparatively low employment rate with long-term patronage policies facilitating the early departure of the over-50 age group from the labour market eventually overburdened the pension system, which in turn strained the country's public finances to a breaking point.

Further on, before the crisis a large share, roughly one third of all employed in Greece, were self-employed. The latter, in fact, increased between 2007 and 2013 only to decline in 2014–2015. As noted above, this trend may be interpreted in the light of a wider context. The increase in self-employment may be accounted for by the lack of labour demand, as more and more businesses collapsed with the breakout of the crisis and the

fall of domestic demand for goods and services. It may also be owed to the large-scale opportunities of the self-employed to engage in tax evasion and the reluctance of successive Greek governments to sanction such behaviour.

Within the category of the self-employed, there was another kind of fragmentation. On the one hand, one would find self-employed people in the liberal professions as well as among craftsmen and artisans. On the other hand, skilled workers, such as technicians and accountants, often were only typically self-employed, whereas in practice their working status resembled that of employed, salary-earning personnel. More concretely, more and more self-employed people used to work on a contract basis almost permanently for the same employer. The latter would use their services on a daily or weekly basis in a company or factory environment resembling that of a dependent employment relationship. Yet he (or she) was not required to pay social insurance contributions for the self-employed, as nominally the self-employed were not members of the company's salaried personnel. In other words, employers thus benefited from flexible labour relations and practiced evasion of social insurance contributions.

The crisis aggravated this situation and multiplied aspects of fragmentation and exclusion. In their chapter, Andriopoulou, Karakitsios and Tsakloglou analyze EU Statistics on Income and Living Conditions data and show that in 2007–2014 the mean disposable income of Greeks declined by over a third while poverty and inequality rose regarding the lower end of income distribution. However, what is less well known is that the composition of the poor, as a population category, was different from what was often assumed in Greece's public sphere (in political speeches, the press, and street protests). More concretely, during the crisis, it was often mentioned that the elderly were the primary victims of austerity. This was perhaps an expected public reaction given the high priority which successive Greek governments used to give to pension policy and old-age voters. Moreover, as in other EU Member States, in Greece, the share of pension expenditures in total government expenditure was and still is very large and above the EU average. In fact, it has been convincingly argued that pension expenditures were the single most important state budget item and that its runaway growth was responsible for the derailment of Greece's public finances in the 2000s (Giannitsis and Zografakis 2016).

However, after the crisis started, pension cuts, albeit real, could not compare to income losses to which other categories of the population

were subjected. While pensioners suffered from the crisis, they suffered less than the average population, as austerity measures mostly affected the most generous pensions. Thus, in the wake of the crisis, income inequality within the pensioners' category and the contribution of pension inequality to aggregate inequality dropped.

Overall, however, what we observe in the period under study is soaring expansion of poverty and inequality (e.g. what Katsikas in the introduction to this volume documented as a passage from economic crisis to social degradation). The latter was owed not only to steep increases in poverty and income inequality but also to the fact that, as Katsikas argues, the Greek welfare state 'proved incapable of alleviating the impact of the crisis'.

10.2 SOCIAL PROTECTION IN GREECE BEFORE THE CRISIS

Indeed, the long-term problems of Greece with poverty and social exclusion point to the under-performance of the country's welfare regime. This essentially was a set of regulations, governing contributions and benefits along the lines of the South European welfare model. As shown in the chapter on Greek social policy legislation before and after the crisis (Chap. 4), the Greek model of social protection, shorn to its essentials, was and in fact still is an extreme example of the South European model, meaning that the divide between the well-protected insiders and the virtually unprotected outsiders of the system is very deep.

Indeed, there was a host of very vulnerable groups, such as the labour market 'outsiders', women and the young, the elderly with an interrupted occupational record, the unemployed, and people with very low or non-existent educational credentials. Even before the onset of the economic crisis, the poverty of some of these groups (e.g. the young in the 16–24 age group) had started worsening. The same negative trends were observed for the least protected category, the single-parent families. Regarding the fight against poverty, the welfare state before 2008 had already proven unable to protect groups of poor people through social transfers.

As documented in the first part of this volume, the situation worsened on all the above counts from 2009 onwards. While before the crisis Greece trailed behind other EU Member States with regard to fighting poverty, it clearly started diverging sharply from the EU average after the crisis hit.

Moreover, with regard to social exclusion, before 2009 Greece was included among the worst performing EU countries. However, in 2009–2013, Greece completely diverged from the EU countries, reaching in 2013 a staggering level of 35 per cent of people at risk of poverty or social exclusion (Eurostat data). In the same period, there was an across-the-board increase in material deprivation, affecting many different groups. Finally, income inequality has risen further since 2010, making Greece one of the most unequal European societies.

In brief, the divisions between ‘insiders’ and ‘outsiders’ of the labour market and the poor versus the rest, which were visible already before the onset of the crisis, became deeper and more differentiated. After the crisis hit Greece, members of the younger cohorts were almost completely barred from entering the labour market. To the usual division between the young employed and the young unemployed, a new division was added, namely the divergence of paths followed by those who stayed in the country and tried to hang in the labour market, on the one hand, and the more skilled or the better-resourced that started emigrating out of the country, on the other. Inside the country, the contrast between the temporarily unemployed and the long-term unemployed became starker as long-term unemployment soared.

Rifts within Greece’s structure of income distribution also multiplied. Middle-income groups saw their sources of income dwindle and tried to adapt to lower living standards which now set them completely apart from the higher-income groups. At the same time, the income of low-income groups experienced a free fall. In the latter case, income decline, though smaller than that of other income groups (Giannitsis and Zografakis 2016), was detrimental given that low-income groups were already at the bottom of the income distribution and were relatively more reliant on state-run social services which were rolled back during the crisis (Matsaganis and Leventi 2014).

Cuts in social spending meant that those who were socially excluded before the crisis now had even more sparse access to health, education and social assistance. Meanwhile, those who were erstwhile socially insured but could not afford to pay social insurance contributions after the crisis started suddenly found themselves barred from accessing medical care, social assistance and other welfare services. In other words, in the wake of the crisis there emerged a situation of multiple socio-economic fragmentations, which the fragmented structure of Greece’s occupation-based social protection only made worse.

10.3 A FIRST MISMATCH: THE FAILURE OF SOCIAL PROTECTION DURING THE CRISIS

The Greek state did not rise to the challenge presented by the aforementioned soaring trends in income inequality, poverty and social exclusion. Continuing with pre-crisis patterns, the state's welfare services proved unable to curb the negative social effects of the economic crisis. After 2009, fewer resources were devoted to social protection than beforehand, while the inefficiency of social transfers became even more evident. To the little extent that poverty was curbed by governments, this was done through distributing pensions to older members of Greek society who in turn used part of their pension income to cover for the needs of unemployed or uninsured family members.

As shown in Chap. 4, there was a mismatch between the size and nature of these grave social problems, on the one hand, and the resources devoted to their resolution, on the other. More concretely, there was a first mismatch between the gravity of the social problems caused by the crisis and the policy response of decision-makers. The main point is that in Greece the fight against poverty and social exclusion had never been a serious policy priority. In the same vein, battling the extensive poverty which ensued from the long duration and the depth of the economic crisis and from the mismanagement of this crisis by the Greek government and the 'troika' was not a high priority of policymakers in 2010–2018.

There were few exceptions to this conclusion: except for a new family policy, the broader eligibility criteria set for the long-term unemployed and the extension of unemployment insurance to the self-employed, there were no consistently planned and implemented social policy measures to assist the unemployed, let alone to fight poverty and social exclusion. In fact, a typical government reaction was to shape one-off anti-poverty policy measures and to offer lump sums to people in need. As argued by Katsikas and Papakonstantinou, this was the policy response, at various points in time, of the New Democracy single-party majority government in 2007–2009, the New Democracy/Pasok coalition government in 2014, and the Syriza/Anel coalition government as soon as it came to power in March 2015 and again in December 2016, when Prime Minister Tsipras suddenly offered an additional, end-of-the year pension (i.e. a 13th pension) to low-level pensioners.

As for more permanent social policy measures such as introducing the Minimum Income Guarantee, they were repeatedly announced by government officials but remained for a long time at the stage of preparation or were legislated but their implementation was grossly delayed. The above-noted Guarantee was introduced as a pilot measure in late 2014 by the New Democracy/Pasok coalition government (i.e. four years into the crisis period) only to be cancelled by the Syriza/Anel coalition government in early 2015 and to be re-introduced by the same coalition government under a new name ('Social Income of Solidarity') and modified terms and conditions in early 2017.

Overall, before and after the onset of the crisis and even after the rise of the Left to government, Greek social policy meant to fight poverty and social exclusion did not bear visible fruits. It was a policy the brunt of which can be summarized by the phrase 'too little, too late'. The same can be argued about healthcare policy. After 2009, numerous and variable groups had limited access to healthcare services, as the high costs, low proximity and long waiting lists rendered such services completely inadequate for the victims of the economic crisis (Petmesidou et al. 2014; Economou et al. 2014).

Further on, even after the gravity of the crisis became obvious to everyone, anti-poverty and social integration measures were haphazard. As discussed in Chap. 4 of this volume, the post-2009 social policy measures created a glaringly porous safety net which proved inappropriate and unsuitable for the type and the scope of economic crisis which has hit Greek society. Such social policy measures did not curb the deep, new and old divides within the Greek population.

10.4 A SECOND MISMATCH: PERCEPTIONS AND DISCOURSE ON POVERTY AND SOCIAL EXCLUSION DURING THE CRISIS

A second mismatch concerned the divergence between the size and composition of the population category of the poor and socially excluded, on the one hand, and the understanding of these phenomena by decision-makers and opinion-makers, on the other hand. In particular, this mismatch was evident at two different levels: first, in the attitudes and views of four groups—namely politicians, representatives of social interest groups, journalists and technocrats (policy advisors)—on poverty and

social exclusion and, second, in the political discourse contained in parliamentary debates and political speeches and programmes of political parties during election campaigns.

As shown in the chapter by Sotiropoulos and Papakonstantinou, interviewees did not have a precise image of the gravity or the variability of the crisis. They preferred to talk not so much about the poor, the ranks of whom had grown since the crisis erupted, but about the fate of the middle class which had been obliged to lower its living standards in the wake of the crisis. Moreover, they often confused poverty with social exclusion, sometimes using these terms interchangeably. An exception was staff members of civil society organizations and solidarity networks who underlined that social exclusion after the crisis not only meant being unable to enter or re-enter the labour market but also meant being barred from accessing public goods, such as healthcare, social welfare and education. This was an interesting finding, reiterated in the chapter by Zafiropoulou, Theodosiou and Pérez on the discourse of civil society organizations on poverty and social exclusion.

Equally interesting was the linkage drawn by many respondents between poverty and social exclusion and rising unemployment and the sudden and steep rises in taxation of income and property. This was crucial for the escalation of poverty because it occurred simultaneously with the reduction of salaries, wages and pensions.

A final interesting finding of the chapter by Sotiropoulos and Papakonstantinou was not so much the sum of causes and effects mentioned above as the realization by interviewees that tackling poverty and social exclusion would require societal changes of a much larger scale. Such changes included the adoption of a new growth model for Greek economy, the reconstruction of relations of trust between citizens and the state and the overcoming of fragmented, narrow-based truths about social justice.

It is telling of the long-term structural problems of Greek society that discourse on social justice under the crisis did not reflect general issues and problems of social justice, such as social class or inter-generational inequalities, but a myriad of social interests. Disparities among innumerable large and narrow interests had already negatively impacted Greece's social fabric before the crisis (Iordanoglou 2013). When the crisis struck, the same pattern of multiple, fragmented social relations prevented the formation of a common understanding and management of the deteriorating social situation after the social effects of the crisis set in.

A crucial aspect of the problem of mismatch, noted above, was the way the problem of poverty and social exclusion was framed in the dominant political discourse. In their chapter in the second part of this volume, Katsikas and Papakonstantinou showed how politicians framed these issues. The authors examined relevant parliamentary debates in the plenum of the Greek parliament and in the Social Affairs parliamentary committee as well as political party documents, including speeches of political leaders. They discovered how political discourse was shaped by pre-electoral considerations and political party competition and how it changed over time as the social effects of the crisis became more and more visible.

Before the economic crisis erupted, Members of Parliament (MPs) of all sides were not as much concerned with managing the problems of poverty and social exclusion as with arguing for the further distribution of welfare benefits (pensions and allowances) to their voters, depending on the electoral district or the occupational category an MP was interested in. The adoption of the first Memorandum of Understanding (MoU) in the spring of 2010 and the surfacing of the first symptoms of an extensive social crisis to accompany the economic crisis completely changed the terms of the relevant discourse in parliament.

While before the onset of the crisis one would rarely hear speakers in parliamentary debates addressing poverty and social exclusion as priority issues, now everybody painted Greece's social situation in stark colours. There was a clear shift in the priority assigned to poverty and—much less so—social exclusion. However, in 2009–2014, the government and the opposition acknowledged the problem in completely different terms. The government recognized the negative social impact of the economic crisis, while the opposition and particularly the Syriza party continually put forward a narrative of a humanitarian crisis in Greece, owed to the austerity policies of the MoU. Unemployment was often the main item of such debates, but there was no middle ground between warring sides in parliament and there was not even the slightest policy consensus on how to fight poverty and social exclusion.

Studying official documents of political parties issued before and after the crisis revealed similar patterns. In such documents, poverty was confused with social exclusion, a finding reiterated in the chapter by Sotiropoulos and Papakonstantinou, based on interview material. Off-hand remarks were more frequent than fully thought-out statements. In other words, there was no comprehensive analysis of Greece's dire social situation, let alone a comprehensive policy proposal on this subject.

Moreover, the discourse of individual politicians as well as party documents tended to focus not so much on the victims of poverty and social exclusion but on familiar pools of voters, such as civil servants and the owners of middle and small enterprises.

In brief, as documented in the second part of this volume, before the crisis, discourse on poverty and social exclusion concentrated on difficulties encountered by specific categories of the population, namely the traditional poor. After the onset of the crisis, the relevant discourse expanded to include new wider categories of the population at risk of poverty or social exclusion. The tone of the relevant parliamentary speeches and political party documents became more dramatic. This did not mean that the discourse under study became more precise or more balanced.

Actually, in what amounted to a second instance of mismatch, there was a flagrant discrepancy between political discourse and social reality. Politicians recounted dramatic but frequently uninformed, if not completely inaccurate, stories about the social effects of the crisis. Thus, stories about the fall of the middle class, owing to the decline of salary income or to the closure of small businesses, probably acquired disproportionate publicity compared with stories about the vast swathes of the unemployed and the long-term ‘outsiders’ of the labour market, such as women, the young and the precariously employed in low-cost jobs.

10.5 CIVIL SOCIETY’S RESPONSE TO THE EFFECTS OF THE ECONOMIC CRISIS

In contrast to the above, non-governmental organization (NGO) staff members had a more hands-on experience of poverty and social exclusion in the context of the economic crisis. For instance, Zafiropoulou, Theodosiou, and Pérez, who conducted interviews with representatives of NGOs and informal social solidarity organizations, discovered a rather different approach. As they explained in their chapter on the discourse of civil society organizations on poverty and social exclusion, representatives of NGOs and informal social solidarity organizations assigned to fragmentation and exclusion a more realistic and, for that matter, more expanded and differentiated meaning. This finding could be couched in terms of social vulnerability.

Vulnerable groups multiplied during the crisis and those groups which had already been vulnerable before the onset of the crisis experienced even graver forms of social exclusion. The latter took various forms, such as lack

of access to educational opportunities for children of socially excluded families or the spread of anxiety among the unemployed in the over-40 age group who felt that overnight they had become unemployable. Social exclusion also meant lack of access of uninsured self-employed people or single-parent families to healthcare and social services.

Such an expanded and differentiated understanding of fragmentation and exclusion essentially meant that, amidst the crisis in Greece and at least in the eyes of NGO activists, the crisis affected a larger-than-usual range of social groups.

Moreover, as the state retreated, by cutting social spending, it was partially replaced by civil society. In her chapter on the strategies and responses of civil society to the crisis, Zafiropoulou used qualitative survey interviews with representatives of civil society organizations in 2015 in Athens and Patras. On the basis of this research, it turned out that such organizations (and particularly new, more informal initiatives) were able to play a pivotal role in meeting new social challenges stemming from the economic crisis. Before the crisis, civil society organizations had reacted to and adapted to external stimuli and local circumstances in their social environment, but after the start of the crisis they changed their strategies. They became more proactive and engaged more actively and more decisively with other local actors. Compared with the past, all this led them to offer new services to vulnerable groups, to tap on new and alternative sources of funding and to find new ways to communicate with society and build networks of solidarity. At the same time, however, many of the new informal groups created during the crisis have proven unstable, partly due to their reluctance to embed themselves in the wider institutional context and benefit from its resources. Some informal groups engaged in competitive and even transgressive behaviour against the more traditional NGOs or public authorities. In other words, even in the context of this new mobilization, there were elements of a new type of fragmentation, a finding confirmed by the broader analysis of Greek civil society in the relevant chapter by Sotiropoulos on civil society in this volume.

In that chapter, Sotiropoulos noted a social transformation. Before the crisis, civil society was rather weak in the sense that, with a few exceptions such as the environmental sector, civil society organizations were mostly dominated by and attached to political parties and state authorities. However, after the onset of the crisis, a plethora of informal groups and networks rose to the challenge of providing assistance to the poor and the socially excluded. Such informal associations constituted a new form of

responses to the crisis, which soon mushroomed in large cities but also in small villages. Essentially, they were collective efforts by smaller or larger numbers of people devoted to the task of offering food, healthcare, educational services and social care to people in need or engaged in the task of exchanging, instead of selling or buying, goods and services.

Informal groups consisted of loose circles of like-minded citizens or neighbours sharing a cause. What all of these groups and networks shared, regardless of their place of origin or task, was a realization that in the wake of the crisis state authorities were unable to offer a range of services because of either lack of funds or lack of skills. There was also suspicion towards state authorities, as particularly left-wing voters often viewed authorities as organizations mismanaged by politicians and as potential sources of corruption and political patronage which had contributed to the derailment of the Greek economy. The long-time charity work of philanthropic and church-based organizations notwithstanding, some of them had been marred by corruption, while other ones had long depended on the state for funds and guidance. Indeed, before the crisis, for a long time, the Ministries of Education, Employment, Health and Social Welfare had been the exclusive interlocutors and programme partners of selected NGOs and philanthropic organizations. As a result, when the crisis dawned upon Greek society, newly emerging civic groups and networks took their distance from the state, the Church and NGOs.

Meanwhile, formal organizations, such as NGOs and not-for-profit foundations, also changed course. While before the crisis they were involved in cultural and educational tasks and with regard to social protection primarily focused on immigrants, after 2009 they engaged in emergency and welfare activities, as did the aforementioned informal groups. More concretely, among the many different types of their activities, the following stood out: social solidarity, involving the exchange of good and services through the internet or through meeting periodically, in the fashion of local fairs; provision of food collection (soup kitchens) and clothes to people in need; care for the homeless; healthcare provision by doctors and nurses; community work, involving recycling, cleaning of streets and squares, gardening and improving of amenities in public spaces; and education, including tutorials for pupils and training for the unemployed or people seeking to start a business.

Notably, many among these informal associations took a discernible anti-government and anti-EU stance. Their members became radicalized during and because of the crisis and participated in anti-austerity protests,

where more often than not a less benign aspect of civil society also rose. Anti-government protesters from different political strands often reached extremes. Anarchist groups torched banks and other public buildings, and the most determined, anti-establishment left-leaning protesters periodically tried to storm the building of the parliament and protest during meetings of the parliament's plenum.

Meanwhile, at the other end of the political spectrum, racist and xenophobic groups capitalized on widespread feelings of traumatized national pride, as after 2009 Greece became completely dependent on external financial aid and public policies were dictated by the country's creditors. Groups of violent protesters, influenced if not directly organized by the neo-Nazi party of Golden Dawn, also surfaced in another, even less benign and actually uncivil aspect of civil society's mobilization. They practiced another type of exclusion by forbidding non-Greeks to use public spaces in some neighbourhoods of Athens and distributed items of social assistance to natives only. While the rising neo-Nazi threat, evident in the fact that the Golden Dawn party came third in the parliamentary elections of 2015, cannot at all be equated to the challenge posed to the government and parliament by citizens defending their social rights, one cannot help registering a final instance of fragmentation: civil society too became extremely fragmented during the crisis, while multiple forms of uncivil society also emerged.

10.6 CONCLUDING REMARKS

As various chapters in this volume have shown, there are multiple rifts in Greek society, not only at the level of the body of society but also at the level of discourse. There are multiple aspects of material and ideational fragmentation and exclusion. Material fragmentation was evident as segments of the middle classes and the lower social classes were cut out of Greece's social body. They drifted apart, either by falling into traps of long-term unemployment, poverty and eventually social exclusion or by leaving the country. Ideational fragmentation was reflected in the multiple, distorted and incompatible views of the social effects of the economic crisis, discussed in the second part of this volume. This was not a phenomenon limited to subjective understandings of the crisis' effects among elite groups, such as politicians, representatives of unions and associations, and journalists. It was a phenomenon of fragmentation and exclusion also manifested in the discourse of victims of the crisis, the poor and the socially

excluded, studied in this volume through interviews with the people closer to them, namely staff of NGOs and activists of informal solidarity groups. The latter substantiated how the poor and the socially excluded were deprived of basic human rights, how they internalized such a deprivation and how they experienced the crisis not only in terms of material but also in terms of intellectual and psychological degradation.

Yet the welfare state proved unprepared to meet these obvious challenges of the economic crisis in Greece. The state temporarily adopted an ad hoc stance, trying to cure only the gravest symptoms of the crisis by, for example, legislating one-off cash transfers to people in need or offering very short-term (e.g. five-month-long) job opportunities in the public sector to the unemployed.

A first lesson then is that, while Greece is still unable to stand on its feet and the crisis continues to evolve even in 2018, almost a decade after it started, a restructuring of the Greek welfare state is pertinent. It simply cannot continue serving basically, if not exclusively, the older citizens and the 'insiders' of the Greek labour market.

A second lesson is that the pattern of continual duels among Greek political elites must be discontinued. Even though in 2017 signs of some economic recovery were evident, economic development will not be forthcoming in a climate of acute antagonism among domestic political forces.

However, a way out of the social crisis, provoked by the economic crisis, would be far different from the continuation of past legacies as far as fighting poverty and social exclusion is concerned. Given the structural inadequacies of the Greek welfare state, a mere increase in social spending would not solve the problems discussed in this volume. A rise in social transfers on the basis of existing legislation and towards the groups of beneficiaries currently entitled to receive a variety of (admittedly slim) benefits would simply not suffice. It would merely reproduce past inequalities and inefficiencies.

Under the extreme conditions of hardship to which Greek society is subjected, there is an opportunity to restructure social assistance by cur-tailing measures which have proven ineffective. An example of ineffectiveness is the periodic distribution of cash benefits to old-age pensioners so that they can cover for their children and grandchildren.

To conclude, the Greek welfare state was totally unprepared to sustain the economic crisis which erupted in 2009–2010. The reasons for this lie in the historical legacies of underfunded and fragmented anti-poverty and

social integration policies. Such legacies weighed over policymaking in the wake of the crisis in addition, of course, to the growth of austerity measures taken since 2010 to achieve Greece's fiscal consolidation.

With the exception of a few, new, universalistic social assistance measures (briefly discussed in the first part of the volume), there was little substantive social policy shifts after the crisis erupted. By contrast, there were social spending cuts and haphazard measures to meet soaring unemployment and spreading poverty. Research presented in this volume showed that the discourse on and perceptions of poverty and social exclusion were marred by misunderstandings and misconceptions of poverty and social exclusion. This is why there was a double mismatch, namely, first, a mismatch between the perceptions of decision-makers and opinion-makers and the social reality of poverty and social exclusion and, second, a parallel mismatch between the gravity of poverty and social exclusion and the anaemic policies adopted to meet these challenges.

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