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BACK TO THE BALKANS:

EUROPEAN PERCEPTIONS OF GREECE IN THE TIMES OF CRISIS

Introduction

At the dawn of the 21st century, as a long-standing member of the European Union and a historically vital harbinger of the normative and intellectual identity of European civilisation, Greece had been perceived as a European country in some conceptual isolation from its Balkan geographical and historical context. While it may have remained economically peripheral to the European trade-system, and comparatively underdeveloped relative to the central economies, it was conceived of as perhaps somewhat less prosperous Italy rather than being compared downward to more regionally fitting countries. The post-2008 Great Recession, and the resulting debt-and-austerity driven decade long depression of the Greek economy, together with media-driven exposés of Greek socio-economic peculiarities, profoundly changed the perception of Greece prevalent in the lender-countries of European North. Over time opinion polls started to demonstrate obvious shifts in the social perceptions of Greece away from the non-reflexive assumption of European character towards an understanding of Greece as a quintessentially Balkan country. Some of those changes have been temporary, and expressive of tensions over the culpability for Greek debt and the effective limits of European solidarity. But a question seems also worth posing, whether some of this short-term reconceptualization would not stick in the long-run.

Analysis of the pre- and post-2008 narratives of Greek Europeanisation provides interesting input into the debate on both the boundaries of Europe and its internal divisions in terms of centre vs. periphery distinction. Greece in its local-regional context as a case study in

how contestable the modernity or centrality of a place can be especially in times of crisis. In terms of the European discourses of centre vs. periphery, the Greek question has long been one of the more interesting one – both for the Greeks and for the other Europeans. Europeisation conceived as modernisation has its obvious traps, which are not Greek-specific, yet, it should be noted that they were foretold specifically in relation to Greece: „The irony is that in the process of Europeanization, Greece becomes more dependent on the core of the EU and more subject to its hegemony. Modernization as Europeanization makes Greece more open, more penetrated, and more vulnerable to the demands of the EU core”¹. Greece learned the hard way what it means to fall out of favour when economic winds blow the wrong way, but more importantly it exemplified the risks of making promises and taking commitments that cannot be kept, yet, somehow had to be made so as to move the country closer to the centre and away from a peripheral situation. The Euro membership is a case in point: although nobody could perhaps understand the perils of creating a common currency for a cluster of countries that arguably did not constitute a proper fit for a common currency zone, still, Greece put politics over economics by pushing for membership at all cost – including massaging econometric data². Within a decade economic reality reasserted itself, and Greece found itself bankrupt and with a common currency managed from Frankfurt, with financial and economic policy more or less dictated by quasi-colonial overseers of European Central Bank, European Commission and International Monetary Fund.

Centre and periphery: escape to the West

¹ Featherstone, Kevin. "Europeanization and the centre periphery: The case of Greece in the 1990s." *South European Society and Politics* 3.1 (1998), p. 38.

² Brian Sturgess "Greek Economic Statistics: A Decade of Deceit," *World Economics*, vol. 11(2) (2008), p. 67-100.

Greece is a quintessentially peripheral place in terms of what K. Eder delineated as the narrative boundaries of Europe³: peripheral in terms of the N-S distinction: historically it was the South that set the European norm, it was only with modernity that Northern domination was imposed, but also peripheral in terms of the E-W distinction: The East as always peripheral, the direction from where the invaders would come. Neither in the North, nor in the West are there any „others” for European identity (perhaps the English in the post-Brexit setting) In the South-East there is Turkey, in the East there is Russia – the two major others for Europeanness. Given the North-Western dominance over the continental narrative, it seems that from such European point of view the Greek situation is doubly peripheral. In many ways it is a peripheral place in a peripheral region with qualities befitting the Balkan narrative: an Orthodox post-Ottoman country that hardly was an altogether consistent liberal democracy or affluent market economy over the course of the twentieth century. On the other hand, it should also be noted that while Greece is in many ways a Balkan state, and also in crucial respects non-Balkan given its track record of being: a) the first “new” nation to emerge out of the Ottoman decline, b) an early adopter of democracy, c) the only Balkan state not to fall to Communist rule, d) the first to enter the EC/EU. In many ways therefore, Greece could be construed as more of an island of Europe surrounded by the essentially contrastive Balkans. In this way, Greece remained a country open to interpretation as well as one whose comparative reference points were essentially uncertain – it could be construed as poorer Italy or Portugal in the continental sense, while just as well it could very well be seen as richer kind of Bulgaria.

Perhaps the best-known statement of the peripheral nature of Greece comes from S. Huntington, who in the 1990s famously classified Greece as not quite Western in his *Clash of Civilisations*: “Greece is not part of Western civilization, but it was the home of Classical

³ Eder, Klaus. "Europe's borders: The narrative construction of the boundaries of Europe." *European journal of social theory* 9.2 (2006): 255-271.

civilization which was an important source of Western civilization (...) Unlike Serbs, Romanians, or Bulgarians, their history has been intimately entwined with that of the West. Yet Greece is also an anomaly, the Orthodox outsider in Western organizations”⁴. Huntington was firm in his pronouncements in spite of Greece then having long-been a member in good standing of both quintessentially western alliances: the NATO and the EU. His arguments were not merely based on confessional association, he pointed out the many ways in which Greece remained an economic, social and political outsider in those western alliances. A position akin to Huntington’s has been espoused by many other commentators, most notably perhaps by Niall Fergusson, who asserted recently that Greece more like the rest than the West: “With the success of European integration in the 1950s and 1960s, the Western club grew larger. Few would now dispute that the Low Countries, France, Germany, Italy, Portugal, Scandinavia and Spain all belong to the West, while Greece is an ex officio member, despite its later allegiance to Orthodox Christianity, thanks to our enduring debt to ancient Hellenic philosophy and the Greeks’ more recent debts to the European Union”⁵. Yet, in spite of the apparent vindication by the harsh realities of the world stricken by the 2008 crisis, this view did consider Greece’s history to provide the roadmap to its destiny, which had been criticised as overly fatalistic and largely misguided, in that it prioritises historical legacies over forward-looking aspirations: As Stathis Kalyvas pointed out: “By placing Greece resolutely in the East, many writers (...) have overlooked Greece’s trajectory from East to West. In doing so they have projected the country’s origins onto its present. A more accurate analysis would point to the fact that Greece’s record of failures is matched by an equally remarkable, if much less known, string of significant achievements”⁶.

⁴ P Huntington, Samuel P. *The clash of civilizations and the remaking of world order*. Penguin Books India, 1997.

⁵ Ferguson, Niall. *Civilization: The West and the rest*. Penguin, 2012

⁶ Kalyvas, Stathis. *Modern Greece: What Everyone Needs to Know?*. Oxford University Press, 2015, p. 11-12.

What Kalyvas argues for is that to the eyes of many observers, prior to the financial crisis Greece seemed like it escaped the historical ambiguities of its peripheral positioning. Looking from the perspective of the early 2000s, Greece was a successful post-authoritarian liberal democracy, with an impressive record of economic growth, and a harbinger of stability in direct juxtaposition to the post-Yugoslav conundrum. As a long-standing member of the European Union and a historically vital harbinger of the normative and intellectual identity of European civilisation, Greece had been perceived as a European country in conceptual isolation from its Balkan geographical and historical context. If you take the 1990s, Greece would mostly be understood in Europe in contrast to the Balkan context. Therefore, it does not involve much exaggeration to claim that “Things in Greece looked ideal in 2008. By most indices of economic and human development, the country was in an enviable position. It was reaching the end of a decade that had been remarkable for its robust economic growth. An average real GDP growth rate of close to 4 percent had led to a per capita GDP of \$32,100 (Purchasing Power Parity, PPP), bringing Greece into the exclusive club of the forty richest nations on earth”⁷. While economic indicators can be deceptive, especially when it later turns out that they may not have been accurately measured or even outright manipulated – so perhaps things did not look as ideal on the ground as on paper, yet, prior to 2008 the mainstream story of Greece set upon the narrative of a qualified success on the way to the West.

A good illustration for that amenable state of pre-crisis European views on Greece and its economic prospects comes in the form of one of the more curious of European Union – the triannual Economic Forecasts, which “are published three times a year in sync with the EU's annual cycle of economic surveillance procedures, known as the European Semester. Prior to the adoption of these procedures in the autumn of 2012, two fully-fledged forecasts and two

⁷ Kalyvas, Stathis. *Modern Greece: What Everyone Needs to Know?*. Oxford University Press, 2015, p. 153

interim forecasts were published each year”⁸. Given the long track-record those lengthy and exceedingly mundane documents provide an invaluable source of insight into the changing mainstream illusions about the ever-changing socio-economic conditions in the European Union (as forecasts, however, they do not seem to be of much use). Not going into much detail, even a cursory study of those publications allows for demonstrating how the technocratic narrative would take major twists and turns since 2004. When it comes to Greece, just as on most other occasions, nothing much seems to have actually been predicted in the run-up to the financial crisis – the final forecast made in the autumn of 2007 went under the headline: “Solid growth driven by domestic demand ”, which followed the “resurgent growth” narrative set since 2006. In fact, the very term growth appeared in the forecast headlines consistently since 2004, and in the context of such reassuring qualifications as “strong” or “sustainable”. Thus, growth was supposed to “return to potential” in autumn of 2005, after it was determined that “Olympics' bonus tapers off” in the spring of that year. And in the spring of 2007, the growth was supposed to have returned to “to a more sustainable pace”, while nothing much was discerned on the horizon in terms of catastrophic economic threats: “Economic growth is projected to decelerate over the forecast horizon (...) Changes in the growth composition compared with the 2006 outcome are expected to be marginal, except investment growth which is foreseen to trend down, returning smoothly to historical levels”. While of course few if any official analysts predicted the Great Recession with any precision, this is not the main point when it comes to Greece – what is crucial when those so-called forecasts of the early 2000s are retrospectively read is the fact that most if not all of the Greek economic ailments that later came to be seen as fatal flaws had actually been recognized in the documents, but at the same time seen as more of a nuisance than serious impediments to growth. For instance, even a cursory reading singles out references to

⁸ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/about-economic-forecasts_en

“external imbalances” or difficulties with “fiscal consolidation”, but these are not emphasized as potentially explosive problems, but rather glossed over as design features that observers of Greek economic development have to learn to live with.

Not even the forecasts published in 2008 show any signs of panic about Greek economic prospects. In spring, “wider external imbalances” have been recognized “in a context of decelerating growth”, however, the overall tone of the narrative remained soothing: “Economic activity is likely to remain exclusively driven by domestic demand and changes in the growth composition compared with the 2007 outcome are expected to be marginal, with private and public consumption growth easing to more sustainable levels”. While the autumn forecast headlined persistence of “twin deficits”, and its tone was critical with emphasis put on “external imbalances” and warned of a “steady deterioration of competitiveness”, yet, the tone was hardly alarmist. The reading of those documents gives the reader an impression of a transient fever rather than any kind of serious disease (let alone a terminal one). In short, what they proclaim is that while a few things might have to be straightened out, and some pain endured, the pivot to back to normal is just around a corner. While the criticism was muted, and the forecast’s authors were still hedging their bets, those 2008 analyses already contain the seeds of future doom and gloom narratives. Still, all those doubts were not yet voiced in the panic mode, and seem more like ritual for the record statements so as to eschew future criticisms – just like Eurostat would often complain that, prior to the Greek statistical fiasco, their repeated calls for extra powers to double check national data were not heeded, which is all very well – memos and emails to that effect exist – but then if the chief European Union statistical agency really had suspected Greeks of cooking the books, then one would expect them to have raised real mayhem instead of continuing to publish whatever they were getting from ELSTAT.

As it is often quipped, with credits to the eponymous Yogi Berra, predictions are hard – especially about the future, and so it was only in 2009 that the official forecasts started ringing the alarm bells over the state and prospects of Greek economy. Thus, in the autumn of 2009, the forecast for Greece heralded the challenge to public finances posed by the economic downturn, and from the spring of the following year the talk started of “deep but inevitable adjustment”. In fact, in the few following years, the terms “adjustment” and “fiscal consolidation” would be headlined just as prominently as sustainability of growth used to be in the run-up to the big crash of 2008. A new motif would appear in the forecasts in 2012 – recovery, which was being announced for a number of years without much predictive success. Thus, in the spring of 2012 Greece was declared “An economy longing for the turnaround”, followed by a sequence of promising headlines: “Economic recovery in sight” (autumn 2013), “Recovery signs strengthening” (spring 2014), “The economy finally rebounds” (autumn 2014). Unfortunately, the reality dawned on the exuberant prophecies in 2015, when it was recognized that “recovery fails to accelerate amid high political uncertainty” (spring) and “Uncertainty reverses economic recovery” (autumn). The disruption caused by the explosive political tensions surrounding the conclusion of the “2nd Adjustment Programme” was apparently considered a temporary hiccup by the forecast-makers, as they reverted to their previous focus on looking for green shoots of coming recovery: “Growth to return in the second half of the year ” (spring 2016), “Recovery ahead and better-than-expected fiscal performance” (spring 2017), “A new chapter of growth ahead ” (spring 2018).

Public opinion perspectives on the ongoing crisis

While forecasters, academics and pundits were struggling to come up with a new narrative about the post-2008 nature of Greece, substantial changes have also occurred in the form of collective self-understanding denoted by public opinion. Identity of a group involves

both the convictions members hold of themselves, and the ideas others have about them. These need not always be in sync, and when it comes to peripheral groups it in fact very rarely is. So, when speaking of regional identity, one has to focus as much on what outsiders say, as on what the interested parties want to think about themselves. This state of affairs could be easily attested in the Greek public opinion surveys, but also in the larger European setting, with respect to contentious issue of what is Greece like as a country, i.e., its identity and the attachments held by its people.

Prior to the 2008 blow-up, both the European picture of Greece and the mainstream Greek attitudes towards Europeanisation were all glowing with an optimistic light of mutual appreciation and understanding. Certainly, this is a picture one could get from reading a special Eurobarometer conducted for 25 years anniversary of Greek EU membership, the picture of Greek membership in this public opinion survey was glowing: “Greek citizens continue to appear particularly satisfied with the fact that Greece is a member of the European Union, as they recognise that their country’s membership of the European Union makes it more efficient than if it acted independently, that is outside the European Union. More specifically, Greeks believe that Greece achieves better results in managing and dealing with issues of general interest, under the condition that it acts within the framework of the European Union, thereby conveying serious doubts whether the desired results can be achieved at the national level without the help of the European Union”. It goes without saying that any such laudatory pieces of writing from brochures commemorating anniversaries have to be approached with a big pinch of salt. On the other hand, what this piece clearly shows is how optimistic and self-congratulatory the official line of reasoning had been when it came to the question of Greek attitudes to European Union.

Taking into account historical data, ahead of the crisis Greece belonged to the category of member states with high levels of indicators of the union with the EU and

satisfaction with membership. This was not only a short-term, forward-looking indicator of expectations for the near future, but also more long-term questions about the sense of union or European identity. Greece was seen as understood itself as beneficiary of membership, and from the European point of view a clear story of success, whereby a peripheral post-authoritarian place is transformed into a modern reasonably affluent liberal democracy ahead of its regional trajectory. While it may have been economically peripheral to the European system, and comparatively underdeveloped relative to the central economies, it was conceived of as perhaps somewhat less prosperous Italy rather than being compared downward to more regionally fitting countries.

The financial crisis crashed this consensus both externally and in terms of the internal self-understanding of the Greeks themselves. Suddenly the very modernity of Greece came to be questioned. The post-2008 Great Recession, and resulting debt-and-austerity driven decade long depression of the Greek economy, together with media-driven exposés of Greek socio-economic peculiarities, profoundly changed the perception of Greece prevalent in the lender-countries of European North. Analyses of German press demonstrated this, e.g., Metaphors like the teacher/learner metaphor intensify the formation of a hierarchically divided Europe. Due to the fact that the different European countries are not represented as equal nations, there is an unwelcome chance that the readership of the financially well-situated countries will develop a condescending attitude towards the periphery”. Another metaphor was that of decline, the example of Focus essay, semi-seriously comparing the greatness of ancient Greek civilisation with the corrupt, decadent and hopeless characteristics of modern Greece⁹.

On the Greek front, the effects of the crisis and of the witch-hunt could be seen quickly, and decisively. Taking the Eurobarometer example, the question of feeling connected

⁹ Bickes, Hans, Tina Otten, and Laura Chelsea Weymann. "The financial crisis in the German and English press: Metaphorical structures in the media coverage on Greece, Spain and Italy." *Discourse & Society* 25.4 (2014): 424-445

with the country and with the European Union clearly indicates the impact of the long-term crisis on public opinion. Changes in the Eurobarometer results came very early after the crisis: there were massive shifts away from identification with the EU and from hitherto prevalent beliefs that Europeanisation is an essentially good thing. Throughout the crisis Greeks remained among the least optimistic about the future out of all countries covered by Eurobarometer surveys, for instance, in the fall of 2015 the difference between those declaring themselves optimistic and those being pessimistic about the future of European Union amounted to -29% in Greece, while the European average was +12%. This outright domination of negative sentiments was also stable over time. Similar sentiments could be attested through other survey projects, e.g., Pew Research results also showed trust towards EU undermined in Greece: “Greeks have had little regard for the EU. Only about a third of Greeks have a positive view of the EU”. This research also pointed out that: Greeks felt abandoned by their EU partners well before the current crisis. An overwhelming majority of Greeks (85%) said in 2014 that the EU does not understand the needs of its citizens. And 74% judged as inadequate the financial assistance the EU has provided to member countries, such as Greece, that are experiencing major financial problems”.

Over time opinion polls started to demonstrate obvious shifts in the social perceptions of Greece away from the non-reflexive assumption of European character towards an understanding of Greece as a quintessentially Balkan country. Some of those changes have been temporary, and expressive of tensions over the culpability for Greek debt and the effective limits of European solidarity. This was especially visible in Germany, where the press would quickly assume the narrative of Greece as a problem-place, whose sovereignty should be curtailed for its own good. As Ulrich Beck put in in his pamphlet *German Europe: On the issue of German Bundestag deciding whether or not to fund Greece*: “How are we to go about resolving disagreements between national democracies? Which democracy should

prevail? By what right? With what democratic legitimation? Or is the coercive might of the economy to play the key role? Should the withholding of credit be the ultimate decisive factor? [...] What sort of country, what sort of world, what sort of crisis are we living in, if we can stand by and watch one democracy emasculated by another without provoking any feeling of outrage?”¹⁰. This de-legitimisation of Greek modernity – countless media anecdotes can readily be mentioned, as well as the questioning of the Greek right for self-determination – with the Troika and its cousins serving as economic equivalents of peace-keepers and High Representatives, was made easier by the underlying image of Greece being doubly peripheral: both in terms of the East – West and the North – South divide.

Concluding remarks

The problems with sovereignty-undermining austerity imposed by external financial-forces were not in themselves new, e.g., although the degree of difficulties faced by countries trying to stick to the Deutsche-Mark-linked Exchange Rate Mechanism while enduring the slow-down of the early 1990s, it was already in this context that M. Mazower would sum-up the essential futility of the nation-based protest against forces that are essentially globalised: “Nation-states were becoming mere shells with no real hold over policy, while social problems and alienation from government increased. In effect, cautious and unelected German central bankers were being handed control over economic policy across most of western Europe.”¹¹. The Great Recession – which in the case of Greece, unlike in most other affected countries, was indeed Great – and the ensuing lost decade of Greek economy magnified those problems and contradictions. In an especially acute way it could be observed in how the Greek public opinion was turning away from European identifications and attachments, just as the national control over the economy was being fundamentally

¹⁰ Beck, Ulrich. *German Europe*. John Wiley & Sons, 2013

¹¹ Mazower, Mark. *Dark continent: Europe's twentieth century*. Vintage, 2009.

dismantled, while, on the other hand, the technocratic hopeful green-shoots predictions that back to normal and back to growth is just around the corner could not inspire any optimism in the population mired in dire conditions on the ground.

From the external European perspective, so far as the northern discourses should be treated as mainstream, this continuing struggle of the Greek economy eroded the pre-crisis image of Greece as a European stable state in the Balkans that have long been associated with trouble and instability. The northern public opinion was easily swayed by lines of argumentation that hinted at supposedly inherent problems with the Greeks that have nothing to do with side-effects of Europeanisation and almost everything to do with the historical and regional legacy. In this way, from being something of a success story once, Greece turned to a simplified metaphor of what can go wrong in the South.