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# STATE-SOCIETY RELATIONS IN GREECE BEFORE AND AFTER THE RECENT ECONOMIC CRISIS

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## Abstract

This paper analyzes the process of destabilization of state-society relations in Greece, owing to the recent economic crisis. The paper uses A. O. Hirschman's analytical framework of "exit, voice and loyalty". Before the crisis erupted, a minimum loyalty of Greek society to the state was discernible, for as long as the state could selectively distribute resources to citizens and interest groups. Afterwards societal actors, subjected to harsh austerity measures, withdrew their loyalty. They turned against the state through large-scale mobilizations ("voice"). Later on, informal groups and networks of social solidarity supplanted the state in the provision of goods and services to the victims of the economic crisis. In this phase, without completely abandoning "voice", citizens opted out in favour of an "exit" from the state, not understood in the literal sense of the word, but in terms of disaffection and alienation from the state.

**Keywords:** Greece, crisis, state, civil society, clientelism, political parties, social movements

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## **Introduction**

State-society relations have been a topic of extensive comparative political analysis, along several different lines of inquiry. First, comparative political scientists examine the extent to which states are autonomous from social interests, how the latter influence public policy making, how states structure social relations and are constrained by them (Stepan 1978, Hall 1986) and to what extent some states – compared to their respective societies – are weak or strong (Midgal 1988). With regard to contemporary Greece, major aspects of this approach have been elaborated by researchers on Greek civil society (Mavrogordatos 1993, Huliaras 2014, Simiti 2017). Second, an alternative way is to analyze state-society relations in the context of relationships between citizens and public administration (Sternberg 1972, Villeneuve 2010). This approach has informed research on Greece's central state and public administration (Lyrintzis 1984, Spanou 1996). A third way, followed in this paper, is to discuss how social interests and citizens actually associate with the state. Suggesting such a bottom-up perspective in the context of a modern organization, A. O. Hirschman has claimed that individual and collective actors have three options: "exit, voice and loyalty" (Hirschman 1970). Actors do not take up the available options once and for all, but do so depending on constraints and opportunities which they encounter such as, for example, the breakout of an economic crisis.

This paper applies Hirschman's scheme of three options in a scale larger than an organization, namely in the relations between state and society and asks the following question: which of the three aforementioned options did Greek individuals and collective actors, such as interest groups and collective movements, used to employ vis-à-vis the state before the crisis and did they change their behavior towards the state after the crisis erupted in 2009-2010?

The state in Greece has been the focus of different approaches to the Greek crisis (Featherstone 2011, Mitsopoulos and Pelagidis 2012; Giannitsis and Zografakis 2016). The derailment of the Greek economy has been attributed to a combination of adverse effects of the global financial crisis of 2008 and the long-term decline of competitiveness and the state's finances (Featherstone 2011; Alogoskoufis 2019). The Greek crisis would not have been as long and deep, if it had occurred in a less aggravated international economic crisis. Yet in Greece fiscal mis-management in the period before the eruption of the crisis was evident in the drop of tax revenue and the rise of government expenditure and the extensive public

borrowing from abroad. Problematic fiscal management combined with asymmetries of the Eurozone, manifested in the differences in the performance of more and less competitive economies (e.g., current accounts deficits). In other words, the Greek crisis, albeit to an extent owed to external factors, was in fact exacerbated, if not provoked, by concrete domestic policy choices.

However, policy choices reflected longer term patterns, preceding the crisis period of the second decade of the 21<sup>st</sup> century. In historical institutionalist terms, it can be argued that the crisis may be understood in the context of the development of state-society relations in Greece after the fall of the Colonels regime in 1974. In the post-authoritarian period, the Greek state became larger in size without becoming stronger in terms of administrative capacity (Sotiropoulos 1993; Iordanoglou 2013). Meanwhile, historical legacies of patronage-based relations between the state and citizens (Mouzelis 1986) and particularistic state corporatist relations between the state and interest groups (Mavrogordatos 1993) were reproduced over the last four decades. Such relations acquired an uneven or “disjointed” character (Lavdas 1996 and 2005) and were eventually transformed under the impact of the economic crisis (Sotiropoulos 2018a).

In this context, before the crisis and with a few notable exceptions discussed below, Greek civil society had been weak in its interaction with the state and extremely segmented (Sotiropoulos 2017). Overall, apart from selected strong organized interests, discussed further below, civic associations were not strong enough to limit, let alone influence, the manner in which the state intervened in economy and society. Social relations evolved around one’s extended family, while the country’s industrial base never reached West European proportions, and political parties traditionally dominated the public sphere, including state organizations, public debates, and most social mobilizations.

However, selected interest groups, such as, for example, unions of state-owned employees, banking employees, construction workers, the liberal professions, industrialists and ship-owners, were integrated into the system in a clientelist manner which was very favourable to their interests. Frequent strikes, pressure on ministers and Members of Parliament belonging to the same professions, and threats of disinvestment were typical means used by the aforementioned groups. After repeated rounds of pressures which such groups exerted on the state and waves of favours (e.g., early retirement with full pension rights) granted to them by the state, each group carved out for itself a particularistic regime; depending on the interest group in question, there were tailor-made rules of entry to a profession, access to a market niche, salary levels, tax breaks, social security contributions and welfare benefits.

Favours were granted in a clientelistic fashion not only to interest groups, but also to selected individual business enterprises, groups of companies or business sectors as a whole. This type of clientelism fitted Greece's growth model which was characterized by heavy state interventionism. Since 1974, in addition to a mushrooming public sector, a business class dependent on state subsidies, loans from state-controlled banks and tax breaks has thrived in the context of close clientelistic ties between government and business elites. In view of the above, the focus of the present chapter is on the relations between the state on the one hand and individual and collective actors (interest groups and collective movements) on the other. In order to interpret such complicated state-society relations in Greece, I will discuss in what follows state-citizen relations and state-interest group relations, highlighting three patterns: citizens and interest groups associated with the state through political clientelist and corporatist linkages; second, citizens and interest groups challenging and even mobilizing against the state; and third, citizens and interest groups becoming detached and alienated from the state. The first pattern may be understood as an example of Hirschman's 'loyalty' option; the second, as an example of the 'voice' option; and the third, the 'exit' option.

In parallel with past contributions emphasizing the clientelist and state corporatist nature of relations between state and society in Greece (Mouzelis 1986; Mavrogordatos 1993; Pagoulatos 2003), this paper develops the complementary view that, owing to the relatively recent Greek economic crisis, two other modes of state – society relations unfolded: first, the mode of "voice": citizens, individually and also collectively through their associations, opposed the austerity policies and engaged in typical and more often atypical ways of political participation (repeated violent demonstrations and sit-ins); in addition, after welfare state spending was deeply cut, hiring in the public sector froze and salaries were cut (even though cuts affected much less the strongest among the categories of state officials and public sector employees than the rest). And second, the mode of "exit": as persistently high unemployment and massive closures of small and medium enterprises dominated the private sector, citizens detached themselves from the state, by seeking the support of close relatives and social solidarity networks. All three modes through which society related to the state (integration into the state through clientelism and state corporatism, mobilization against the state, and detachment from and avoidance of the state) preceded the eruption of the crisis and had existed in different mixes, but the crisis created new conditions, fertile for the development of the latter two modes.

The main argument of this paper is as follows: clientelism and corporatism used to serve as the basis of 'loyalty' of society to the Greek state, for as long as the state could selectively distribute resources to citizens and interest groups. The paper will focus on selected examples to highlight the argument rather than offer a more comprehensive bird's eye-view of the multiple ways through which the state actively benefited multiple interests. It did so through its actions, such as convenient regulations or policy measures, or even through refraining from acting (e.g., refraining to implement legislation that would negatively affect selected interests).

'Loyalty' of society to the state is understood in this context to be something different from the affective relations between citizens and the nation-state. Rather it is taken to be an adherence to basic principles and institutional arrangements on which socio-economic and political life is structured in a certain state, even if strong actors may periodically try to adapt them to their own interests. For example, there is adherence to principles and arrangements of political party competition in the context of parliamentary democracy and the functioning of the free market, regulated by the state. Adherence to principles and arrangements does not mean that such principles and arrangements are considered by all those involved to be the ideal bases of socio-economic and political organization, but rather that they constitute patterns, which are more or less accepted. There is a basic legitimation of the socio-economic system and political regime, functioning within the boundaries of a state, despite the existence of radical challengers (e.g., radical parties), which however do not enjoy the support but only of a minority of societal actors (voters, unions, movements). At a minimum, such principles and arrangements are not actively resisted by societal actors, even though systemic deficiencies may be evident to all.

For instance, since Greece's transition to democracy in 1974, the tax raising capacities of the state have been slim (Thomadakis 1995; Iordanoglou 2008) and they declined even further in 2007-09, just before the economic crisis. Tax raising incapacity resulted both from lack of appropriate regulatory frameworks, inspection mechanisms and technical skills of tax authorities and from the propensity of governments to adapt to pressures of the strongest among the interest groups. In the meantime, governments had refrained from pressing large businessmen who had obtained bank loans from state-controlled banks or had not fulfilled past obligations to pay taxes and social security contributions. Such phenomena of impunity were large-scale and frequent, indicating the existence of underlying webs of corruption which involved politicians, businessmen and civil servants. As public borrowing opportunities diminished, a severe economic crisis broke out in 2009-2010 and along the way society shifted from 'loyalty' to 'voice' through mass political mobilization. As the crisis evolved into the 2010s, 'voice' coexisted with 'exit':

middle- and old-age citizens under economic hardship abandoned hope to be rescued by the state and fell back on family and solidarity networks, while the most skilled among younger Greeks started literally exiting the country (the phenomenon of brain drain).

### **Society associated with the state through political clientelism and state corporatism**

#### *Rampant political clientelism*

The concept of political clientelism, used for the purposes of this chapter interchangeably with “political patronage”, refers to a dyadic, informal relationship of dependence between a patron, such a minister or a parliamentarian, and a client, i.e., a citizen and his or her family (Eisenstadt and Roniger 1984). Typically, politicians exchange the distribution of spoils for electoral support. Although both sides of the relationship may benefit from the exchange, the relationship is asymmetrical particularly under conditions of scarce resources or periods of crisis (e.g., periods of high unemployment) rendering the client weak and dependent on the patron.

Traditionally in Greece voters were integrated into the political system, as Nicos P. Mouzelis put it, in a “vertical” way (Mouzelis 1986), as they were unable or reluctant to forge “horizontal” linkages with others of comparable social status and/or class position and they resorted to more powerful actors standing above them in the social hierarchies. In Modern Greece political party notables for the better part of the 19<sup>th</sup> and 20<sup>th</sup> centuries and party cadres in the post-1974 period acted as intermediaries between clients and patrons. In exchange of their vote, patrons provided clients with preferential treatment in their contacts with the public administration, public hospitals and welfare services, convenient transfers for male conscripts during their military service, access to bank loans or other types of selective discrimination.

After the transition to democracy (1974), the transformation of traditional parties into mass parties also influenced patronage relations as traditional clientelism became “bureaucratic” (Lyrintzis 1984). Starting with the «Πανελλήνιο Σοσιαλιστικό Κίνημα» (Panhellenic Socialist Movement- (PASOK), political parties developed strong bureaucratic organizations. The conservative party, «Νέα Δημοκρατία» (New Democracy -ND), followed suit, as did parties of the Left whenever they became government coalition partners (in 1989-1990, 2011-13 and again since 2015). Instead of individual patrons, clients turned to

party bureaucracies. Local, regional and national political party organs played the role of intermediaries between party voters and state authorities and provided party supporters with public sector jobs as well as state subsidies and welfare benefits (Featherstone 1990, Sotiropoulos 1996).

Such clientelist tendencies were partially curbed after 1994, with the establishment of an independent administrative authority in charge of recruiting tenure-track public employees to the public sector, the Higher Council for Personnel Selection (ASEP). However, the relevant legislation was repeatedly amended after 1994 to suit ministers of successive governments who hired permanent personnel without adhering to ASEPs' standardized procedures, while the Council itself was not involved in the hiring of temporary personnel. Thus, parties in government continued opening public sector job posts to their political clienteles in the form of short-term renewable job contracts or project-based contracts which were awarded on politically biased grounds. Further on, after completing several such temporary job contracts, public employees mobilized to demand the change of their job status from temporary to permanent. With the help of either PASOK or ND governments temporary employees were eventually successful in this endeavour (e.g., in 2002 and 2004 when in total a few hundred thousand public employees obtained a permanent job status in the public sector).

Clientelism was not rampant only in citizen-administration relations but also within the public administration (Spanou 1996). The party which had won the most recent elections proceeded to staff the top ranks of ministries and state agencies with political advisors and hand-picked civil servants who were governing party supporters. The career of civil servants was (and still is) influenced by decisions of intra-ministerial civil service councils. These councils consisted of five members, three of whom were appointed by the competent minister who normally appointed council members on the basis of their political affiliation. The remaining two council members were elected by civil servants who normally chose among candidates of the party-based collateral organizations of labour unions such as PASKE, associated with the PASOK party, and DAKE, associated with the ND party. Thus, depending on whether the minister in charge was a PASOK or a ND minister, the majority of the decision-making body belonged to one of the two parties. Consequently, the preferences of governing party supporters among the civil servants were accordingly accommodated (a pattern which continues to the present day).

It would be an exaggeration to claim that all interactions between citizens and the state passed through clientelist channels. Citizens had at their disposal the usual means of applications or petitions and also could resort to the courts to protect their rights. Moreover, they could rely on unions or associations

representing their interests. Yet, one cannot help noticing that, regardless of changes in government, clientelism continued to dominate state-society relations. In terms of Hirschman's interpretive scheme, individual actors, by subscribing to age-old, politically-biased ways of interacting with political patrons, chose loyalty, over voice and exit, to Greece's clientelist state.

### *Particularistic state corporatism*

At the level of collective actors, the linkages between society and the state were both clientelist and reminiscent of non-democratic corporatism. The Greek system of interest group representation resembles that of authoritarian or "state corporatism" (Schmitter 1974). It has survived transition from authoritarian rule and has since then evolved in a post-authoritarian, democratic setting (Mavrogordatos 1993).

In detail, Greek interest groups have traditionally been under the tutelage of state authorities, while at the same time they had been penetrated by strong political parties. Since the 1974 transition to democracy, ND and PASOK alternated in power forming single-party majority governments and pursuing policies of control over labour unions. The government used to control the unions "from above", through making them dependent on funds channelled from the Ministry of Labour to the confederations of such unions, namely the GSEE confederation (representing salaried workers and employees of private companies and State Owned Enterprises – the SOEs) and the ADEDY confederation (representing civil servants, including employees of public schools and public hospitals). There was also organizational dependence of interest groups on the strategies and skills of political party cadres acting as labour union activists. The fact that political parties staffed and controlled unions probably explains relatively high union density (Table 1, below).

Compared to other countries of Southern Europe, Greece shows a relatively high union density (with the exception of Italy; Table 1). This trend was owed on the one hand to the aforementioned political party penetration of unions and on the other hand to the large number of SOEs and the very high union density of unions of SOEs. There were huge salary differentials between employees of SOEs and the rest of public sector employees, owed, among other things, to the clientelist practices mentioned above and to the fact that the rest of public sector employees did not have the strong labour mobilization capacities of their colleagues working in SOEs. The result, however, was that only some specific categories of workers and

employees could identify with these two peak associations (GSEE, ADEDY) because of the composition of the confederations' decision-making organs. In detail, both confederations were dominated by mostly middle- or old-age, male, well-paid labour market insiders, such as employees of SOEs and banks, in the case of GSEE, and teachers of primary or high schools and public hospital and municipal employees, in the case of ADEDY (Matsaganis 2007). In that sense, Greek state corporatism was and still is very much particularistic.

**Table 1**

**Union Density in Greece in the Comparative Perspective of Southern Europe (% of salaried employees)**

Year	2003	2007	2011	2013
Greece	25	24	23	25
Italy	34	34	36	37
Portugal	21	21	19	17
Spain	16	16	17	17

Source: OECD, <https://stats.oecd.org/Index.aspx?DataSetCode=TUD> (accessed on May 14, 2019)

Such trends of state corporatism and over-representation of selected interests in unions reflected long-term historical legacies of the period after the end of the Civil War (1949) and of course the period of authoritarian rule (1974-1974) when unions were completely controlled by state authorities. As Philippe Schmitter writes, comparing Greece to the rest of South European countries in the early 1990s: “Greece... still has the characteristics of older, pre-democratic systems of state corporatism and has yet to be fully affected by the usual norms of associational freedom, voluntary contract, and collective bargaining” (Schmitter 1995: 313).

There were several reasons for this continuation of pre-democratic forms of interest representation in an otherwise democratic polity after 1974. First, as already noted, the two confederations were financially dependent on the state. Second, the industrial working class in Greece was rather small, given that the self-employment and employment in the public sector were preponderant in the labour market in the post-war period (Iordanoglou 2008). Thus, there was no critical mass of workers, independent of the public sector, who could have constructed alternative channels of interest representation.

Third, as already noted, not only ADEDY, the confederation of civil service unions, but also the GSEE confederation are dominated by employees who essentially are on the state's payroll. In GSEE's higher organs there is an over-representation of representatives of labour unions of SOEs and banks controlled by the state. These representatives construct their own power bases within the bureaucracy of the confederations and cultivate their relations with successive leaders of major parties (ND, PASOK), so as to keep the old-fashioned, but convenient for them, system of labour representation intact (Sotiropoulos 2018a).

However, a reverse trend has also developed since 1974. Instead of governing parties dictating to interest groups what should be their response to government policy, through using collateral organizations as transmission belts of government's wishes, interest groups have been able to capture public policy making (Iordanoglou 2013). Policy capture has occurred with regard to income, labour, pension, and taxation, among other policy fields. Analysts have noted that strong interest groups have impeded the Europeanization of Greece's public sector and change of growth model (Featherstone and Papadimitriou 2008). Further on, less strong unions, such as unions of fixed-term workers and temporary workers, have enjoyed much less protection of their rights. The same is true for associations of women and migrants who have not been able to influence policy-making.

While regulations in some of these policy fields serve the interests of the strongest among the unions and associations, it is probably more precise, particularly since the mid-1990s, to regard relations between parties and interest groups not as predetermined by one or the other side, but as a periodic tug-of-war between the two.

Indeed, there has been a shift in state-interest group relations over time (Zambarloukou 1996). Already in 1986-1988 a dramatic shift in the – then governing - PASOK's incomes' policy towards macroeconomic stabilization, provoked a split within PASKE, the PASOK party's collateral organization in labour unions (Mavrogordatos 1993). The alienation of some labour union activists from the government of the day was facilitated after 1990s, when new legislation streamlined collective agreements, based on negotiations between representatives of labour and capital (Zambarloukou 1996). As Greece strived to meet the Maastricht criteria in order to enter the Eurozone, more instances of reform occurred in the 1990s, provoking the further alienation of once closely monitored interest groups from the state. A major case in point was the partial privatization of the state-owned Public Power Corporation (DEI) and the state-

owned National Telecommunications Organization (OTE). Strikes took place but the unions of such SOEs, and consequently GSEE which these unions controlled, were appeased with generous salary increases and early retirement packages offered to affected employees.

However, the next shift in government policy, namely pension reform, created a larger divide between the governing party (PASOK) and union representatives belonging to PASKE. In 2001 Tassos Giannitsis, the socialist party's Minister of Labour and Social Security, tried to control and rebalance the runaway expenditure on pensions and the uneven structure of pension funds, which disproportionately benefited insiders of the labour market in comparison with outsiders and also the older at the expense of the younger employed people. Immediately a quasi-revolt occurred which pitted most of interest groups against the government. Eventually the socialist government retreated from the attempt to reform the pension system (Featherstone and Papadimitriou 2008).

To sum up this section, the interaction of interest groups with successive governments was more dynamic and unpredictable than a straightforward model of state corporatism would entail. Thus, one could speak of "disjointed corporatism" (Lavdas 1997) or even "parentela pluralism" (Pagoulatos 2003). The representation and aggregation of interests was characterized by the presence of multiple associations (e.g., several professional specialty-based unions of civil servants within each ministry), the extreme fragmentation of interest groups and the simultaneous absence of nationwide social pacts, between such groups and the state (except for collective agreements on wages, Lavdas 2005: 306).

In brief, since the early 1990s interest groups, including the two aforementioned confederations but also chambers of merchants and engineers and the associations of liberal professions, have started disengaging from the state and political parties in a more visible way.

### **Society mobilizing against the state**

The economic crisis which erupted in Greece in 2009-2010 brought a sea change at many levels, including state-society relations. A dramatic shift of economic, incomes and pension policies towards austerity sparked waves of popular mobilization against the state. The hiring of public employees almost ceased,

salaries and pensions froze and were then reduced (at least until the end of 2012), and taxes were abruptly raised.

Greeks had mobilized against the state even before the crisis and in fact did so in a comparatively excessive manner. It is telling that that 33 out of all 71 general strikes which took place in EU-15 in 1980–2006 took place in Greece (about 50 per cent of all strikes; – Hamman et al., 2013). In the wake of the crisis this pattern was intensified: in 2010–14, i.e., in the span of 5 years, 42 general strikes were launched in Greece (press release of GSEE, 15 January 2016). Strikes were not always directed towards reversing austerity policies, but they were also organized to preserve the preferential treatment by the state towards particular interest groups. For instance, in the fall of 2010, owners of trucks resisted the government's decision to provide new licences for trucks (thus opening what was a 'closed shop' occupation), by parking their trucks along national highways and causing highways, causing extensive traffic congestion.

Similarly, owners of pharmacies rejected the government's plan to grant licences for new pharmacies, thus opening another 'closed shop' occupation. Pharmacists closed their shops a few days each week, causing the appearance of long lines in front of their shops. In July–August 2011, taxi owners resisted the government's decision to grant new taxi licences to new prospective owners, by blocking access to ports and airports all around the country (Sotiropoulos 2018b: 227-228).

The mobilization of the two confederations, GSEE and ADEDY, against austerity reflected categories of the population larger than the above noted interest groups which saw their market niches being threatened. The rejection of austerity policy came not only by the collateral organizations of the parties of the Left and the Center-Left (e.g., PASKE), but also by the corresponding collateral organization of the Right (DASKE), the representatives of which participated in GSEE and ADEDY.

Meanwhile, protests (known as the movement of the 'indignant' people) occupied the largest square of Athens between May and July 2011, organizing demonstrations every single evening (Rüdiger and Karyotis 2013; Diani and Kousis 2014; Simiti 2014, Kousis 2015; Karyotis and Rüdiger 2018; Georgiadou et al. 2019). The movement of the 'indignant' people did not last long and thus cannot be understood as a typical social movement. However, it was quite big in terms of size as every evening in the early summer of 2011, movement participants would gather in the large square located in front of the Parliament of Greece. They protested, debated policy measures and employed direct democracy procedures, in order to reach

decisions which were variations on the themes of anti-capitalism, anti-globalization and Euroscepticism. The 'indignant' people expressing hostile attitudes towards the state mostly belonged to the Far Right or to the Radical Left, and interpreted the crisis in Greece through a narrative which became hegemonic. This was a narrative which blamed foreigners, such as foreign governments and foreign banks for the crisis, and also national political elites, mainly the elites of PASOK and ND which had alternated in power since the 1974 transition to democracy.

Another similar, short-lived, but popular movement was the "won't pay" movement which flourished between October and December 2011. It consisted of citizens who refused to pay a new tax on landed property which was suddenly imposed on tax payers in autumn 2011 in order to reduce Greece's exorbitant budget deficit. Sudden increases in toll fees sparked a similar reaction as drivers using national highways refused to pay such fees at toll booths, lifted bars on their own and drove through in the period between November 2011 and February 2012.

Even though such collective initiatives of citizens did not become proper social movements with an organizational structure and a set of policy goals, they contributed to widespread alienation from the two-party system (PASOK, ND) which eventually collapsed in the two consecutive elections of May and June 2012, allowing for the emergence of a new major party on the left, Syriza («Συνασπισμός της Ριζοσπαστικής Αριστεράς»). After all, local networks of citizens against austerity and Syriza party cells had been the protagonists of confrontation between state and society since the start of the crisis in May 2010 (Tsakatika and Eleftheriou 2013). The confrontation took violent turns as some anti-austerity protesters physically attacked politicians of PASOK and ND and journalists who did not toe the line of the dominant anti-austerity narrative mentioned above. Moreover, throughout 2011 the confrontation with the state took the form of occupations of government buildings, including the central headquarters of ministries and universities.

In sum, sudden and large-scale austerity measures provoked various reactions, ranging from subdued disaffection with the state to violent outbursts against representatives of state authority. The state periodically responded with brutal police violence against protesters. While some may interpret violent protest acts as expression of justified anger by victims of austerity, others may see in them the reproduction of long-standing features of state-society relations in Greece, namely a diffuse distrust of state institutions, a propensity to circumvent the law and a recurrent defiance of authority. Such defiance was a left-over trait of the post-war era when liberal democracy malfunctioned with regard to the preservation of individual and collective rights, while the state was identified with institutions of the army,

the King, and the Christian Orthodox Church (Mouzelis 1986). In terms of the interpretive scheme used in this chapter, the post-2010 large-scale protest was a clear example of ‘voice’, the actual manifestations of which frequently violated the limits of legality, when citizens took the law in their hands, attacked politicians and stormed government buildings.

### **Society’s detachment from and avoidance of the state**

As the crisis did not subside but continued well into the 2010s, state-society relations were transformed once more. The mobilization of citizens against the state lost steam, but also became further politicized through the convergence of protesters with cadres of the Syriza party and – far less so - parties of the Far Right, namely the nationalist “Ανεξάρτητοι Έλληνες” (Independent Greeks – Anel) party and the neo-nazi “Χρυσή Αυγή” (Golden Dawn) party.

A new element, however, was that regardless of their political preferences, citizens adversely affected by the crisis turned away from the state and joined local and national networks of social solidarity. The third sector stepped in to partly cover loopholes in the provision of social protection (Clarke, Huliaras and Sotiropoulos 2015). The provision of social assistance and social care partly slid away from the hands of the state, as NGOs and informal social solidarity networks, which before the economic crisis used to cater to the needs of migrants and refugees, now shifted their attention to Greek citizens in need.

Various groups were barred from accessing hospital care (other than emergency aid) and receiving pensions or social assistance. Examples included the long-term unemployed who were no longer entitled to receive any welfare benefits and small and medium businessmen and professionals, who owing to the sharp decrease in the demand for their products or services, did not pay for their social insurance contributions.

In detail, in the poorest neighbourhoods, people organized into informal networks and started exchanging goods covering basic needs, such as needs of food, clothes and shoes. These were non-monetary exchanges, as in fact were larger scale exchange activities taking place in some cities (e.g., Volos) on a weekly basis. Such social solidarity networks included soup kitchens, some of which were organized in local churches; “social groceries”, housed in and organizationally supported by local municipal offices where citizens could find various products at low prices; time banks created to help people with household chores and repairs; the provision of blankets and food to homeless people; and community work,

including the cleaning of and care for public spaces. Producers of food staffs bypassed intermediaries (e.g., supermarket chains) and established local markets in cities, selling their products at very low prices.

In addition, medical doctors and nurses organized make shift clinics (“social clinics”) in rooms provided by municipal authorities in order to provide health care free of charge; pharmacists collected and provided medicines (in “social pharmacies”), which uninsured patients would otherwise be unable to obtain; and high school teachers provided free tutorials (in “social preparatory schools”) to pupils, the families of whom could not afford the cramming schools preparing candidates for university entrance examinations (Sotiropoulos and Bourikos 2014).

The aforementioned groups and networks not only mobilized to assist victims of the economic crisis but also played a political role. They developed a political discourse which was distinctly left-wing, counterposing the people to the state, and diffusing themes of Euroscepticism and anti-capitalism (Leontidou 2015; Vathakou 2015; Simiti 2017). Members of such groups and networks became affiliated with parties of the radical left, including Syriza. There was in fact a schism between such civil society associations and the traditional civil society associations, such as NGOs and public benefit foundations which during the crisis also engaged in the provision of goods and services, in parallel with the above anti-statist groups. The latter espoused ideas of direct democracy, keeping as far as possible a distance from the state, while NGOs and foundations did not oppose the state but supplanted it on many occasions when welfare services were unable to meet the social needs provoked by the economic crisis. In other words, the informal social solidarity groups and networks combined “voice” with “exit” as far as their relations with the state were concerned.

## **Conclusions**

In this paper, following Hirschman’s interpretive framework, relations between state and society in Greece since 1974 have been analyzed. The analysis has proceeded along the lines of exit, voice and loyalty, showing that Greeks were loyal to the state as long as clientelism and corporatism were available as channels of individual and collective involvement with the state. At times, even before the economic crisis of 2010 struck, Greeks opted for “voice” participating in recurrent strikes, a phenomenon which grew after the negative effects of the crisis were felt in the middle- and low-income groups of the population. After the crisis started unfolding, Greeks combined “voice” with “exit”, as informal social solidarity groups and networks grew and started supplanting the state in the provision of social welfare.

Moreover, having shifted to the Left (as the government turnover of 2015 showed, when Syriza rose to power), many Greeks opposed the state along the lines of Euroscepticism and anti-capitalism.

Compared to state-society relations in mid-1970s, this was quite a dramatic change. After the transition to democracy in 1974, Greek political parties developed organizationally and soon the traditional person-to-person clientelism, through which individual voters had been selectively associated with state authorities, was now replaced by bureaucratic clientelism. This was a new way of associating selected citizens to the state, through the bureaucratic organization of political parties which facilitated the dissemination of favours by the state to governing party supporters. Meanwhile, organized interests used to pursue the cultivation of selective, preferential relationships with the state, while the state continued to subsidize Greece's nationwide labour confederations. In this kind of idiosyncratic state corporatism, in which legacies of authoritarian involvement in interest representation were continued in the post-authoritarian time period, strong interest groups, such as associations of employees of SOEs, carved out privileged relations with the state in terms of labour relations and welfare rights. In a different vein, associations of businessmen and the liberal professions also enjoyed benefits owed to special regulations regarding taxes, loans and other benefits such as pensions.

The economic crisis shook such uneven and fragmented differentiated arrangements of state-society relations. Austerity measures, adopted and implemented after 2010, provoked large scale reactions of citizens against the state. Anti-state mobilization took the form of recurrent strikes, sit-ins, occupations of government buildings and protests in squares of large urban centers. "Loyalty" to the state was replaced by "voice" against the state, even though political party clients remained attached to the public sector where job dismissals and pay cuts were not as grave or massive as in the private sector in the 2010s.

Later on, informal groups and networks of social solidarity supplanted the state in the provision of goods and services to the victims of the crisis. In this phase, citizens, without completely abandoning "voice", opted out in favour of an "exit" from the state, not understood in the literal sense of the word, but in terms of disaffection and alienation from the state. What is left after the transformation of state-society relations, which has been brought about by the economic crisis, is a mix of loyalty, left over from the pre-crisis period, and voice and exit, which have emerged as alternative arrangements since the eruption of the economic crisis.

Further research on state-society relations in Greece may examine the ways in which during the crisis citizens and collective actors engaged in patterns of resistance against austerity policies in parallel with

traditional tactics of law circumvention, such as tax avoidance. Moreover, comparative research could map differences and similarities in the transformation of state-society relations across countries of the European periphery which underwent a similar economic crisis in the beginning of the 21<sup>st</sup> century.

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