



FRAGMENTATION and EXCLUSION: UNDERSTANDING and
OVERCOMING the MULTIPLE IMPACTS of the EUROPEAN CRISIS

FRAMING THE GREEK CRISIS

AN ANALYSIS OF PUBLIC PERCEPTIONS OF THE GREEK CRISIS

Discourse Analysis of Interviews from Selected Groups (Policy and
Opinion Makers)

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Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης- Ευρωπαϊκό Ταμείο Περιφερειακής Ανάπτυξης

Abstract

Since the onset of the crisis in Greece (2009-2010), two Memoranda and one Mid-term Fiscal Strategy Framework (2013-2016, Law 4093/2012) have been adopted. We see that the social costs of the economic policy package Greece has had to implement were too high. Greece has taken significant steps towards getting its public finances back on track. But the policy choices of the government and the troika of the IMF, the EC and the ECB have placed a heavy burden on the Greeks. Poverty and social exclusion are not new phenomena in the Greek society. Greece has always had one of the highest poverty rates in Europe, high rates of social exclusion and a welfare state that maintains (if not intensifies) social inequalities rather than curbs such inequalities. Within this context, our research, conducted in mid- 2014, seeks to examine perceptions of the crisis in Greece and its connection to the phenomena of poverty and social exclusion. The objective is to understand and contextualise the public perceptions of the Greek crisis and the public perceptions of the contribution of the EU to its management. In order to get Greece's public finances back on track and to establish a safety net for its population, it is necessary to understand the Greek crisis, its causes and its impact on the society.

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Abbreviations

AnEI	Independent Greeks
DEMAR	Democratic Left
EC	European Commission
ECB	European Central Bank
ELSTAT	Hellenic Statistical Authority (ex National Statistical Service of Greece)
GSEE	Greek General Labour Confederation
IMF	International Monetary Fund
KKE	Communist Party of Greece
MP	Member of the National Parliament
ND	New Democracy
NGO	Non-Governmental Organisation
PASOK	Panhellenic Socialist Movement
SYRIZA	Coalition of the Radical Left

INTRODUCTION

This is a research project on perceptions of the social impact of a deep economic crisis. In spring 2010 the European Union and the International Monetary Fund came together to create a 110-billion-euro financial rescue package for Greece, which thus became the first ever Eurozone member to be bailed out. This provided financial support to a country that was teetering on the brink of bankruptcy and political support to a government that faced a mountain of economic problems. In exchange for financial support, Greece accepted to implement a harsh austerity package.

After four years, two Memoranda and one Mid-term Fiscal Strategy Framework (2013-2016, Law 4093/2012), we see that the social costs of the economic policy package Greece has had to implement were too high. The EU-IMF loan memoranda did not adequately address the country's particular structural weaknesses. Greeks are facing grave problems such as, an economy in its sixth year of recession, an unemployment rate at its highest (27% in 2014), tax rates and social security contributions among the highest in Europe and constant speculation about whether their country will restructure its debt, default on its debt or even return to the drachma.

Greece has taken significant steps towards getting its public finances back on track. But the policy choices of the government and the troika of the IMF, the EC and the ECB have placed a heavy burden on the Greeks. The social impact of the crisis is evident in a record unemployment rate, job insecurity, income reduction, the closure of businesses, and an increasing number of people facing poverty and social exclusion. Whereas the Greek society has reacted with considerable maturity and resilience, there is a growing estrangement between society and the political system¹. The policy measures taken so far have proven inefficient in tackling three significant issues: burden sharing and fairness in distributing the costs of the austerity package, the reform of the Greek public sector, and the flared- up and often vicious political debate about overcoming the crisis.

Poverty and social exclusion are not new phenomena in the Greek society. Greece has always had one the highest poverty rates in Europe, high rates of social exclusion and a welfare state that maintains (if not intensifies) social inequalities rather than reduces them. Since 2010, policy responses to the negative social effects of the crisis have been misguided, inadequate or both². Most spending cuts were indiscriminate, causing hardship and disrupting public health and social services. Labour market deregulation was guided by the belief that lowering workers' compensation and weakening labour market institutions was the key to

¹Malkoutzis, N. (2011) Greece– A Year in Crisis: Examining the Social and Political Impact of an Unprecedented Austerity Programme, International Policy Analysis, Friedrich Ebert Stiftung, available at <http://library.fes.de/pdf-files/id/ipa/08208.pdf>[accessed: 25.08.2014]

² Matsaganis, M. (2013) *The Greek Crisis: Social Impact and Policy Responses*, Study, Friedrich Ebert Stiftung, available at <http://library.fes.de/pdf-files/id/10314.pdf>, [accessed: 25.08.2014]

restoring competitiveness. As a result, pay and working conditions for workers have worsened, while the reform of public administration was reduced to a simple decrease in the size of civil service³.

Within this context, our research seeks to examine perceptions of the crisis which has hit Greece. The objective is to understand and contextualise how the crisis is framed and what are the public perceptions of the crisis and its management by the EU institutions and the EU member states. For that purpose our research addresses the following questions:

- a) What are the concepts and dimensions of crisis in the political debate;
- b) What are the new (if any) concepts regarding poverty introduced in public debate after the beginning of the crisis;
- c) Whether the adoption of a rescue package for Greece and Greece's integration in the support mechanism was the only way to overcome the crisis;
- d) What are the public perceptions regarding the policies implemented by the Memoranda;
- e) What are the public perceptions regarding the role of the EU and the role of Germany in the management of the crisis.

This report discusses and analyses interviews that were conducted with sampled members of four target groups. The first group consists of politicians, members of the government and members of the national parliament. The second group involves technocrats and policy advisors. The third group consists of representatives of the largest trade unions in Greece and social partners and the fourth group includes journalists and newspaper editors.

The report proceeds as follows: Section I is on methodology. Section II concerns the analysis of the public perceptions of the Greek Crisis and section III concerns the conclusions of the Analysis.

I. METHODOLOGY

The study uses the method of the qualitative content analysis in order to create a typology that reflects and analyzes the various aspects of the crisis discourse in Greece. This part of our study is based on the 'interview' method using a semi-structured interview schedule. This research technique was considered ideal since it offers considerable flexibility to the researcher. Furthermore, it is most suitable to elicit and accommodate large amounts of relevant information on the perceptions of the interviewed persons. We have conducted face to face interviews, which took place in the offices of the interviewees. Some of the interviews were taped but the majority of the interviewees did not give their consent to record the interview. The interviews included open questions as well as closed, fixed-response questions, while the

³*ibid.*

questions were the same for all the participants. We conducted the interviews in June- August 2014 in Athens.

Altogether 53 interviews were conducted including nineteen members of the government, of the national parliament (Mps) and political parties; eight technocrats or policy advisors; twelve representatives of trade unions, professional associations and associations of employers, who in this report are also called representatives of social partners; and fourteen journalists and editors, who in this report are also called opinion makers.

The material of the interviews provided us with quantitative as well as qualitative data. Various lines of argument exist in favour of or against quantitative and qualitative research methods. While some argue that quantitative data is more objective and 'reliable' than qualitative data, proponents of qualitative research methods find qualitative data as 'valid' and reliable. Qualitative data, may help to elaborate on very difficult questions or issues, especially where subjectivity and varied opinions are essential to capture the meaning of social action.

In our analysis, we have decided to use thematic analysis approach (a qualitative research method) to reach some conclusions about the public perceptions of the Greek crisis and the involvement of the EU and Germany in its management. We have also decided to provide some quantitative data, wherever required.

Thematic analysis is a way of seeing, as well as a process for coding qualitative information⁴. 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 the data and categorized the data received.

Interesting features of the data were coded in a systemic way across the entire data set, collating data relevant to each code. This was followed by collating codes into themes, 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.

Limitations of Conducting Research Based on Personal Interviews

The timing of the research was itself a challenge. As the regional elections and European Parliament elections took place in May 2014, it was difficult to reach politicians, government members, members of the national parliament (MPs) and journalists in the period just before and just after elections. Moreover, most of the professionals take a leave during summers. In some cases we faced refusal and suspicion of our target respondents.

⁴Boyatzis, R.E. (1998) Transforming qualitative information: Thematic analysis and code development. Thousand Oaks, London, & New Delhi: SAGE Publications.

II. Analysis.

1. Public Perceptions of the Greek Crisis.

1.1. The Phenomenon of the Crisis and how it is conceptualized.

Politicians:

Our first target group consisted of politicians. At the beginning of the interview we asked our interviewees to describe the crisis. We wanted to record their spontaneous answer about how they perceived the crisis. The majority of the politicians (eleven out of nineteen)- representatives of all the political parties- agreed that the crisis is not only financial but also a crisis in social values. They agreed that the Greek society should regain confidence in institutions and rediscover its lost values.

Conceptualizations of the crisis:

“Financial crisis, crisis in values which affects all the social strata in our country [...]” (MP of ND).

“The characteristics of the crisis are common for all the members of the society. Greek citizens have lost their trust in the institutions” (MP of PASOK).

“The crisis started as a financial crisis but it has been transformed into crisis in values, cultural and moral crisis, meaning that it has made the people compromise easily.” (MP of Syriza)

“The Greek crisis means social exclusion, economic exclusion, poverty, decomposition of the social fabric, crisis in values” (Member of LAOS)

“The Greek crisis is economic, political, social, and crisis in values.” (MP of DEMAR)

Four out of the nineteen politicians argued that the crisis produced revealing results. It highlighted the structural weaknesses and inadequacies of the Greek economy and society. The crisis found the political system unprepared, as it had been supported for decades by the existing clientele system and the clientelist relations of political elites with specific unions.

“The debt crisis highlights and exacerbates the distortions of Greek society after the transition to democracy: consumerism, unions, loan, low productivity, entrepreneurship based on statism, corruption, borrowing to cover protests.” (Politician, Member of POTAMI).

“The Greek financial crisis reflects the erosion of the productive basis of the economy. The increasing income and consumption during the last two decades was financed by borrowed money therefore it resulted in the debt crisis.” (Politician, Member of the party Social Agreement).

Two of the interviewees of this target group, offered a more general framework of the Greek crisis. They argued that the crisis is the result of the failure of the neoliberalism model, which has affected the democratic institutions; and that the crisis is a crisis of the capitalist system.

Technocrats:

While the majority of the interviewed politicians referred to the crisis in values, only one out of the eight interviewed technocrats connected the financial crisis to the moral crisis.

“The crisis in values has led to the financial crisis. We need to stop focusing on the crisis and start discussing about new facts.” (Technocrat)

The majority of the technocrats (five out of eight) agreed that what we call “the Greek crisis” is a crisis connected to the structure of the Greek economy, to its “false “ development during the last two decades and the major differences of the Greek economy model with the economic models of the other EU member states.

“The Eurozone architecture had a significant role in the crisis in Greece, and I would like to refer to the very limited role which the European Central Bank had in financing member states and productive investments, in guaranteeing the stability of the banking system.” (Technocrat)

“The crisis has highlighted how unprepared we were, as there was no safety net for tackling poverty and social exclusion.” (Technocrat).

One of the technocrats interviewed referred to the interconnection between the financial crisis and the political crisis. He argued that

“over time the political crisis, has developed into a competitiveness crisis in the last five years, due to the deficit in the budget balance of 2009. The financial risk is associated with political risk. The political risk produces waves of recession and the political crisis worsens the economic crisis.” (Technocrat)

Two of the interviewees of this target group, directly linked the crisis to its impact on citizens and the market:

“Crisis is the lack of orientation in social and economic terms.” (Technocrat)

“The crisis disrupts the expectations one has for next year. It causes income shocks and upsets the existing planning and expectations.” (Technocrat)

Representatives of trade unions and associations:

The crisis in values is an issue frequently mentioned by representatives of the social partners, trade unions and professional associations. It is considered as an element which puts at risk social cohesion, since it mostly affects a certain social stratum: the middle class. The crisis in values is connected with social capital deficit where the state and citizens do not trust each other. The crisis in values is also connected with the lack of social solidarity and the abandonment of the social welfare character of the state.

Only three out of the twelve trade unionist and social association representatives described the crisis in economic terms.

“I would say we are experiencing a crisis of the perverse growth model we followed and the absence of competitiveness.” (Social partner representative).

“I think that the crisis we are experiencing is more than recession. I think that the term “depression” is more appropriate to describe the crisis in Greece. What happens in Greece is unprecedented for a non- failed state.” (Employer association representative)

“The Greek crisis constitutes an organized plan of the post neoliberalism supporters in order to accumulate the produced wealth in fewer hands.” (Social partner representative)

In the same group of respondents, those who described the crisis as political crisis focused on the importance to implement a different growth model and reorganize the productive sector and structures of the country and support the middle class.

In the same group of interviewees several common themes came up: Safeguarding of social cohesion, fighting corruption and changing labour relations were suggested by the trade union and associations representatives, while only one of them referred to the term “humanitarian crisis”.

Newspaper editors and journalists:

The answers of newspaper editors and journalists to our questions were not much different from those of the politicians. Journalists pointed out the psychological dimension of the crisis. The majority among them also referred to the crisis as the process of the overall degradation of Greek society characterized which has resulted in unemployment, homelessness, social marginalisation.

Six out fourteen journalists characterized the crisis as political, as a failure of the political system and the elites to capitalize on the advantages of the Greek economy during the last two decades, for instance the “easy and cheap” financing.

“The economic crisis is a consequence and cause of social and political crisis. A long era after the transition to democracy (1974) ended painfully with the economic collapse due to mismanagement of the previous period.” (Journalist)

“The crisis is political. The lack of “checks and balances” led to the financial problem.” (Journalist)

Responses of journalists included mostly suggestions, such as the need for achieving consensus on structural change maintaining social cohesion, halting the retreat of the State from the economy and welfare, and addressing irregular migration.

Despite the fact that the responses of the journalists were to an extent homogeneous, some of them seem to be a bit more concerned about the psychological impact of the crisis. These journalists underlined that a large number of citizens is suffering from depression, while the younger people have been left with no hope or optimism for the future.

“We need to create the notion that there is future beyond collective depression” (Journalist).

“The key challenge is to find our psychological balances [...] and avoid social conflicts” (Journalist).

“Full deprivation of the dream. This is what the crisis means to me. The dream is linked with development. There is lack of aims here. Compared to previous generations, young people today are immersed in depression.” (Journalist)

The linkages between the crisis and poverty in Greece.

Trying to understand better the perceptions of the representatives of our interviewees regarding the crisis we asked them whether there is a connection between poverty and crisis. The vast majority of the politicians interviewed replied that there is a strong, direct connection between those two. The main difference among the responses is that some of the politicians argued that it was not the crisis that increased poverty but it was the management of the crisis that increased poverty in Greece and was diffused in a vertical way to all the social strata and mostly the middle class.

“The attempt to tackle the crisis created poverty and lack of cash even for the non poor social strata.» (MP of ND, Former Minister)

“The policies implemented to manage the crisis, the harsh austerity policy, the fiscal adjustment along with the depreciation policies, sharply decreased the purchasing power of the households, increased dramatically the unemployment and led to the closure of a huge number of the SMEs, the impoverishment of a large part of the middle class and the marginalisation of the vulnerable groups.” (Member of Social Agreement, former Minister)

The majority of the politicians agreed that there was poverty in Greece long before the crisis, but poverty was revealed after the eruption of the crisis because it increased and affected wider groups.

Four out of the five MPs of Syriza and only one out of the six MPs of ND, whom we interviewed, argued that poverty in Greece is a result of the eruption of the crisis, since a large number of citizens was forced to unemployment.

Two out of the four MPs of PASOK responded that the crisis caused the impoverishment of thousands of citizens, while four out of five MPs of Syriza agreed. Only one MP of Syriza argued that the crisis transformed poverty

“Crisis gave poverty in Greece more sharp characteristics, we now have to deal with phenomena of extreme poverty.” (MP of Syriza)

The responses of the interviewed technocrats were not much different from those of the politicians. Two of the technocrats interviewed connected the crisis to poverty through the increase of unemployment and the loss of jobs.

Despite the fact that Greece had always been among the EU member states with the highest rates of poverty and social inequalities, these variables have deteriorated, especially during the last 3-4 years. This deterioration is connected to the impact of the crisis on the Greek society and economy. For the majority of the interviewed technocrats, poverty is connected to the increase of unemployment and also to excessive taxation and to wage and pensions cuts. While only one of the interviewed technocrats responded that poverty was the effect of the crisis in Greece, the majority of the technocrats considered that poverty in Greece has increased because of the crisis but it has not affected all the social strata homogeneously. People belonging to special social categories were more affected than others. Only one of the interviewed technocrats refrained from referring to a connection between poverty and crisis; and highlighted that

“In Greece there has always been accumulated wealth. Obviously when the inflow of income stops, because of the crisis, it causes a shock.” (Technocrat)

Another technocrat pointed out that

“There is a vicious cycle between poverty and crisis. The longer a person remains in a situation of poverty, the higher the possibility for him to remain in this situation. Even if this person manages to find a job, it is likely that he might find himself again in the same situation (poverty).” (Technocrat)

The majority of representatives of social partners (eight out twelve) agree that the crisis revealed and intensified poverty and argued that there is a correlation between crisis and poverty. The rates of poverty had always been quite high in Greece but after the crisis erupted, poverty rates increased dramatically.

“The crisis revealed the dynamics of the poverty that always existed in Greece.” (Employer Association Representative)

“While the crisis deepens, poverty spreads.” (Employer Association Representative)

Two out of twelve representatives of social partners pointed out the relation between crisis and unemployment and consequently poverty.

“The crisis severely damaged the labor market and therefore its relationship to poverty is absolute.” (Trade Unionist)

“The European *acquis* had managed to curb unemployment and the poverty level was maintained at acceptable levels. In Greece we had always been familiar with high unemployment rates (9%) and large parts of the population living in poverty even before the crisis. But now that unemployment has reached 40%, there is a real social cohesion problem.” (Trade Unionist)

Three out of twelve representatives of social partners argue that crisis caused the impoverishment of the Greek society, while one trade unionist used the new concept “working poor” to refer to the connection between poverty and crisis:

“Statistical poverty existed before the crisis. There is an increase in poverty, more than 15% of the employees are working poor.” (Trade unionist)

The interviewed journalists and editors agreed that poverty and crisis are directly connected. Only two out of fourteen journalists and editors interviewed stated that crisis increased poverty, while the vast majority of them claimed that the crisis increased the already existing poverty and it affected wider strata of the society.

“As time passes the crisis deepens poverty. It is more visible in the middle class and the people who were at risk of poverty, are now below the poverty line. The crisis has affected more those who were not completely integrated in the society.” (Journalist)

“The poor have become poorer and the number of poor has increased.” (Journalist)

Journalists also connected poverty to the results of the crisis. For instances they related poverty to the increase of unemployment, to wage and pension cuts, to overtaxation and the increase of the cost of living, referring to the increase in the prices of bills, tickets and goods. What is remarkable is the emphasis they gave to the impact of the crisis on the middle class. The majority of the journalists highlighted that a large number of people belonging to the middle class was subjected to downward mobility.

1.2. The causes of the Crisis.

Trying to understand better the perceptions of the representatives of our target groups, regarding the crisis, we asked them what were the causes of the crisis and which one of the causes contributed mostly to the eruption of the crisis. The representatives of our first target group, i.e. politicians, agree that political parties that have been governing Greece for the last 3 decades are mostly responsible for the advent of the crisis in Greece. The interviewed MPs did not agree that the integration of Greece into the EU in 1981 was one the causes of the crisis, while ten out of nineteen considered that the accession of Greece to the Eurozone had a quite significant role in the eruption of crisis. The MPs agreed that the global financial crisis affected significantly the Greek economy but it seems that they agree that the causes were a lot deeper. The governments of the period 2004-2009 and 2009 - 2011 were considered as responsible for the huge impact of the Greek crisis, as well as the structural weaknesses of the Greek economy and the inadequacy of the institutions.

The majority of the interviewed technocrats interviewed seem to blame the Greek politicians and the policies of the banks for the eruption of the crisis and less so the EU policies or the integration of Greece in the Eurozone. Journalists and trade union and associations representatives agree that the governments of the period 2004-2009 and 2009 to 2011, as well as Greek politicians and parties in power overtime are mostly responsible for the coming of the crisis. They blame less the global financial crisis or the EU policies. They also seem to blame Greek citizens for accepting and furthering patronage and clientelism which prevented the implementation of necessary reforms of the Greek economy and welfare state.

1.3. The impact of the Crisis.

Trying to understand better the perceptions of the representatives of our target groups, regarding the crisis, we asked them to answer whether they agree with six typical statements we have constructed about the crisis. The interviewees were asked to tell us whether they totally agreed, tended to agree, tended to disagree, or totally disagreed with each statement.

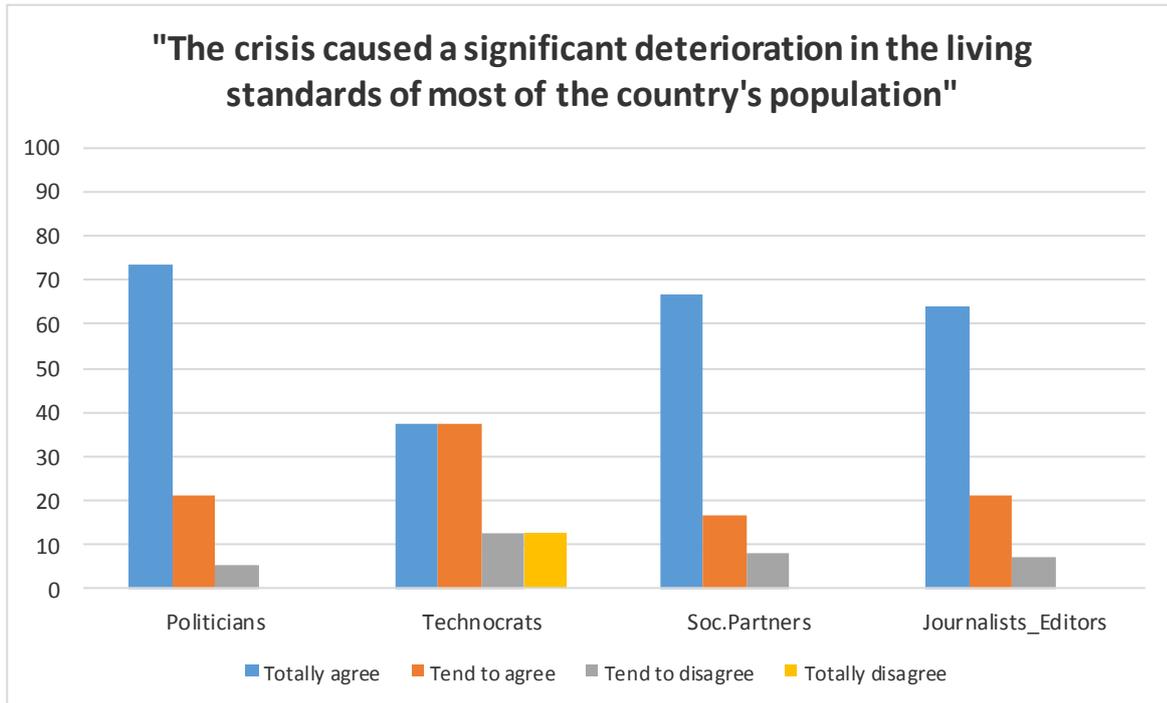
First statement:

- *“The crisis caused a significant deterioration in the living standards of most of the country's population”:*

What we observe in the following graph is that the percentage share of the technocrats- opinion makers (journalists- newspaper editors) who disagree with the above statement is higher than the other groups of interviewees. What is also remarkable is that the rate politicians who agree or tend to agree is particularly high, which indicates a mismatch between their perception and the policies applied.

The majority of politicians, technocrats, representatives of social partners and policy advisors (trade unions and associations), and of the journalists totally agreed with this statement.

Graph 1

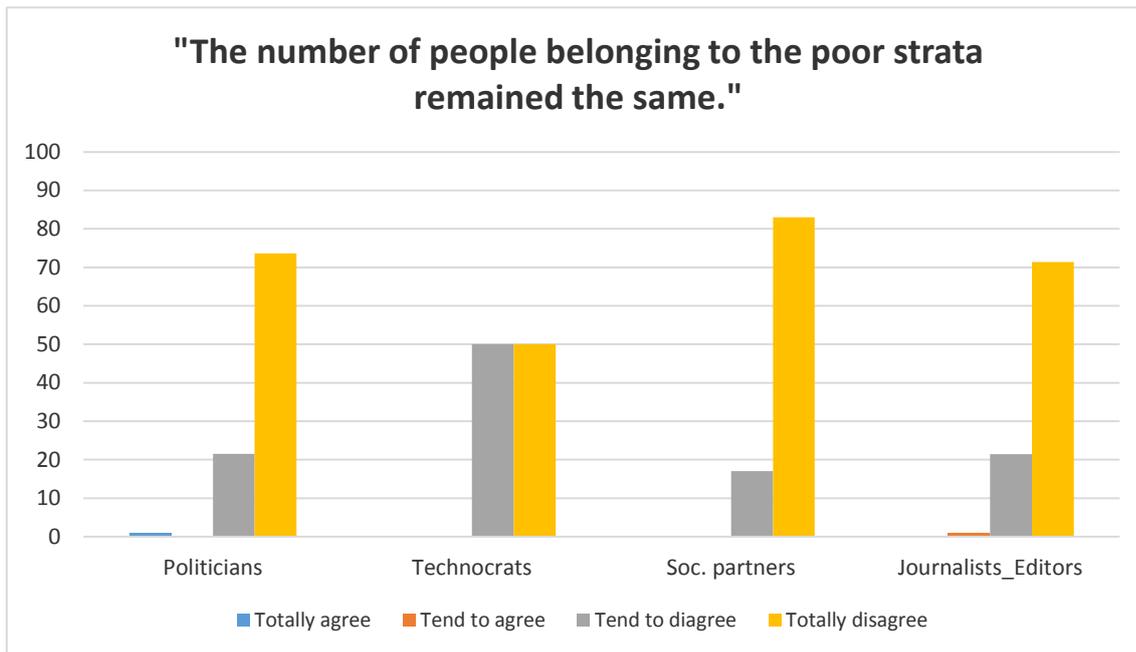


Second statement:

- *"The number of people belonging to the poor strata of society remained the same":*

As we observe in the graph below (Graph 2), the vast majority of the interviewees of all groups agree that poverty has increased in Greece. The share of the politicians who totally agree with the statement is the highest, whereas the shares of the technocrats who agree is the lowest. Among the latter, some argue that poverty is not as high as someone would expect based on the high rate of unemployment and the recession. Indeed, given that at the time of writing the absolute number of the unemployed exceeds 1.3 million, half of whom were long-term unemployed, one would have thought that poverty would have been even more extensive after the crisis erupted.

Graph 2

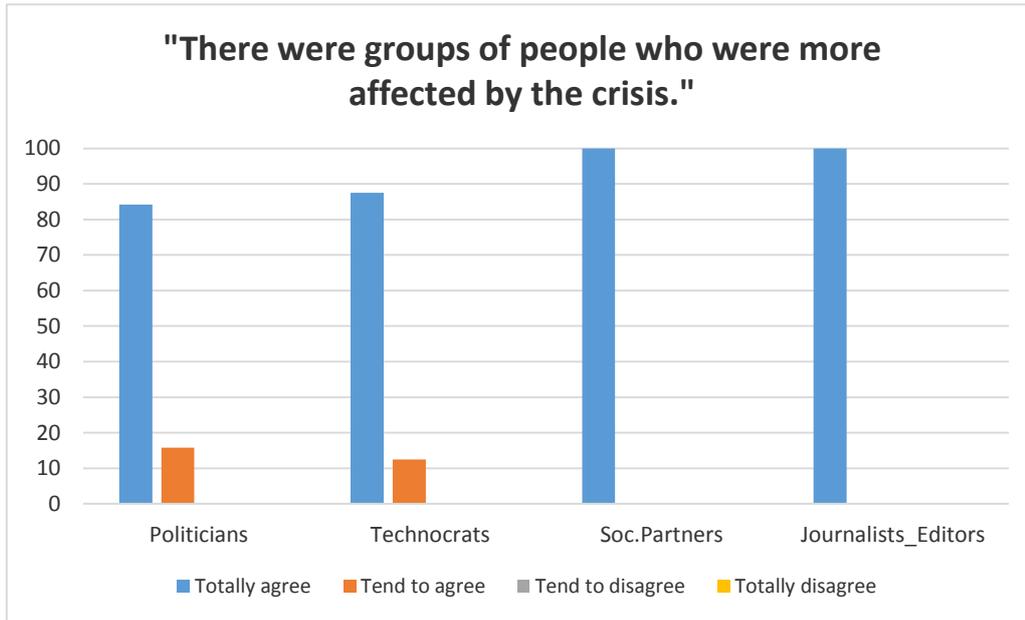
*Third statement:*

- *"There were groups of people that were more affected by the crisis":*

The following chart reflects the distribution of reactions to the statement that particular social strata were more affected by the crisis, especially middle and lower middle class.

Sixteen out of nineteen politicians, as well as all of the interviewed technocrats, policy advisors and representatives of social partners and all of the journalists and editors totally agree with the statement. This quasi-unanimity probably reflects the realisation that small visible groups, belonging to the business class and the liberal professions as well as segments of high ranking public sector employees, such as judges, diplomats, managers and middle- ranking cadres of state owned enterprises were much less affected by the crisis than the rest of the population.

Graph 3



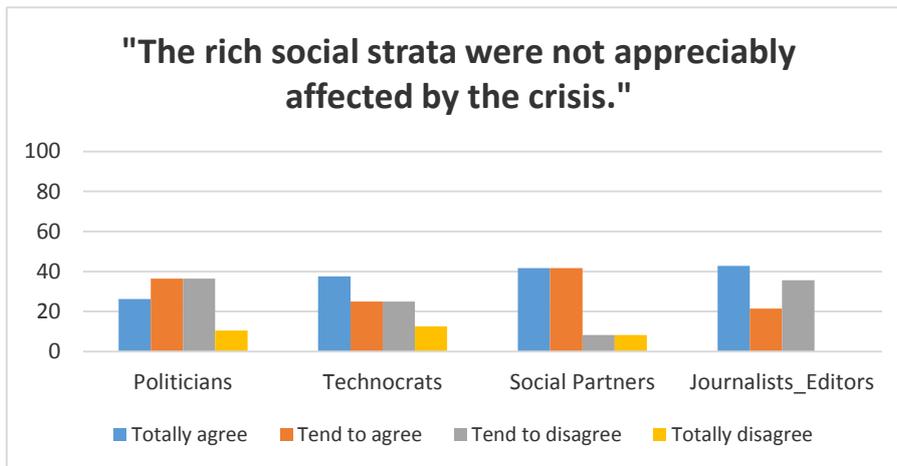
Fourth statement:

- *"The rich social strata were not appreciably affected by the crisis":*

What is interesting about this item is the variation between the views on members of the same group. Almost half of the politicians who were interviewed tended to agree that the rich were not significantly affected by crisis, whereas, in contrast, the other half thought that they were significantly affected. What we observed is that the politicians of ND either tended to disagree or totally disagreed that the rich were not affected by the crisis. The majority of politicians belonging to Syriza either agreed totally or tended to agree with the statement, except for one politician who tended to disagree. In the case of PASOK representatives the data are a bit more complicated. Two of the interviewees tended to disagree, while one totally agreed and the rest tended to agree.

What we observe here is that, according to some MPs supporting the coalition government of ND and PASOK, the rich were also affected by the crisis. By contrast, for the Left-wing MPs this was not true.

Graph 4



Fifth statement:

- *"The number of the homeless has sharply increased"*:

Whereas politicians, technocrats, trade unionists and social partners' representatives supported that the number of homeless has dramatically increased, journalists tend to disagree or disagree completely with this statement.

Unfortunately there is no recent official data regarding the number of homeless people in Greece. The official recording of the homeless took place for the first (and last) time in Greece in 2009, by the Ministry of Health. According to those data, there were approximately 7.700 homeless living in Greece⁵. During the last years, after April- May- 2010, there have been published articles about an increase in the number of homeless people. According to unofficial data and piecemeal data given by NGOs, the number of homeless in Greece has reached 20.000 or 40.000⁶. What is not clear is whether these numbers include, except for people who do not have access to housing, people living in precarious housing.

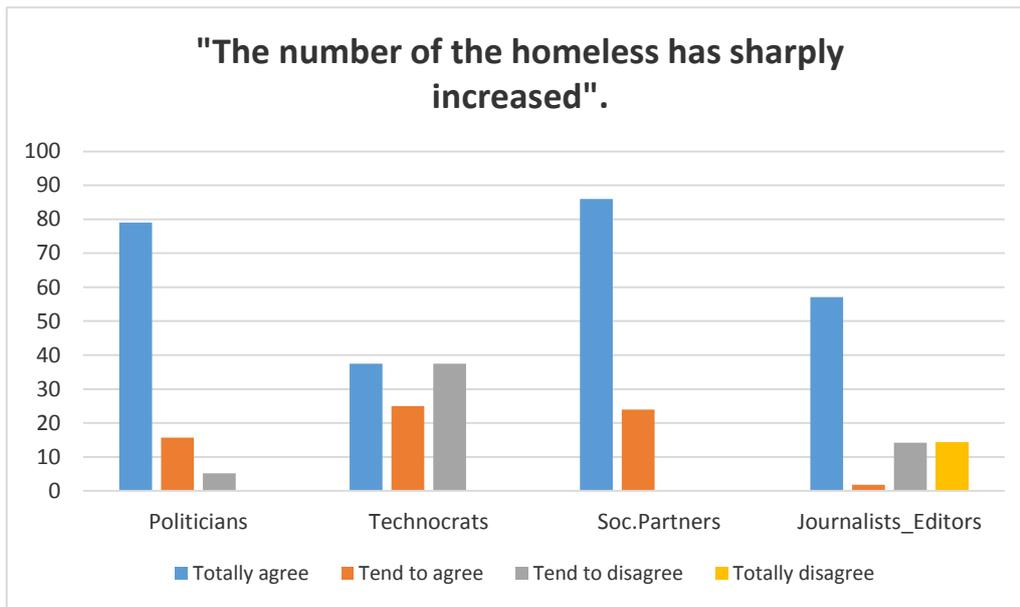
Due to the lack of data, we cannot confirm the number of homeless. However, taking into account what was said during our interviews, a journalist who had done field research on the homeless, responded that the number of homeless has not dramatically increased.

⁵ Ministry of Health, *Homeless Recording Report 2009*, available at: <http://www.healthview.gr/old/sites/default/files/%20%CE%91%CF%83%CF%84%CE%AD%CE%B3%CF%89%CE%BD%20%CE%B1%CF%80%CF%8C%20%CF%84%CE%BF%20%CE%A5%CF%80%CE%BF%CF%85%CF%81%CE%B3%CE%B5%CE%AF%CE%BF%20%CE%A5%CE%B3%CE%B5%CE%AF%CE%B1%CF%82%20%CE%BA%CE%B1%CE%B9%20%CE%9A%CE%BF%CE%B9%CE%BD%CF%89%CE%BD%CE%B9%CE%BA%CE%AE%CF%82%20%CE%91%CE%BB%CE%BB%CE%B7%CE%BB%CE%B5%CE%B3%CE%B3%CF%8D%CE%B7%CF%82.pdf> [accessed on 28.08.2014]

⁶ Caritas Europa (2013) *Europe 2020- Shadow Report 2013: Missing the Train for Inclusive Growth - Time is running out*, Greece case study, available at http://www.caritas.eu/sites/default/files/cs_2013_greece.pdf [accessed: 14.05.2014] [in Greek]

Fifteen out of nineteen politicians (79 per cent) totally agreed that the number of homeless has increased, while three out of nineteen (15.7 per cent) tended to agree and one politician tended to disagree with this statement. The majority of the technocrats and policy advisors, agree and tend to agree with the statement, while the vast majority of the social partners' representatives agree. The majority of the journalists (eight out of fourteen, 57.1 per cent) totally agreed that the number of homeless has increased dramatically, two of them (14.2 per cent) tended to disagree and another 14.2 per cent disagreed.

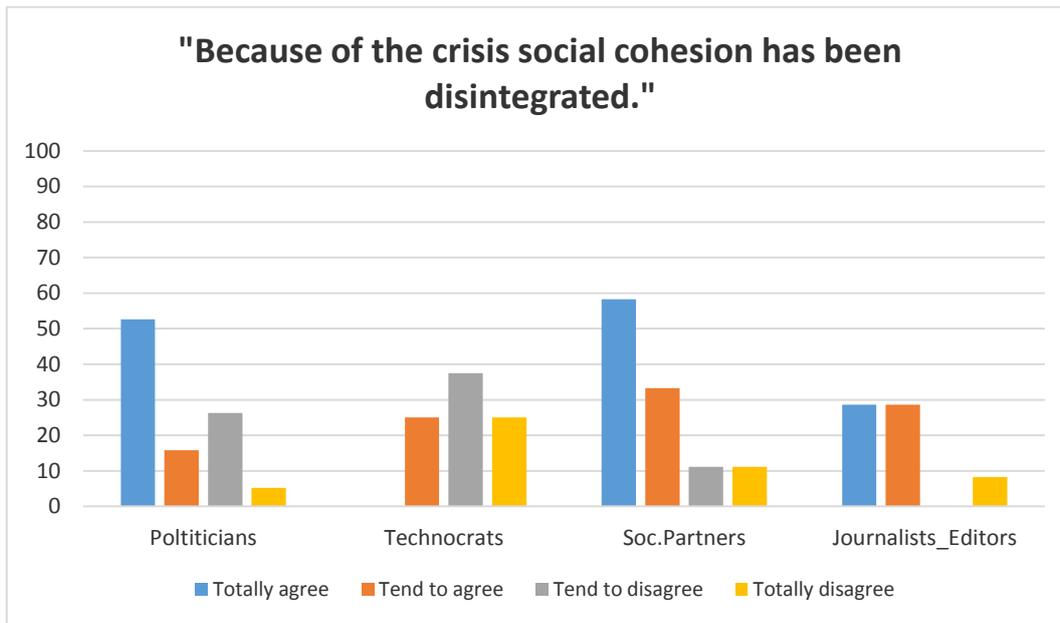
Graph 5



- *"Because of the crisis, social cohesion has been disintegrated":*

Overall, the journalists disagree with the statement, unlike politicians and technocrats. It is not clear how the interviewees conceived social cohesion. Some of the journalists though refused that the crisis has negatively affected the social cohesion, considering that local initiatives of solidarity and mutual assistance have balanced out the negative effects of the crisis.

The majority of the journalists tended to disagree with this statement. Regarding the other two groups, five the majority of politicians tended to agree, most of technocrats and policy advisors tended to disagree, while the representatives of social partners also tended to agree.



1.4. The role of the EU in the management of the crisis.

The vast majority of the politicians who participated in our research used to have a positive attitude towards the EU, before the eruption of the crisis. Only two interviewees, a MP of ND and an MP of Syriza, stated that they used to have a negative attitude towards the EU. Although the attitude of the MP of ND changed because of the crisis and became positive, the MP of Syriza stated that he continues to have a negative opinion for the EU. Only five of MPs who responded that they used have a positive opinion about the EU, stated that their attitude towards EU changed after the crisis but only one of them declared that he now has a negative attitude towards the EU. The rest of these five MPs said that they think now a bit less positively about the EU.

Regarding the motivation of the EU for managing the crisis, the majority of the MPs replied that it was mostly the rescuing and safeguarding of the Eurozone. Two of the MPs of ND stated that the EU motivation for managing the crisis was the overall interest of Europe, while four MPs of Syriza stated that it was the safeguard of the national interests of the EU member states and the rescue of the banks. Only two MPs, one of ND and one of PASOK agreed that the EU's motivation was the solidarity to the states in crisis.

All the MPs of ND and the majority of the MPs of PASOK interviewed, replied that they agree/ tend to agree that European partners and lenders sincerely want to help Greece; while the MPs of Syriza declared that the disagree/ tend to disagree with this statement.

However, none of the interviewed MPs and politicians assesses positively the management of the crisis by the EU. The politicians interviewed evaluate the management of the crisis by the EU as negative, or rather negative, while only three interviewees give a quite positive evaluation.

The responses of the technocrats were not much different from those of the politicians. The vast majority of the technocrats replied that they believe that Greece's creditors sincerely want to help Greece but these technocrats do not evaluate the management of the crisis by the EU as positive. Six out of eight interviewed technocrats consider that the management by the EU has been rather negative and only one assessed it as quite positive. All the representatives of this target group stated that they had a positive attitude towards the EU before the crisis. Only two of the interviewees of this group declared that their attitude towards the EU is differentiated after the crisis, but it remains positive. They agree that the motivation for managing of the crisis has been the national interests of the member states and the rescue of the Eurozone, while one technocrat declared that the motivation has been the punishment of the overly indebted member states.

Eight out of the twelve representatives of social partners and associations who participated in our research declared that our European partners and lenders sincerely want to help Greece, while only three of them stated that they tend to disagree with this statement. The vast majority of representatives of social partners have remained positive towards the EU after the eruption of the crisis, while only three have adopted a negative attitude towards it. The majority of the interviewees agree that the motivation for managing the crisis was the rescue of the Eurozone and only three of them declared that it was the reassuring of the markets. Only one of the representatives of this target group evaluate the management of the crisis by the EU as quite positive, while the vast majority gives a rather negative/ negative assessment.

The vast majority of the interviewed journalists and editors, agreed/ tended to agree with the statement that the EU partners and lenders sincerely want to help Greece, while four disagreed with the statement. Thirteen used to have a positive attitude towards the EU before the crisis erupted and seven of them have now a different (negative) attitude towards the EU. Eleven of them consider the rescue of the Eurozone as the motivation for managing the crisis in the EU, while only one journalist supported that the motivation was to show solidarity to the EU member states in crisis. Ten out of fourteen interviewees of this target group evaluate negatively the management of the crisis by the EU, while four journalists consider it as quite positive.

1.5. The role of Germany in the management of the crisis.

The vast majority of our interviewees responded that Germany has had a major role in the formulation of the policy to tackle the crisis. The other two respondents, both representatives of social associations, replied that they did not know what the role of Germany has been.

Two MPs of ND, two MPs of PASOK and a politician of the party POTAMI were the interviewees who responded that they consider the role of Germany in the formulation of the relevant policy as positive.

“Even with delay Germany pressed so that the Eurozone was not dissolved.” (MP of ND, former Minister)

“Although the rescue policy implemented had many miscalculations and tremendous impact on Greek society, we achieved our major aim, which was the maintenance of the Eurozone.” (MP of ND, Minister)

“Germany felt the high responsibility to rescue the Eurozone, asserting at the same time its own leadership role in the EU and supported its own national interests through the maintenance of the Eurozone.” (MP of PASOK, former Minister)

“I'm not negative towards the role of Germany, because if it hadn't been for Germany and the solutions Germany promoted, our country and other countries, would no longer exist.” (MP of PASOK, Minister)

The rest of the representatives of this target group evaluated the role of Germany as negative/ absolutely negative, more or less using the same arguments regardless of the political party they belonged.

“Germany has been too callous, regarding the effects of austerity.” (MP of ND)

“It took too long to the EU to react and it didn't decisively mitigate the social impact. Germany had a leading role in the EU institutions.” (MP of ND)

“I believe that Germany looked at its short-term interest rather than the long term interest of the EU which included the welfare of the EU citizens.” (MP of PASOK, former Minister)

“The motivation of Germany was the safeguarding of the interests of its national banks.” (MP of Syriza)

“The surpluses of Germany were the deficits of the South. Germany after two world wars managed to play the role of leader in Europe, causing economic and social crisis. But this policy is questionable vision of Europe.” (MP of Syriza)

“Germany is economically benefited by the crisis. Young Greek scientists today migrate to Germany, while German neglects its own history with its debt and its management in 1953”. (MP of Demar)

The opinions of the interviewed technocrats where not different from those of the politicians. Only one technocrat evaluated positively the role of Germany in the management of the crisis, claiming that despite its strong position in the EU, it made compromises and chose the solidarity path, even if it demanded hard terms.

One of the technocrats avoided to respond, while the majority evaluated negatively the role of Germany in the management of the crisis. What is remarkable is that some of the technocrats did not criticize Germany for promoting its national interests, but they criticized the fact that only one EU member state has such influence in the EU.

“The IMF was involved in the crisis in Europe as a result of the lack of confidence of Germany to the European Commission.” (Technocrat)

“I find it negative that one of the member states of the EU has the potential to affect so much the development of the policies in the EU.” (Technocrat)

The vast majority of the representatives of social partners and associations assessed negatively the role of Germany, while three avoided to give a response.

“There were other solutions however, what was chosen was to convert private debt to state debt which reflects the historical fears of Germany.” (Trade unionist)

“Germany has replaced the European Parliament and policies particularly on economic issues, are formulated by the German Chancellery.” (Employer Association Representative)

“The measures demanded by Germany were not adjusted to the specific conditions of Greece.” (Social association representative)

Nine out of the fourteen journalists interviewed consider the role of Germany in the management of the crisis as negative, while only four estimate that Germany had a quite positive role. The Journalists and editors, even those who assess positively the role of Germany, criticize its commitment to austerity and the fact that because of Germany's hesitation, EU reacted with delay in order to tackle the crisis.

“The pressure worked well for structural changes. In Europe, implementing austerity policy might be wrong. In Greece it is imperative.” (Journalist)

“Despite the reasons why Germany decided to support Greece, which apparently were not altruistic, it helped the country to stay in the Eurozone even by threatening and blackmailing public policies that caused anger in Greece. Germany helped to accelerate procedures while we were sliding in absolute disaster.” (Journalist)

“The German government helped Greece to put its finances back on track, but its obsessions with some rescue models required violent adjustment, which undermined the effort to exit the crisis.” (Editor)

III. Conclusions.

Greece has always been a country of high relatively poverty rates and a large extent of social inequalities. The economic crisis found the Greek welfare state unprepared to meet the challenges of extensive poverty and social exclusion which increased after the implementation of the austerity programme of 2010- 2014.

The austerity programme was designed by domestic actors, but was dictated by international agencies. As a result, the Greek programme was seen as externally imposed on Greeks and was reluctantly accepted.

The discourse on and perceptions of poverty and social exclusion is full of misunderstandings and misconceptions of poverty and social exclusion. The decision makers seem to implement measures haphazardly designed, not really to tackle poverty and unemployment, but to offer a temporary relief (short temporary income) to the people living in poverty. For instance, it would be interesting to examine how efficient the Manpower Organisation's (OAED's) employment programmes are, such as the community service programme⁷ which took place in 2012 (*launched just before the elections 2012*).

After the crisis erupted, the phrase "humanitarian crisis" started being used in NGOs' narratives, politicians' statements, articles and announcements. Emphasis was given on the increasing number of the Greeks who face acute social problems. New concepts were used to describe the situation of the Greeks: new poor, new homeless, working poor.

In the light of the above, the financial crisis is perceived to have resulted in the increase of poverty and unemployment in Greece. Greece however has always been among the countries with the highest rates of poverty and social inequality. These indicators have deteriorated over the last three or four years. This is clearly associated with the consequences of crisis on two levels:

- i) on unemployment which has dramatically increased, and
- ii) on sudden and extensive rises in taxation and in reductions in wages and salaries.

The incapacity of the social welfare services to address the emerging needs for social protection of those affected by the crisis to combat poverty and social exclusion, has resulted in the emergence of new groups of poor and marginalized people. The increase in the degree and magnitude of poverty is associated with the structural weakness of the social welfare and the dominant economic model in Greece. In view of the above, we conclude that currently in Greece the creation of jobs is the most significant challenge for the society. Our interviewees agreed that unemployment and economic exclusion cause poverty and threaten social cohesion. The crisis in values and the trust deficit between the state and the citizens do not allow the implementation of policies, which would contribute to the economic growth and job growth. Policy making in Greece is trapped in a cycle of interweaving, clientele relationships and corruption. Growth, though, should be incited through the implementation of a new, realistic growth model and the reform of the welfare state in terms of efficiency and justice. When the crisis started in Greece, there were many voices

⁷Information available at <http://www.epanad.gov.gr/default.asp?pid=53&>.

in the public discourse talking about a unique opportunity to redefine our values as a society; to focus on the essentials; and abolish the pathologies that led us to the crisis. Four years later, in 2004, there are only few signs of recovery and change.

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 job posts in the public sector. The middle class in Greece is considered to be more hit by the crisis, as well as the lower class, living on the line of poverty.

The crisis revealed the existing poverty, and at the same time caused new poverty. The social categories most affected by the crisis are the following: 1. the new poor are the people who used to belong in the middle class; 2) the working poor (people who have a working relationship, but cannot afford the cost of their living, due to low wages and increased taxation); 3) workers in insecure employment; 4) households with only one or no employed member; 5) young individuals 18-24 years old; 6) single parent families; 7) 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 our interviewees made references of families living without electricity, malnourished children, and long queues at the soup kitchens. The frequency with which interviewees mentioned Greeks seeking food in trash or begging for food rations, shows that such images are surprising for the interviewees. The “traditional” poor, people in need, used to be the people living on the margin of society, for instance 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 agree, increased within the last three or four years. The effects of the financial crisis though would be more severe, if it hadn't been for the strong family ties in the Greek society which mitigate the effects of poverty to some extent. Informal social networks and citizens' initiatives, as well as the Church and NGOs, are considered to have contributed more to the alleviation of the impact of the crisis on the society.

The financial crisis caused the emergence of new groups of socially excluded- highly indebted individuals, businessmen, new homeless. Because of the economic exclusion, young people are forced to emigrate, while those who have not this option, are pushed to the margins. It seems that our interviewees do not have a precise image of the depth of the crisis and they prefer to talk not about the poor who were on the brink of collapse already before 2010, but about the fate of the middle-class which has been obliged to lower its living standards after 2010.

The implementation of a new model of growth that promotes job growth is the key to overcoming social exclusion and poverty, the two key and interrelated challenges Greek society is currently facing.

The crisis in Greece though is not exclusively financial. Greece is also going through a crisis of values, due to the individualistic and fragmented or corporatist logics prevailing in almost every aspect of the public sphere for decades. The trust deficit between citizens and state, the lack of “tax consciousness”, the inequalities in the tax regime and the welfare system as well as corruption have resulted in the dismantling of the social fabric and in the further deepening social inequalities. Traditional social networks, such as the family and kin networks have limited, to an extent, the consequences of poverty. Economic exclusion though has a great impact on the social life and health of the poor and the socially excluded.

The crucial question is the following: if Greece exits the crisis, will new relations and interconnections be formed in the society?

Our research suggests that the decline of the economy is one of several factors, albeit a strong one, which adversely impacts the social fabric. Reforms must, therefore, go beyond the limited context of how to exit the crisis to include aspects that could strengthen democratic values and institutions and help revive the public space.

Regarding the perceptions of the EU, even though the opinions of the majority of our interviewees have been differentiated, after the crisis erupted due to its mismanagement by the EU, policy and opinion makers in their vast majority, remain positive towards the EU. Germany had a great influence on the policy making to tackle the crisis. Despite Germany’s obsession with austerity policies, the maintenance of the Eurozone and Greece’s participation in it were probably safeguarded until 2014.

In order to tackle the adverse social impacts of the crisis, the policy of preventing further social degradation must be based on the comparative advantages and the structural characteristics of the Greek production model. Moreover, it is necessary to establish a social safety net and to implement a social policy that will diminish the prevailing social inequalities.

Policies aiming to achieve a higher wage/ productivity balance, than is currently the case, will lay the ground for sustainable development. Closer attention to the fairer distribution of the costs (and benefits) of adjustment would improve trust in institutions and make the political climate more fruitful. All of this would help, but will not be achieved without a more patient and more constructive approach to resolving social problems caused or aggravated by the economic crisis.

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