



Greek transformation tragedy: of pride, scapegoats and technocratic blindness

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In December 2012, Daniel Sahl and Bernd Hüttemann, Board member and Secretary General respectively of European Movement Germany, travelled to Athens to explore how Greek civil society has coped with the global economic and financial crisis. Following several days of consultations with stakeholders from business and politics, they published a report on their findings, with the deliberately provocative title “Greece without civil society: no good news for the future of the country”. The article received a wide range of reactions which provoked them to take another, and more thorough, look at the subject.

“Greece without civil society: no good news for the future of the country”¹: Was our headline at the end of the last year a crude provocation? Initial reactions to our article suggested that perhaps that was the case.

How it is that the world’s oldest democracy has no civil society? How can one even claim that? What the Greek people have to undergo because of savings constraints and reforms is hard to believe, and not just in terms of individual experience. Sudden hardships are not without precedent in recent European history. However, the technocratic approach to problem-solving is unprecedented. The “Greek” solution to the crisis failed to take civil society into account. For there is no structured Greek, or even European, concept which shows how citizen involvement and self-organisation can lead Greek citizens through the crisis and strengthen them for

challenges ahead. – Thus, this essay forms a short history of national pride, scapegoats and technocratic blindness for the social foundations of democracy.

Our continent has come through World Wars and the Balkan Wars, and – though we have almost forgotten it – survived the implosion of communism through a miraculous reunion. Today, although the people of the former Soviet bloc do not live in prosperity, their democracies, in spite of Hungarian setbacks, are strengthened. Their economies are often better than others in “old Europe” because there are no large income gaps between the generations. In a nutshell, there are undisputed success stories in Europe’s transformation process.

However, the situation in Greece is one of severe ruptures and nationalist accusations. The German public has looked on with

¹ <http://www.netzwerk-ebd.de/news/griechenland-ohne-zivil-gesellschaft-keine-gute-nachricht-fuer-die-zukunft-des-landes/>



sympathy as Greece has suffered. Sudden unemployment and simultaneous cuts in social services have been deplored, and not just in soapbox speeches. People have called for solidarity not only with the 1.3 million unemployed, but also with Greece itself. Thus, the German Trade Union Confederation, for example, called for a “Marshall Plan” for Greece.²

Marshall Plan and Copenhagen accession criteria: Historical comparisons are frequently used in political discourse, because they open the horizon of contexts and conditions. Can one compare the current burdens in Greece with the situation in post-war Europe or with the transformation process after the political change in 1989 which led to German reunification? Can Marshall Plan and Copenhagen criteria be considered a benchmark for Greece?

Not everyone draws appropriate comparisons. Anti-Greek and anti-German slogans are predominant. Writing recently in the German weekly “Der Spiegel”, Greek author Christos Ikonou described how strained the German-Greek relationship has become, explaining that Germany and Europe are blamed for the current situation.³ Even if one must classify the case of Greece as particularly difficult, the tone of discourse in Greece differs greatly from that in Italy, Spain, Portugal and in particular, in Ireland. When the Irish Prime Minister visited Athens just a few weeks ago, there was huge media interest in the Emerald Isle that has almost overcome its own crisis.

² Cf. <http://www.dgb.de/presse/++co++36745310-57da-11e1-7e4a-00188b4dc422>

³ <http://www.spiegel.de/kultur/gesellschaft/euro-krise-was-europas-intellektuelle-ueber-deutschland-denken-a-901310.html>

It is now clear that for a long time the Greek situation was misconceived. When accepting Greece into the European Economic Community in 1981, and later into the Eurozone, politicians and the public did not bother to look too closely. Greece’s image as the “cradle of democracy” was well preserved by German late romanticism. Besides, the European tradition not to interfere in national society and “domestic politics” is still en vogue – a strange thing in times of ever growing and politically supported economic interdependence. European politics are domestic politics, but please keep off national borders?

Which status do rescue measures grant to civil society?

When former Greek Prime Minister Georgios Papandreou boarded his flight to Berlin at the beginning of March 2010, it was probably clear to him that it would be difficult to rebuild an effective, modern, 21st-century state with a participatory, representative civil society. He must also have been sure that Germany, equipped with the experience of its own reunification and representing the largest European economy and Greece’s most important trading partner, would play a crucial role in achieving the agreed upon aims.

Papandreou was also surely aware that the transformation of his country towards an efficiently managed, transparent state would last significantly longer and that it would not be sufficient to implement new processes and structures without technical support



from the outside. A German-Greek partnership was concluded that was to be coordinated by the two foreign ministries. At this time, the EU Heads of State and Government agreed solely on political support for Greece, financial support was not yet on the agenda.

The following weeks were to bring the first dramatic climax for Greece. By the end of March 2010, the first rescue package had been negotiated with the EU, the ECB and the IMF; just one month later the Greek Government applied for a first bailout programme in Brussels. The basic position of this was “money for rights”, in other words loans would be paid if radical structural reforms and substantial reductions in public spending were simultaneously undertaken. This gave national parliaments in the Eurozone the feeling of providing support and solidarity without creating a “transfer union” and at the same time without forcing Greece to ruin. That was the beginning of the memorandum on the no bailout clause in the Lisbon Treaty.

Shortly before the bailout programme was voted upon by the Greek Parliament, the first tragic event took place in Athens on May 3, 2010. During a massive, peaceful demonstration of more than 200,000 people, three bank employees were killed in riots provoked by a minority of demonstrators. It was at that moment that a dialogue between policy-makers and Greek society should have started in order to explain future reforms to the rebelling society and to win support for the necessary reconstruction of the country. This was the first failure of a fossilised political elite which simply lacked the necessary societal support.

The adjustment programme negotiated by the Troika was viewed with great scepticism by the Greek population from the very beginning, with reason to a certain degree. The quick reduction of the budget deficit through massive cuts was interpreted as suppression and deprivation of freedom.

No dialogue with civil society

The EU should also have sent a clear-cut signal to explain the way ahead. However, neither Commission President José Manuel Barroso nor another high-ranking representative of the EU institutions has made a visit to Greece so far. Wrong again: There was no construction of a platform for a constructive, content-oriented dialogue with trade unions, employers' associations and economic associations, political foundations or NGOs, with the church or the civil servants' association. Representative interest groups in Greece did not take part in the rebuilding of the state, nor were they taken in duty and responsibility.

Had there been reinforced communications with support of the media, at least parts of the scepticism that Greece could slip off in hopelessness and poverty after breaking up ineffective and crusted structures could have been turned down. The opposite was the case: Greek media – which is up to 80 percent in private hands of some influential entrepreneurs – acted partly irresponsibly. For example, studies such as “Greece – 10 years ahead”, which was commissioned by the Greek industry association SEV at McKinsey, should have been presented not only to politics but also to the population.



These studies show precisely that deep reforms are useful and necessary to lift the economic potentials, which the country undoubtedly bears.⁴

For these extensive modernisation steps, external assistance was needed – help that Germany could not stem alone because the bilateral cooperation between Germany and Greece suffered from the provocative populism of big publishing companies from both countries which put their respective national oversensitivity over the European integration. The bilateral support became too complicated, too complex, and it could hardly be organised from Germany.

Deadlocked structures instead of modernisation

In turn, the socialist government in Athens was occupied primarily with convincing its international partners that the auxiliary programme was being successfully implemented. Countless laws which were opposed by the country's own population were hurried through parliament. New laws and processes were not implemented, or else partially implemented, because they were blocked by the Greek administration which was opposed to the austerity measures. The transformation took place at elite levels, without occurring within the necessary societal substructures. In the field of taxation law, for example, this led to the repudiation of a new real estate tax – that would have been collected through electricity bills – by the influential energy trade union within the state-owned energy producer, Public Power Corporation (DEI). The fatal consequence:

The tax was not collected, and thus the public revenue bargained with the troika could not be attained. The Greek government had promised its population that the implementation of reforms would lead to quick tangible outcomes. The opposite was the case.

Political structures in Greece have grown historically. 368 years of Ottoman occupation, clientelism and corruption in the public sector, as well as increasing centralisation without simultaneous bureaucratic cuts and the creation of clear competence structures practically hamstrung the country during recent decades, and prevented the modernisation of the state in many areas. After the exploitative German occupation during the Second World War, the following Civil War (1946-1949) and military dictatorship (1967-1974), there was no sustainable development of an organised civil society.

But if the conclusion is that there is little tradition in the realm of civil society in Greece which could have been involved, where are the corresponding measures to strengthen the country and its people?

For a long time, no one talked about the possibility of falling back upon existing European competences for the reorganisation and the building up of new administrative structures. Partly, this was due to the fact that in the context of the EU assistance loans, competences had already been handed over from state to Troika level to an extent that one wanted to avoid any further step towards the deprivation of sovereignty. Consequently, concerning the transfer of knowledge, one avoided

⁴http://www.mckinsey.com/locations/athens/GreeceExecutiveSummary_new/pdfs/Executive_summary_English.pdf



consulting European civil society organisations. Instead, one looked for institutional, technocratic solutions.

When the sovereign debt crisis again was coming dramatically to a head in Greece in autumn 2011, bringing a haircut for private creditors and a further aid package into the discussion, Greek authorities asked for more technical support from its European partners. This included, for example, the absorption of still available Structural Funds of 14 billion Euro until the end of 2013. Following meetings in Brussels between Prime Minister Papandreou and President Barroso, accompanied by the German Federal Government, on September 15 2011, the "EU Task Force for Greece" was founded⁵ – three years after the Lehman insolvency and the beginning of the global economic and financial crisis.

In the grey area between the portfolios of Commissioners Olli Rehn (ECOFIN) and Johannes Hahn (Structural Funds and Regional Development), different focal points of support (e.g. health and tax systems, build-up of regional expertise, export support) were divided among the administrations of the euro countries. President Barroso promised a sum of one billion euros in "technical support" to national support programmes, e.g. support from the German Society for International Cooperation (GIZ). This money remains unavailable until this day.

Subsequently, Prime Minister Papandreou failed in his attempt to obtain the support of the sovereign for further austerity plans and emergency loans with a referendum. His

⁵ cf. http://ec.europa.eu/commission_2010-2014/president/taskforce-greece/index_de.htm

resignation followed, encouraged from the outside. To avoid new elections, the two responsible mainstream parties agreed on a transitional "government of technocrats", sending a clear signal to Brussels, Berlin and Paris that the agreed reforms would be continued in order to regain the trust of the international financial markets.

Papandreou has been heavily criticised for the referendum idea. The naked fear of the people's anger, with unpredictable consequences for the financial markets, prompted the European capitals to bring Papandreou back into line.

In terms of civil society, Croatia far surpassed Greece

But those who believed that this would improve communication and participation between the population and the "saviors of Greece" were disappointed in April 2012: The political manifesto of the Task Force, the Commission's Communication "Growth for Greece"⁶, consistently avoids the term "civil society" or even "communication". Quite rightly, the European Movement International has recently strongly criticised the institutions for making hardly any efforts to strengthen civil society in Greece.⁷

The reasons for this failure are complex. Greece is suffocated by its pride, unwilling to

⁶ COM(2012) 183 final vom 18.4.2012); vgl. http://ec.europa.eu/commission_2010-2014/president/news/speeches-statements/2012/04/20120418_speeches_2_de.htm

⁷ cf. Resolution on strengthening the civil society in Greece: http://www.europeanmovement.eu/fileadmin/files_emi/EMI_FA_Dublin_2013/Resolutions/Resolution_on_Strengthening_the_civil_society_in_Greece_EN.pdf



be put on equal terms with the former transition countries. A Slovakian benchmark would not be accepted. If the Copenhagen criteria were applied to Greece, Athens would have to acknowledge that its democracy was not strong enough. At the same time, there is no support for a structured or financial strengthening of Greek civil society in other European capitals either. People that know the civil society programmes set up during Croatia's EU accession process can only wonder why help is lacking in Greece which obviously faces larger transformation problems. In civil society terms, Croatia surpassed Greece long ago. A Greek Parliament Committee counted 20,000 to 30,000 NGOs in Greece in 2011. Igor Vidačak, head of the CSO contact point of the Croatian government, speaks of about 50,000 NGOs in his country – which only counts half of the population of Greece.⁸

The current technocratic aid does not invest sustainably in civic thinking. "Yet, events such as the 1999 earthquake and the 2004 Olympic Games offered thousands of examples of civic engagement", says Styliani Kampani, a journalist for the Greek newspaper Kathimerini. "Greeks are increasingly volunteering, but they still distrust structures." Kampani belongs to a generation of southern Europeans which, long before the European austerity programme, were held in a hopeless lack of prospects by the elites of their parents' and grandparents' generations. Decentralised initiatives born out of necessity, such as the superb help of "Atenistas" for the poor in their neighborhood, are supported by young, well-educated people.⁹

⁸ cf. <http://www.uzuvrh.hr/page.aspx?pageID=73>

⁸ cf.

<http://www.dradio.de/dlf/sendungen/europaheute/2122675/>

⁸ Vgl. <http://www.fuchtel.de/>

And what about Germany, the land of narrow-minded clubmen through and through? It is slowly become proud once again of its corporatist tradition. And it offers great aid experience to transition countries, such as the "Federal Transformation Programmes": With one billion Euro of additional German aid, countries of Eastern and Central Europe were supported in their economic and societal transition. But Greece is far from receiving similarly structured German aid. After all, the responsible State Secretary of the Federal Ministry of Labour, Hans-Joachim Fuchtel, is committed to compensating the largest deficits, but he must laboriously solicit support from other parties.¹⁰ He cannot access structures like those in the transformative '90s.

How does bilateral cooperation work on the ground?

But what could work locally? If one asks the members of large umbrella organisations engaged in European politics such as European Movement Germany, one sees a mixed picture. Many German organisations have no Greek contact persons. Therefore, some very large organisations do not want to be named. Others, like the German Federal Youth Council, are more open. It admits that it has no bilateral contacts. Although Greece and Germany are indeed linked through the European Youth Forum, there are no common actions, nor support of local organisations. Likewise, the Social Association of Germany regrets the lack of contacts in Greece and considers applying for EU funding to build such structures. State



Secretary Fuchtel's work has particularly linked his home Baden-Württemberg with Greece in the municipal sector. The German section of the Council of European Municipalities and Regions refers to the Municipalities in Baden-Württemberg as best practice. In coming weeks, knowledge will begin to be transferred to local experts in Thessaloniki and Athens. The Association of German Chambers of Commerce and Industry and the German Federation of Trade Unions stand out as good examples – the former has a chamber of foreign commerce in Athens, while the latter maintains direct contacts with its Greek sister union GSEE through the European Trade Union Confederation and the Friedrich Ebert Foundation. Other civil society initiatives can be found in the public banking sector.

economic dimension. For Greece, the focus of assistance lies almost exclusively on economy and administration; all other sectors are uncoordinated. Marshall Plan and Copenhagen criteria went further than EU assistance to Greece. While the European Union generally finds it difficult to demand and promote “domestic” civil society standards of its Member States, in Greece it was totally blind for a holistic approach.

It is time to open our eyes. Politics and economy need strong civil society structures. Greece will be back on track when its immune system is strengthened by civil society. Only a healthy body is capable of Olympic excellence.

Painful cuts

In spite of this, a dreary impression remains. Many countries with former dictatorships have experienced painful reforms. The transformation always had more than one

The European Movement International, on the initiative of their national councils in Greece and Germany, has decided recently on important points concerning these problems.¹¹

This essay reflects the personal opinion of the authors.

¹¹http://www.europeanmovement.eu/fileadmin/files_emi/EMI_FA_Dublin_2013/Resolutions/Resolution_on_Strengthening_the_civil_society_in_Greece_EN.pdf



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