

The debt crisis and Greece's changing political discourse

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The debt crisis in Greece since 2010 has triggered seismic changes in the political attitudes of the society and, above all, the political identity and discourse of the country. The extremely unpopular austerity policies caused a severe internal polarization which quickly translated into anti-German mass hysteria, vitriolic anti-EU rhetoric and sharp anti-austerity populism. This paper will endeavour to identify the origins, course and outcome of this dramatic shift in the political attitudes and identity in Greece and analyse them with the benefit of hindsight – almost six years after the eruption of the crisis.

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The collapse of the old order

When the social-democratic PASOK government signed a memorandum of understanding with the IMF in May 2010 to rescue Greece from the crushing weight of external debt and budget deficits, no one could have foretold just how radically this single development would transform the political identity of Greece in the following years. Truly, wherever the IMF intervened in recent years, a seismic political change always ensued. As the IMF's record of financial bailouts (e.g. Russia in 1998, Turkey in 2001) clearly shows, these economic agreements resulted in the collapse of the established political order in every single country. Already discredited as the chief culprit for the economic crisis that demanded the IMF's intervention in the first place, the government in each country agreed to enforce an austerity programme in return for the IMF's economic aid.¹

However, Greece underwent a sweeping, if not traumatic, political transition from May 2010 onwards. The political stage did change radically (i.e. the collapse of bipartisanship between the social-democratic PASOK and conservative Nea Dimokratia, the emergence of small parties and the establishment of unstable coalitions), but this process

1 Indicatively, Erdoğan and Putin were catapulted to power after the previous political order in Turkey and Russia respectively had appealed to the IMF for a costly bailout.

occurred in a far more volatile way than other cases of bailouts within the EU after the outbreak of the European debt crisis in 2010.

Though radical, the political transitions in Spain, Portugal and Ireland – three other countries of the EU's periphery that were rescued economically by Brussels – pale in comparison with the one in Greece. Certainly, the political transition in the three countries translated into the collapse of the dominant parties² and the formation of a coalition government in every country and the rise of parties with an anti-austerity and anti-reform agenda.³ These transitions, however, included neither repeated elections within a short period nor extremely unstable coalition governments as in Greece. Between 2010 and 2015 five elections and one referendum were held which, quite predictably, only fuelled political instability.⁴ Worse, this country witnessed a fierce war of words and ideologies which subsided only recently – in reality, after the second electoral victory of the radical leftist SYRIZA in September 2015.

The war of words and ideologies in Greece

The old political order in Greece collapsed with an uproar. The parties which succeeded one another in power since 1974 signed the first two memoranda of understanding with the IMF and EU (PASOK in May 2010, PASOK and Nea Dimokratia in February 2012). These two parties were labelled 'pro-memorandum' (μνημονιακά) in Greek political terminology, after the two memoranda (i.e. bailout accords) with the country's creditors. This term later included other parties that voted in favour of the bailout agreements and participated in unstable coalition governments: the far-right LAOS in 2010 and the centre-left Dimokratiki Aristera in 2012.⁵ Conversely, the rival political camp included the 'anti-memorandum' (αντιμνημονιακά) or anti-austerity parties. This heterogeneous and fragmented camp contained various parties from the far right (e.g. the neo-Nazi Chrysi Avgi) to the far left (e.g. the Stalinist KKE) that converged on only one policy issue: their opposition to the bailout accords and the austerity and reformist policies they

2 Fianna Fáil in Ireland and the Socialists in Spain and Portugal.

3 The Left Bloc in Portugal, the Labour Party in Ireland or the Podemos in Spain. A. Bosco and S. Verney, 'Electoral epidemic: the political cost of economic crisis in southern Europe, 2010–11', *South European Society and Politics* 17.2 (2012) 129–54; H. Kriesi, 'The political consequences of the economic crisis in Europe: electoral punishment and popular protest', in N. Bemeo and L. Bartels (eds), *Mass Politics in Rough Times: Opinions, Votes and Protests in the Great Recession* (Oxford 2014) 297–334.

4 S. Kalyvas, *Modern Greece: What Everyone Needs to Know* (New York 2015) 185–90. For an up-to-date review of the political situation by the same author, see 'Έξι χρόνια, πέντε σφάλματα, τέσσερα συμπεράσματα', *Καθημερινή*, 11 October 2015.

5 In November 2011, PASOK succumbed to the pressure of the EU and agreed to establish a coalition government with Nea Dimokratia and LAOS with an extra-parliamentary personality, Loukas Papadimos, as prime minister. After the double elections in 2012 (May and June), a new coalition government was established among the Nea Dimokratia, Pasok and Dimokratiki Aristera with the leader of the Nea Dimokratia, Antonis Samaras, as prime minister.

included. In Greece the political discussions over the necessity and efficiency of the bailout accords quickly slid into a vicious war of words between the two camps.

This war of words reflects an antithesis between two opposing camps since the establishment of an independent Greek state in 1831. On the one hand, an introverted 'underdog' culture centred on the traditions of the Orthodox Church as well as the legacy of the Byzantine and Ottoman periods that embraces conservatism and a deep anti-Latin/anti-Western sentiment; on the other hand, an extrovert culture inspired by the European Enlightenment that expresses the demands for modernization and integration with the West.⁶ The pro-memorandum parties advocated a closer integration with the EU as the remedy for the chronic pathology of the Greek economic and political system and the anti-memorandum parties adopted an increasingly anti-EU stance and rhetoric.

Despite their undisputed strength in pre-crisis years, PASOK and Nea Dimokratia suffered a sharp decline of their popularity and political legitimacy right after the signing of the bailout accords. This collapse must be imputed to the dominant political culture in Greece – unique even by the standards of southern Europe. Tsoukalas characterized the high levels of corruption and low trust in the political institutions in Greece as a 'peculiar Greek individualism'.⁷ Public opinion could not reconcile itself with the idea that the country had been bankrupted as a result of errors committed largely by the population itself (e.g. excessive borrowing and spending, low productivity, widespread tax-evasion and endemic corruption); nor could various pressures groups and the majority of the population tolerate the recipe which the IMF and EU prescribed for the chronic illness of the economy: a triad of reforms, austerity and privatizations.⁸ Instead, the great majority of the population (already prone to various conspiracy theories) exonerated itself from any responsibility for the crisis and subscribed to the convenient idea that the two ruling parties since 1974 had committed treason against the people and the country by signing onerous agreements dictated by the creditors in order to save a country they had ravaged in their first place. According to this widespread popular belief, Greece had not gone bankrupt; instead, a rich and strong country had been shamelessly betrayed by native political élites.⁹

Unsurprisingly, the population readily rose in protest. As early as May 2010 impressive rallies and strikes, organized (albeit not controlled) by the leftist-dominated trade unions, paralysed the Greek capital for days and degenerated into violence. Almost

6 N. P. Diamandouros, 'Postscript: Cultural dualism revisited', in A. Triandafyllidou et al., *The Greek Crisis and European Modernity* (London 2014) 208–32.

7 C. Tsoukalas, 'Free riders in wonderland; or of Greeks in Greece', in D. Konstas and T. Stavrou (eds), *Greece Prepares for the Twenty-First Century* (Washington, DC 1995) 191–219.

8 N. Christodoulakis, *Greek Endgame: From Austerity to Growth or Grexit* (London 2015) 41–104.

9 N. Demertzis, 'Greece', in R. Eatwell (ed.), *European Political Cultures: Conflict or Convergence?* (London 1997) 118–19; M. Mitsopoulos and T. Pelagidis, *Understanding the Crisis in Greece: From Boom to Bust* (Basingstoke 2012) 10–15; G. Eptakoili, 'Κατασκευάζοντας τον εχθρό', *Καθημερινή*, 19 September 2015. For conspiracy theory works, see J. Manolopoulos: *Greece's 'Odious' Debt: The Looting of the Hellenic Republic by the Euro, the Political Elite and the Investment Community* (London 2011).

every day between May and November 2011, tens of thousands of people rallied outside parliament in protest against the austerity programme implemented in accordance with the first bailout accord. These rallies were organized and coordinated by youngsters, not opposition politicians and unionists, thanks to social media (Facebook and Twitter) on the pattern of a similar Spanish initiative. This grassroots movement of the ‘indignados’ (αγανακτισμένοι) voiced the increasing resentment of the people against the so-called ‘traitors’ who ‘sold out’ the country to foreign ‘loan sharks’.¹⁰ Some well-known lawyers even spoke of a violation of the Greek constitution and the imposition of a dictatorship by the troika (the European Commission, European Central Bank and IMF).¹¹

The expression of this anger was not restricted to colossal rallies outside parliament; rather, the release of this resentment spread to acts of verbal abuse and even physical violence against the politicians who voted for the bailout agreements. These acts were carried out by allegedly spontaneous protesters outside parliament in repeated incidents in 2011 and 2012. Soon enough, a culture of violence surfaced in Greece that in effect decriminalized the use of violence against politicians. Acts of violence were justified as ‘popular justice’ against the ‘traitors’ who voted in favour of ‘treasonous memoranda’. The perceived ineffectiveness of the two bailout agreements and the misattribution of various side-effects (i.e. a dramatic rise in unemployment, a spike in suicides, a drastic drop in income and a massive brain drain) to the recipe of the IMF and the EU fuelled the popular resentment even further.¹²

Similarly, the attacks against the politicians were propagandized through the social media and the internet. From the outset of the crisis, most people turned their backs on established news media as ‘mouthpieces of a corrupt establishment’; instead, they switched to the internet (most notably, blogs). Calls for protest, revolutionary ideas, conspiracy theories as well as smear campaigns against politicians circulated through the internet and massively increased the popularity and perceived legitimacy of the ‘indignados’.¹³

Soon enough, the rallies of the ‘indignados’ caught the attention of pressure groups. Members of the artistic and intellectual community (most of whom did not conceal their leftist sympathies) supported and even participated in the rallies – projecting the

10 W. Rüdiger and G. Karyotis, ‘Who protests in Greece? Mass opposition to austerity’, *British Journal of Political Science* 44.3 (2014) 487–513. For articles in Greek about the rise and fall of this movement, see P. Mandravelis, ‘Η άνοδος και η εξοφάνιση των Αγανακτισμένων’, *Καθημερινή*, 25 November 2012; M. Demertzian, ‘Αναζητώντας τους Αγανακτισμένους της πλατείας σήμερα’, *Huffington Post (Greece)*, 19 November 2014.

11 See, for instance, D. E. Moustakakos, ‘Τα μνημόνια είναι εθνική προδοσία’, *Ελευθεροτυπία*, 10 August 2013; G. Kasimatis, ‘Χωρίς αιδώ οι παραβιάσεις του Συντάγματος και της κοινοβουλευτικής δημοκρατίας’, *Κουτί της Πανδώρας*, 4 October 2013.

12 G. Siakantaris, ‘Η βία στην κοινωνία της αγέλειας’, *Athens Voice*, 6 March 2013; P. Papasarrantopoulos, ‘Εξτρεμισμός και πολιτική βία στην Ελλάδα’, *Μεταρρυθμιστές*, 5 November 2014.

13 Although the various conspiracy theories and smear campaigns proved eventually to be baseless, the popularity of the anonymous blogs (and the conspiracy theories which some of them disseminated) did not recede.

political message of this grassroots movement well beyond Greece. Most importantly, marginal far-left and far-right groups gradually rode the wave of popular resentment and participated in the protests. In the national elections in 2012 and 2015, these parties rallied the great majority of the 'indignados' under the banner of anti-austerity and secured a place in the parliament. Apart from SYRIZA, which was catapulted to power in January 2015, Chrysi Avgi has profited critically from the collapse of the two-party system and the rise of the 'indignados'. In fact, this party which supports the exit of Greece from the EU and the country's switch to autarkic policies with an emphasis on the primary sector, has proved to be the most durable group in terms of electoral results in four successive elections.¹⁴

The comeback of the 1940s

Owing to a combination of a sense of uniqueness and a tendency for martyrdom since the last years of the Byzantine Empire, many Greeks consider themselves the victims of a conspiracy orchestrated by an evil foreign power (e.g. Germany, the USA). Throughout the modern history of Greece, people and politicians have 'constructed' an external enemy, whom they blame for every catastrophe (e.g. from the Asia Minor Catastrophe in 1922 to the contemporary debt crisis).¹⁵ The appeal of the opposition parties and news media to this traditional feature of the Greek collective psyche as well as the inability of the parties that voted in favour of the bailout accords to offset such criticism only exacerbated this siege mentality.¹⁶

Germany offered a convenient target for the roused nationalist passions in Greece. Since the outbreak of the economic crisis in the Eurozone, the EU has striven to redress the debt crisis in Greece and the other weak links of the Eurozone (Ireland, Spain and Portugal) by implementing an austerity policy which reflects the traditional German viewpoint on the causes and optimum solutions to the pathogeny of the currency union. Some slanderous remarks by German journalists about the alleged laziness and irresponsibility of the Greeks as well as the tough measures of the austerity programme in Greece simply poured oil on the fire.¹⁷

14 A. Pantazopoulos, *Ο αριστερός εθνικολαϊκισμός 2008-2013: Από την "Εξέγερση" του Δεκέμβρη, τους "Αγανακτισμένους" και τις εκλογές του 2012 μέχρι το νέο κυπριακό ζήτημα* (Thessaloniki 2013); T. Theodoropoulos, 'Οι Αγανακτισμένοι στην εξουσία', *Καθημερινή*, 27 January 2015; 'Έρευνα για τους Αγανακτισμένους: Αποσταθεροποίησαν το σύστημα ΠΑΣΟΚ-ΝΔ και ψήφισαν ΣΥΡΙΖΑ-ΑΝΕΛ', *Πρώτο Θέμα*, 30 October 2015.

15 S. Plakoudas, 'Η στρατηγική κουλτούρα της Ελλάδας: 1831-1974', *Foreign Affairs* (Greek edition) 38 (2016) 167-8.

16 I. Photiadi, 'Έλληνες, καχύποπτοι, φτιάχνουν νέους μύθους', *Καθημερινή*, 18 July 2014; L. Giannarou, 'Πάρτι για συνωμοσιολόγους στο διαδίκτυο', *Καθημερινή*, 30 September 2015.

17 S. Vletsas, 'Ο Αντιγερμανισμός και η μύθοι που τον τροφοδοτούν' *TVXS*, 17 March 2012; U. Bech, 'The power of Machiavelli: Angela Merkel's hesitation in the Euro-crisis', *Open Democracy*, 5 November 2012.

At the height of mass anti-German hysteria (2011-13), the population vividly ‘relived’ the war memories of World War II. According to the official state ‘narrative’ taught in schools, Greece waged a ‘heroic war’ against the Axis Powers, whereas the rest of the Old Continent had either yielded to the Third Reich or openly collaborated with Hitler.¹⁸ Berlin has been accused of intriguing to establish a ‘Fourth Reich’ in Europe on the pretext of solving the debt crisis in Greece and the other countries of the Eurozone’s southern periphery. Similarly, the northern European countries (e.g. Finland) that spoke of Grexit were stigmatized as allies of the ‘Fourth Reich’ due to their prior history of collaboration with the Nazis during World War II. In fact, the Greek parties that voted for the bailout accords have been slandered as ‘collaborators’ (δοσίλογοι) of the ‘neo-Nazi’ chancellor Merkel and her finance minister Schäuble.¹⁹

Carried away by the nationalist fervour which swept through public opinion, the opposition parties clamoured that Berlin should not demand economic sacrifices from the Greek people since Germany has not paid its reparations from World War II (which, according to populist rhetoric, would have sufficed to repay the debt).²⁰ Some protesters (and opposition politicians) called for more drastic action: ‘death by fire and axe; against ‘those who kow-tow’ (προσκυνημένους) before foreign ‘usurers’ or ‘occupiers’. The term προσκυνημένοι was used two centuries ago as a battle-cry by Kolokotronis (the greatest military figure of the Greek War of Independence) to terrorize those Greeks who collaborated with the enemy.²¹

The anti-German frenzy spurred an increase in the production of popular history works that dealt with the occupation of Greece by Germany during World War II. These works dealt with the German role during the occupation of Greece, such as the war crimes of the Nazis, the war reparations and the responsibility of Germany for the ensuing Greek Civil War.²² Other works examined the legality and efficiency of the

18 The historiography of World War II remains a contentious issue in Greece. After the rise of PASOK in power in 1981, a new official ‘narrative’ was constructed that idealized the resistance of the population against the Axis Powers and overlooked the civil conflicts during and after World War II. N. Marantzidis and G. Antoniou, ‘The Axis occupation and civil war: changing trends in Greek historiography, 1941-2001’, *Journal of Peace Research* 41.2 (2004) 224.

19 T. Capelos and T. Exadaktylos, “‘The Good, the Bad the Ugly’”: Stereotypes, prejudices and emotions on Greek media representation of the EU financial crisis”, in G. Karyotis and R. Gerodimos (eds), *The Politics of Extreme Austerity: Greece in the Eurozone Crisis* (London 2015) 46–68.

20 T. Michas, ‘Η Αριστερά και οι πολεμικές αποζημιώσεις’, *Protagon*, 5 May 2014; H. Smith, ‘German anger over Greek demand for Greek reparations’, *Guardian*, 12 March 2015; P. Mandravelis, ‘Το “πειραματόζωο” Ελλάδας’, *Καθημερινή*, 27 September 2015.

21 For articles representative of this school of thought, see D. Psychogios, ‘Φωτιά και τσεκούρι για κάθε αντίπαλο’, *Athens Voice*, 20 November 2013; A. Chatzistefanou, ‘Φωτιά και τσεκούρι στους προσκυνημένους’, *Εφημερίδα των Συντακτών*, 20 June 2015.

22 M. Glezos, *Και ένα μάρκο να ήταν: Οι οφειλές της Γερμανίας στην Ελλάδα* (Athens 2012); K. Xiradaki, *Κατάλογοι εκτελεσθέντων, ομαδικά σφαγιασθέντων αμάχων, πεσόντων της Αντίστασης*, 3 vols (Athens 2012); D. Koukounas, *Η Ελληνική οικονομία κατά την Κατοχή και η αλήθεια για τα Κατοχικά δάνεια* (Athens 2012).

bailout accords between Greece and the IMF/EU, arguing that the accords caused the economic subjugation of Greece to the German and US banking elite.²³

The end of an era?

At the start of 2016, the political turmoil of the previous years receded. The rallies of the 'indignados' stopped and the grassroots movement itself vanished. This startling development must be attributed to the voting patterns of the electorate. When in opposition, political parties opportunistically waved the anti-austerity flag and incited the rise of a 'nationalist populism'.²⁴ When these parties rose to power and came face to face with the dire economic problems of the country and the unfavourable international situation, they repudiated their past populist rhetoric and sought a compromise with the creditors – namely Germany.

When in opposition, the conservative Nea Dimokratia promised to renegotiate the first bailout treaty of 2010. In 2012, when pressed by the creditors, Nea Dimokratia abandoned its prior populist rhetoric and agreed to establish a coalition government with its old rival, PASOK, and the far-right LAOS. In that year Nea Dimokratia signed a second bailout treaty with the IMF and EU, though at a political cost. A new populist rightist party, the Anexartitoi Ellines, split from Nea Dimokratia. The elections in 2012 marked the end of the two-party system that had prevailed since 1974 whereby PASOK and Nea Dimokratia alternately formed one-party governments.²⁵ From 2011 to 2014, SYRIZA (and other rightist or leftist parties) rode the wave of the anti-austerity populism and, thanks to support by the 'indignados', rose from the shadows. SYRIZA was catapulted to power with the elections of January 2015 – the high water mark of the anti-austerity movement in Greece since 2010.²⁶

A new coalition government between the SYRIZA and Anexartitoi Ellines was forged that tried to negotiate an end of the austerity programme with the creditors due to its dramatic social and economic ramifications. From the outset, this new government took up a confrontational stance and rhetoric towards Germany and the EU in general and even put forward the issue of the war reparations of Germany – much to the latter's vexation. During the critical negotiations in June 2015, public anti-German and EU sentiment rose dramatically and skyrocketed in the period prior to the referendum in July 2015. The 'No' verdict to the plebiscite, which had been espoused publicly by leading

23 S. Lygeros, *Από την κλεπτοκρατία στην χρεοκοπία* (Athens 2011); N. Bogiopoulos, *Είναι ο καπιταλισμός ηλίθιε!* (Athens 2011).

24 For an analysis of this phenomenon see A. Pappas, *Στις ρίζες του εθνολαϊκισμού* (Thessaloniki 2015).

25 E. Teperoglou and E. Tsatsanis, 'Dealignment, de-legitimation and the implosion of the two-party system in Greece: the earthquake election of 6 May 2012', *Journal of Elections, Public Opinion and Parties* 24.2 (2012) 222–42.

26 G. Karyotis and W. Rüdiger, 'Protest participation, electoral choices and public attitudes towards austerity in Greece', in Karyotis and Gerodimos (eds), *Politics*, 123–41. See also A. Spanou, 'Πού είναι οι Αγανακτισμένοι;', *Athens Voice*, 14 December 2015.

members of the government, was acclaimed as a worthy successor of the ‘No’ response by the dictator Metaxas to the Italian ultimatum in October 1940. The supporters of the ‘Yes’ verdict were stigmatized as ‘mouthpieces of the foreign usurers’ and ‘collaborators of Berlin’, in sharp contrast to the worthy successors of the heroic figures of World War II. This euphoria did not last long, however. Bereft of allies, Greece was faced with a stark dilemma by its creditors: exit from the Eurozone or a new harsh bailout accord.²⁷

When in July 2015 the coalition government signed a new bailout accord with the EU under strict conditions, the political movement against the bailout accords and in favour of an exodus from the Eurozone suffered a shock from which it will probably never recover. This accord triggered a split within SYRIZA and new elections in September 2015, in which the party triumphed again despite the fact that the party had reneged on its populist promises.²⁸ The victory of SYRIZA and the formation of a new coalition government, once again with *Anexartitoi Ellines*, probably signal the irreversible decline of anti-austerity ideology in Greece. Although some smaller parties (such as *Chrysi Avgi*) continue to use anti-austerity rhetoric, the high tide of this ideology has passed, since no other anti-austerity party currently seems capable of rising to power.²⁹

27 N. Papadogiannis, ‘SYRIZA’S German fixation?’, *Project Syndicate*, 8 July 2015; ‘Greece and the Euro: A third bail-out’, *Economist*, 15 August 2015.

28 C. Mudde, *ΣΥΡΙΖΑ: Η διάψευση της λαϊκιστικής υπόσχεσης* (Thessaloniki 2015).

29 For an analysis of why the Greek political system cannot be stabilized after the eruption of the debt crisis, see S. Verney, ‘“Broken and can’t be fixed”: the impact of the economic crisis on the Greek party system’, *The International Spectator*, 49.1 (2014) 18–35.