

CAPITALISM, POPULISM AND NEW TRANSFORMATIONS OF TRUST NETWORKS: THE GREEK CASE

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Abstract: the market system manifests some historical difficulties related to capitalism in its pure form and, therefore, with an ideology able to build political legitimacy. The social complexity increases with the transition from the «invisible hand» to the Keynesian model. While on one hand, it reinforces the role of social systems such as economics, politics, and law, on the other, it generates a kind of «functional intrasparency» that makes it difficult to separate economic purpose from political one. The paper focuses on the «concentrations» of the so-called populist political movements that polarize toward new «trust networks» of social inclusion. In this framework, the Greek case can be seen as an emblematic example of what could be the impact of neoliberal policies on society and, in particular, on the rise of the populist Syriza party.

Keywords: capitalism – economic system – political system – trust networks – populism

Introduction

Capitalism takes on different perspectives along a temporal process that, starting from the late 16th century, with the inception of a theory of trade based on the observation of economic phenomena, runs through the history of the mercantile system, the birth of Adam Smith’s political economy and subsequent evolutions, until reaching the mature forms of capitalism and the paradigmatic turns of contemporary modernity¹. According to the pure form theorized by Friedrich von Hayek, capitalism describes the market’s tendential ability to self-regulate, ensure competition, and maintain the economy in equilibrium conditions. Hence, demand, inflation, and unemployment

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¹ M. Longo, 2005, 103-105.

function as natural forces that, through «spontaneous adjustments», can ensure equilibrium in a perfect world of full employment, creativity, and perpetual growth².

However, the market system manifests some historical difficulties in coinciding with capitalism in its pure form and, therefore, with an ideology able to build political legitimacy. Indeed, if something in the market does not work (e.g. inflation goes up, growth goes down, etc.), the only plausible explanation is that the market is not free enough. According to this theory, a more effective solution to this problem could be the enforcement of the principle of economic freedom and the removal of any kind of intervention by the state or other institutions in economic affairs (in the market). This can be considered a universally applicable approach to achieving development³.

Keynesian economic theory, on the other hand, is the most representative expression of public intervention (particularly in times of crisis) as a necessary solution to increase overall demand even under conditions of public deficit⁴. Here, the social space itself enters into market relations through mechanisms that, in the conceptual synthesis of welfare (health, education, labor, etc.), function in terms of balancing social needs and allocation of scarce resources. The Keynesian perspective, in this sense, describes a system of social expectations that finds its form of guarantee, by moving the responsibility of decision making (in terms of risk) from the economy to politics. However, the system of the economy continues to depend on ensuring that the conditions of peace are secured, that law is protected, and that politics produces binding decisions⁵.

The systemic complexity increases with the transition from the «invisible hand» to the Keynesian model. While on the one hand, it reinforces the role of social systems such as economics, politics, and law (in the sense of specifying them for their function), on the other hand, it generates a kind of «functional intrasparency» that is substantiated by overlapping languages and codes⁶ that make it difficult to separate what is economic from what is political or legal. The area of intrasparency represents the dimension of a double contingency that is difficult to resolve. Indeed, some expectations are met but others are unattended; some social needs are protected and others even unnoticed; some levels of well-being are guaranteed and others deteriorate. In other words, it is a space in which conditions are generated for differentiation between inclusion and exclusion⁷.

A critical reflection of capitalism cannot, therefore, disregard the complexity of contemporary society and the effort of temporal contextualization of the lessons of the past. Thanks to this background, it is possible to analyze the ability of populism to offset the pressure of expectations concerning values of social inclusion.

² F.A. Hayek, 1944; M. Friedman, 1962.

³ B. Jessop, 2002, 458-459.

⁴ J.M. Keynes, 1920; 1936.

⁵ N. Luhmann, 1983.

⁶ N. Luhmann, 2005, 341-342.

⁷ G. Preite, 2017.

In this perspective, the focus is not on the traditional center/periphery axial scheme, but rather on the nature of the «concentrations» of those so-called political movements that polarize toward new «trust networks» of social inclusion.

1. Capitalism and liberalism: the contribution of Adam Smith

While before modernity it is not possible to speak of an economy controlled by markets, in later times it is precisely market mechanisms that foster the development of dominant qualifications of capitalism. With modernity, capitalism acquires the value of a process capable of ensuring economic development through the exploitation of natural resources; the division of labor; the use of production techniques and technologies; exchange value represented by money (as a symbolically generalized medium); places for exchange (e.g., markets); and systems for the numerical measurement of value (e.g., accounting).

The theses on the origin of capitalism are diverse and particularly complex. According to Max Weber, the genesis of capitalism is linked to Calvinist ethics, which considered working success as a sign of divine predilection and thus of future eternal salvation. According to Werner Sombart, already in the doctrine of the disciples of St. Thomas exists this conception that justifies the lawfulness of profit. Instead, other scholars locate the matrices of capitalism in Judaism. Its establishment, with its radical transformation at the social level, takes place in Renaissance Europe. Between the fifteenth and sixteenth centuries, capitalism began to spread in Europe thanks to a series of economic events, political circumstances, and cultural factors. A propulsive effect, moreover, can be attributed to the geographical explorations of this period, which resulted in the establishment of a mercantile-type system centered on the trade of products and enabling ordinary men, not members of the aristocracy, to accumulate considerable wealth. New figures emerged in society: merchants, shipowners, bankers, and entrepreneurs (i.e., those who assumed the risks involved in a commercial-type enterprise).

With the development of the so-called *économie-monde*⁸ England and Holland gained a dominant position. Here the political institutions are already decoupled from absolutism and guarantee embryonic forms of freedom and civil rights.

Until the middle of the eighteenth century, capitalism grew with the expansion of trade and the multiplication of financial intermediation activities. With the emergence of a primitive factory system in the second half of the century, the fortunes of the old artisan and merchant guilds began to dissolve and capitalism began to take on proto-industrial characteristics. The use of capital for productive purposes became the pivot of economic life, a prerogative amplified by the remarkable ascendancy of Adam Smith's

⁸ F. Braudel, 1949.

work, *An Inquiry into the Nature and Causes of the Wealth of Nations (Wealth)* (1776), that opened the historic debate on the public/private dichotomy and the role of the state in the market, a factor that conventionally marks the birth of modern political economy.

He observed a social context characterized by the distinction between modern «mercantile cities» and those still set on the Ancien régime model. In particular, Smith noted that in cities where the system of economic relations was based on the exchange between capital and labor, the socio-economic dynamics that developed produced an increase in material wealth, and workers were in general industrious, sober, and prosperous⁹ and more prone to processes of emancipation. They, through the crumbling of traditional forms of subordination and work, learned a new way of living in freedom by becoming actors in their social destiny¹⁰. Each individual, therefore, by pursuing his or her own self-interest contributed to the collective interest (and thus well-being).

The structural asymmetries that characterized the new socio-economic system, i.e. the relationship between capitalists and workers, were not ignored but ethically justified as producing beneficial social outcomes¹¹.

Smith's thought was entrenched in the Age of Enlightenment where the new ideas of freedom shaped the world and fought for the emancipation of humankind from the oppression of the old political and economic system. Anyway, Smith did not consider the political system decoupled from the economic system. Indeed, his new capitalist order was not a world without a state, but an order whose elements of economic-social novelty cannot be traced back to the state¹², which instead must exercise very precise functions such as social security (internal and external), the administration of justice, the implementation of public works and infrastructure, i.e. functions that cannot be carried out by individuals¹³.

If this orientation is taken into account, then the interpretation of a so-called laissez-faire system with no rules, controls, and political orientation shows all its weaknesses.

2. The neoliberal trend in Karl Polanyi's contribution

After the Second World War, Polanyi theorized the destructive effects of the market economy following Malinowski's studies (concerning the forms of ceremonial exchange), the field analyses of Boas (concerning the economic-social aspects of the ceremonial system), and the research of Mauss (on the comparison of different realities regarding the gift economy as an economic theory based on the principle of reciprocity)¹⁴.

⁹ A. Smith, 1973, 330.

¹⁰ Ivi, 340.

¹¹ Ivi, 67, 78.

¹² V. Gioia, 2016, 214.

¹³ P. Salvucci, 1966, 39.

¹⁴ K. Polanyi, 1987.

He described human economic behavior through the observation of the forms of production, distribution, and exchange of material and immaterial resources such as knowledge, power, and ideology. Refounding politics and redescribing it in terms of the *polis*, (difference/unity, people/individual, singularity/plurality) is at the center of Polanyi's thought and it is mainly for this reason that he started from the speculative thought of Marx to arrive at the theorizations of the functionalists.

Like the sociology of Durkheim and the cultural anthropology of Mauss and Sahlins, Polanyi criticizes the utilitarianism, competition, and greed of *homo oeconomicus*. Given that economic behaviors (in every economy, from primitive to modern ones) share some unambiguous characteristics, no society could survive without having an economy of some kind, even if before our time there never existed an economy that was controlled by markets¹⁵. All economies are based on natural resources, division of labor, and techniques (or technologies) and make use (in economic behavior) of a symbolically generalized medium of communication, such as money¹⁶; establish places for exchange (markets, fairs, ceremonies, etc.); adopt by convention methodologies and devices for counting (accounting); and implement exchanges with other external organizations (import and export).

One of Polanyi's major contributions to this theme consists in showing how similar economic instruments play different cultural, political, religious, educational, and socio-behavioral roles where economies are organized differently¹⁷. With *The Essence of Fascism*¹⁸, Polanyi studied economics from a sociological perspective. He discussed national-popular movements and their ideology as a political artifice to retain power over the masses. Polanyi primarily criticized liberal economics rather than fascism (which he openly challenged anyway). He argued that fascism even works to defend and protect the market, preserving its functional integrity by submitting to constraints, rules, controls, and parameters that revolve around the national interest and welfare. In *The Essence of Fascism*, moreover, he described the process of abolishing the political sphere and the democratic space, leaving room only for the carefully «predefined» behaviors of economic life¹⁹ that facilitate liberalism, even though the essence of liberalism should lie exactly in its opposite, namely against any form of authoritarianism. In some ways, fascism is an attempt to save industrial capitalism by giving it a social justification (family, nation, fatherland). Fascism can also be interpreted as an extreme reaction to defending society against the destruction of social principles even if, in the end, it turns into its opposite because it destroys democracy and makes social relations authoritarian and hierarchical.

¹⁵ K. Polanyi, 1980, 5.

¹⁶ N. Luhmann, 1983.

¹⁷ K. Polanyi, 1969.

¹⁸ K. Polanyi, 1935.

¹⁹ Ivi, 364-365.

The Great Transformation (1944) represents one of the most important critiques of market society, i.e. an industrial society driven by liberal capitalism. Polanyi strongly believed that liberalism is a kind of «religious fanaticism» in which any obstacle is seen and treated as something to be eliminated. This work begins by stating that the liberal civilization of the nineteenth century collapsed upon itself²⁰. Many of the ideas proposed in the previous century were shattered by the two world wars, such as the peace of peoples, the golden standard, security in trade (the self-regulated market and the liberal state), and democracy. In this work, the form of social organization is based on the concept of community and dialectical interdependence among the individuals who are part of it. A condition pre-existing the economy and market laws. Industrial society imposes rules and anthropological models on the systems of politics and economics that are shareable in some respects but not exclusive and incontrovertible.

First of all, Polanyi argued that economics is not necessarily the central motivation for human action. Capitalist society and free markets are destined to end in violent crisis because not everything can be read through the lens of the market economy²¹. Indeed, social facts can only be explained and interpreted by also taking into account religious and cultural factors that operate, function, and interact apart from the economic sphere. Polanyi interpreted the crisis of liberal institutions in the period between the two world wars as a crisis that led to the birth and subsequent strengthening of dystopian forms of government (such as fascism and communism) that represent clear historical demonstrations of how the economy cannot and should not be abandoned to the market.

The illusion of the liberalist theory consists of considering commodities (i.e. something that is produced to be sold) both labor, land, and currency. Separating man from his own life and nature has been the least natural of all capitalism's undertakings, namely that market idea by which life and nature are reduced to commodities. According to Polanyi, these rules are not tolerated by society because they destroy the set of human and social relationships that give meaning to the lives of individuals and communities. In other words, it is society that must govern the market by introducing control and redistribution mechanisms. In this scenario, society develops self-defenses such as the welfare state, which, in the twentieth century, was the best solution to overcome this challenge.

3. Neoliberal capitalism between (dis)trust and resentment: populisms

In contemporary modernity, the interpretation of the dynamics of capitalism finds its highest theoretical expression in the neo-liberal current of thought, that is, in a «free

²⁰ K. Polanyi, 1974, 5.

²¹ A. D'Orsi, 2000, 640.

market» doctrine that claims the system's ability to self-regulate through spontaneous adjustments of economic variables (specifically: demand, inflation, unemployment), which can bring the system back into equilibrium whenever a departure from the ideal state is generated; in other words, a perfect world of full employment, creativity and «perpetual growth»²².

Faith in the self-regulating capacity of the system represents the dominant «creed» of the end of the last century. Still, removing all obstacles that limit the free market is also at the root of the formation of unregulated financial hegemonies whose harmful effects on the real economy are well known²³. The market's theoretically ideologized capacity for self-regulation begins to manifest its limits (as a guarantor of the maximization of the welfare of the community) precisely in relation to politics, which is reduced to a system dominated by the interests of the financial-corporate oligarchy.

States' intervention to support growth in domestic demand is drastically reduced under the pressure of globalized finance, and even when there is room for regulatory processes it is capital incentives and not policies to support public spending. Thus, the system grows but consolidates income and wealth inequality resulting in social inequality that burdens citizens' trust in traditional institutions²⁴.

With the end of neoliberal capitalism comes the culmination of a long process of democratic crisis that dates back to the mid-1970s and emerged with the Crisis of Democracy Report edited by Crozier, Huntington, and Watanuki for the Trilateral Commission. According to these authors, the answer to the demand overload that has aggravated the life of democracies is the verticalization of decision-making, the strengthening of the executives, the establishment of a more equitable relationship between state authority and popular control, and the concentration of decision-making powers in the hands of narrower economic-financial elites²⁵. At the same time, there is also the extension of bureaucratic organization. This is a «development in technical terms» of society in which the major decisions of states are technical rather than political.

A further paradox arises from the contrast between the process of democratization and massification, understood as depersonalization and standardization of the living standards and behavior of individuals in a social community. That is a process of annihilation of individual characters for the benefit of a «massification» arising from the real enlargement of the power bases and producing distrust and political resentment (depoliticization) as a result of the alienation of the masses (periphery) from the system of politics (center). Thus, there is a democratic disenchantment where citizens, when they vote, do so differently²⁶.

²² F.A. Hayek, 1944; M. Friedman, 1962.

²³ M. Otte, 2011; D. Fusaro, 2018.

²⁴ P. Norris, 1999; S. Pharr, R. Putnam, 2000; A. Mastropaolo, 2011; C. Galli, 2011; S. Petrucciani, 2014.

²⁵ M. Crozier, S.P. Huntington, J. Watanuki, 1977.

²⁶ P. Rosanvallon, 2008.

However, distrust and resentment do not promote disinterest in public affairs; rather, citizens manifest their involvement in collective life in other ways. Between elections, democratic vitality takes on different characteristics aimed at organizing citizens' control over rulers²⁷. As theorized by Montesquieu, this consists of a constant balancing between the faculty of preventing and the faculty of acting, because dissent plays an essential role alongside consent.

These activities always have an ambiguous character. While they can be useful in strengthening democracy, positively stimulating it; they can also weaken it, fueling unprecedented forms of populism that, in some cases, test institutions and expose power to tests of «good governance» in the service of the community.

Populism gives voice to the resentment that is nothing but the product of an inability to represent and provide answers to social discomfort that, left to itself by «rational» political forces, finds a hearing only in the prophets of resentment²⁸. Tocqueville thought that democracy could simplify political life more and more, instead today the development of democracy makes political life more and more complex.

If this perspective is taken, it can be seen how in contemporary modernity it is produced at the same time more equality and more inequality, more legality and more illegality, more wealth and more poverty; more knowledge and more ignorance; more democracy and less participation; more security and more risks²⁹. If politics does not provide stability of expectations, there is the practical problem of how to absorb the resulting uncertainty.

In this process, the peripheries of contemporary modernity acquire a more or less severe negative valence depending on the observed context³⁰. They range from the extreme forms, such as those that characterize some territorial areas of the world far from the acquisitions of contemporary modernity, where legal systems, political structures, and stable institutions are absent and where economies are weak and subject to great variability, to the forms known in the Western world. Here there are paradoxes of democracy that do not depend on the absence of legal systems and democratic political structures, but rather on the disappointment of cognitive expectations that generate forms of selectivity and «populist» orientations that can be classified as phenomena of depoliticization.

Globally, the Greek case can be seen as an emblematic example of the impact that neoliberal policies have had on society and the rise of the populist Syriza party.

²⁷ Ivi, 123.

²⁸ S. Petrucciani, 2014.

²⁹ F. Castañeda Sabido, A. Cuéllar Vázquez, 1998.

³⁰ G. Caldiron, 2005.

4. *The Greek's lost decade*

In 2001 Greece became a full member of the Eurozone (EZ) despite it having faced serious structural problems, such as very high deficits, and did not meet the standard economic criteria. Even though low-interest rates led to a rise in wages and incomes in Greece, this growth was an illusion and unsustainable in the long run.

In reality, the EZ core nations of Germany and France have profited from the big capital flows to EZ periphery nations such as Portugal, Ireland, Greece, and Spain, the so-called PIGS (or PIIGS with the addition of Italy). For some time, Greece was consuming beyond its means, that is, beyond its ability to produce. This overconsumption was made possible through borrowing, which markets were willing to amply provide at very low interest rates³¹.

The average budget deficit reached 5% from 2001 to 2008 with a peak of 7% of GDP in 2007, 10% in 2008, and 16% in 2009, and a debt to GDP (Gross Domestic Product), which reached 109.4% in 2008³².

When the EZ crisis began – triggered ultimately by the Global Crisis – the markets became more careful with fragile economies such as Greece and cross-border capital inflows stopped. This «sudden stop» in investment financing raised concerns about the viability of banks and, in the case of Greece, even governments themselves³³.

Indeed, the high public debt to GDP forced the global markets to loan to the Greek Government with higher interest rates, which were not affordable. When, in October 2009, the new government unmasked the true size of the budget deficit, which was 15.2% of GDP, the market completely lost confidence in Greece's economy and, as a consequence, in a few months, the Greek/German 10-year debt yield spread passed from 130 to over 1000 basis points³⁴.

Facing the danger of bankruptcy, Greece officially sought financial help from the Troika³⁵ in May 2010. As a consequence, Greece signed three Memorandums (Economic Adjustment Programmes), which were, in fact, Bailout Loan Agreements, to stabilize its economy (2010, 2012, 2015). According to these Memoranda, the fiscal crisis had to be faced through a tough consolidation process, based on the tax raise and the reduction in public investments, while the most important instruments to meet the competitiveness crisis were drastic wage and salary cuts, liberalization of the labor market and services market liberalization³⁶. Unfortunately, despite the restructuring of the public debt and

³¹ G. Hardouvelis, I. Gkionis, 2016, 5.

³² S. Mavridis, 2018, 1.

³³ R. Baldwin, F. Giavazzi, 2015, 19.

³⁴ S. Mavridis, 2018, 2.

³⁵ With the word «Troika» it is indicated the union of the International Monetary Fund (IMF), the European Central Bank (ECB) and the European Commission.

³⁶ T. Giannitsis, S. Zografakis, 2015, 19.

the massive introduction of structural reforms, the bailout programs (totaling 288,7 billion EUR) did not succeed in recovering the economy.

Troika focused mainly on macroeconomic aspects, such as debt, and avoided examining the basic social factors such as health, poverty, and exclusion. The huge rise in the living cost and the destruction of the welfare state forced many people to search for food in garbage bins and augmented the number of beggars and homeless on the streets.

1.5 million Greeks, most of them young and unemployed, reportedly lived in extreme poverty in 2017³⁷. People at risk of poverty or social exclusion reached 35.6% of the population in 2016 but at the same time, the threshold for somebody to be regarded as poor was reduced from 7219 € in 2008 to 5297 € in 2016. The threshold is set at 60% of the national median equalized disposable income (after social transfers). This practically means that people were becoming poorer and poorer and if somebody in Greece earned more than 5297 € in 2016 he was not considered as poor and was excluded from benefits and other social transfers³⁸.

Furthermore, Greece occupied the first place in European unemployment rates in 2017, with a rate of about 21.5%³⁹. If we look at the young population (15-24 years) the situation was even worse, with more than half of them unemployed. Besides, in 2016 54.74% of the new jobs were not permanent. This situation forced to emigrate between 350,000 and 400,000 Greeks, mostly in their 20s and 30s, — mainly to other EU countries — since 2010. More than two-thirds were university graduates and many had postgraduate qualifications⁴⁰.

The lost generation of those born in the '80s and '90s did not only affect productivity but also the social insurance system (pensions). Furthermore, there was a serious decline in the child and youth population, aggravated by the brain drain, even though many immigrants, who had come to Greece in the past, had already taken Greek nationality. Thus, the birth rate in Greece fell at an average annual rate of 3.9% between 2009 and 2015 while child mortality increased by 26% during the crisis⁴¹.

The right to adequate housing has also been severely affected, with the number of homeless persons almost quadrupling in a few years. According to specialized NGOs, such as the European Federation of National Organizations Working with the Homeless (FEANTSA), Praxis, and Klimaka, the homeless population went from 11,000 people in 2009 to 40,000 people in 2016. In addition, financial difficulties forced more and more people to avoid paying their public utility bills while electricity thefts increased by almost 1000% from 2008 to 2016. Indicators, such as the growing number of Greeks frequently visiting soup kitchens organized by the Church of Greece (nearly half a million in 2016),

³⁷ D. Mijatovic, 2018, 17.

³⁸ S. Mavridis, 2018, 7.

³⁹ D. Mijatovic, 2018, 17.

⁴⁰ K. Hope, 2018.

⁴¹ K. Filippes, 2017.

showed that the right to a decent living standard of the general population has been endangered⁴².

Because of this dramatic situation, mental health deteriorated significantly in Greece, with depression being particularly widespread, as a result of the economic crisis. A nationwide survey carried out in 2017 by the National School of Public Health revealed that more than half of Greeks complained of mental health problems, with stress, insecurity, and disappointment among the issues most commonly cited. These findings were confirmed by medical professionals and expert NGOs who pointed out that many people lived in fear and felt desperate due to the economic situation. As a result, most psychiatric hospitals were overcrowded, which contributed to the deterioration of the conditions prevailing in these medical institutions.

Reports also indicated that the number of involuntary placements rose dramatically since 2010, in connection with the financial crisis. Most patients admitted under this regime were unemployed persons, bankrupt businessmen, or parents who had no means of taking care of or feeding their children. Most were reported to be over 40 years old and had never shown previous signs of mental illness. In addition, suicides rose by 40 % between 2010 and 2015, with the mortality from suicides having increased at an average annual rate of 7.8% since 2009, compared with 1.6% before the crisis. Furthermore, HIV and tuberculosis rates increased among injecting drug users, after street-work programs were cut by a third⁴³.

These problems were worsened by the inadequate healthcare sector. The Greek health system was seriously underfunded, with public health expenditure at approximately 5.2% of GDP, much lower than the EU average of 7.5%. Public health expenditure had fallen to 4.6% of GDP by 2014, from a pre-crisis level of 6.8%. According to the OECD, per capita spending on public health has been cut by nearly a third since 2009. In addition, more than 25 000 staff were cut⁴⁴.

Greece's healthcare staff had their salaries reduced twice in 2010. Funding for public hospitals fell by more than half from 2009 to 2015. Treatment services, diagnostics, and disease prevention programs were cut by 20%. Maternal and child health services were cut by 73% between 2009 and 2012. The government reduced state funding for mental health services by a fifth over 2010–11, and by more than half over 2011–12⁴⁵.

The percentage of people who paid from their own pockets for health services and medications considerably increased (from 34.5% in 2010 to 58.7% in 2015), and the average amount paid also went up (from €429 in 2010 to €505 in 2015). In 2015, the proportion of Greeks reporting unmet medical needs had risen to 12.3%, almost four times the EU average⁴⁶.

⁴² D. Mijatovic, 2018, 17.

⁴³ Ivi, 20.

⁴⁴ Ivi, 18.

⁴⁵ *Ibidem*.

⁴⁶ *Ibidem*.

Education too was damaged by the austerity measures and human capital significantly decreased.

The State budget for the Ministry of Education was significantly reduced, from € 5,645 million in 2005 to € 4,518 million in 2017. As in most countries, staff costs represented the largest part (85%) of the budget for primary and secondary schools in Greece. Therefore, budget cuts severely impacted the teaching staff, which has been significantly reduced. Teachers' remuneration was also reduced, and their working hours were extended. In addition, teachers were included in the labor reserve and labor mobility scheme⁴⁷.

The result was that the quality of instruction in Greece diminished and the average student performance measured by the OECD's Programme for International Student Assessment (PISA) declined to below OECD average levels. According to the 2017 OECD Review of National Policies for Education, in 2015, almost one out of three students in Greece did not reach the PISA baseline level of performance in science, with similar proportions of low performers in numeracy and literacy⁴⁸.

5. The rise of populism in Greece

As stated before, distrust and resentment do not promote disinterest in public affairs; rather, citizens manifest their involvement in collective life in other ways. In this case, Greek people harshly protested against liberalist reforms in three different «waves» from 2010 to 2015.

The first wave consisted of the anti-austerity mass protest that emerged in 2010 and intensified after the bailout agreement in May. A nationwide strike was called for 5 May. Starting at midnight, airplane, train, and ferry traffic in and out of the country ceased. Schools, some hospitals, and many private businesses were closed. The demonstrations were seen by some as the most widespread since the end of the Greek military junta of 1967–1974 and an estimated 100,000 people marched through Athens⁴⁹.

The second wave of protest occurred in 2011 and saw not only a further increase in participation but also an expansion of its activities, notably with the occupation of central squares by an Indignados-inspired new movement called the Αγανακτισμένοι (Aganaktismeni). On 23 February 2011, there was a recurrence of violent protests and strikes, involving up to 100,000 people shouting «We are not paying» and «No sacrifice for plutocracy», as German Chancellor Angela Merkel called for a renewal of the loan program to Greece that had been conditioned on fiscal tightening⁵⁰.

⁴⁷ Ivi, 21.

⁴⁸ OECD, 2018.

⁴⁹ H. Smith, 2010.

⁵⁰ Al Jazeera, 2011.

These protests lasted for the whole summer (from 25 May until 7 August with further isolated events after the summer) and the protesters' main call was for more accountable and direct models of democracy and an end to austerity. Such grassroots, self-organized assemblies in central squares were defined by their inclusive and diverse nature, their fluid and leaderless structure, and their use of and mobilization via digital media.

The third wave of mobilization began in the run-up to the May/June 2012 Parliamentary elections. Coordinated Large Protest Events (LPEs), with over 5000 participants and synchronized actions across the country, declined significantly after March 2012, following a peak in the previous period. However, the absolute number of marches and demonstrations recorded in the police data remained high, with 5654 protest events taking place in 2012, 6231 in 2013, and 3032 in the first 6 months of 2014⁵¹.

Crucially for this third wave, opponents of austerity found new opportunities to express their discontent in the electoral arena. The populist radical-left SYRIZA, led by Alexis Tsipras, emerged as the main political force against austerity, increasing its share of the popular vote from 4.6% in October 2009 to 26.9% in June 2012, before eventually winning the elections of January 2015 with 36.3% of the vote⁵².

Finally, a referendum to decide whether Greece was to accept the bailout conditions in the country's government-debt crisis proposed by Troika on 25 June 2015, took place on 5 July 2015. This referendum was announced by Prime Minister Tsipras and it should have been a popular answer to the austerity measures with the possibility of «Grexit» (the leaving of the European Union by Greece) in case of rejection.

As a result of the referendum, the bailout conditions were rejected by a majority of over 61% to 39% approving, with the «No» vote winning in all of Greece's regions⁵³. Despite the result of the referendum, on 13 July 2015, the government of Tsipras reached an agreement with the European authorities for a 3-year bailout with even harsher austerity conditions than the ones rejected by the voters. This represented a «drastic turnaround» for Prime Minister Tsipras's position, as he had been elected on an anti-austerity platform⁵⁴.

Conclusions

Greece painfully rebuilds its economy after 15 years of depression but while the economy has been cleaned up, it remains 20% below its 2008 level and the population is still very impoverished⁵⁵. Unemployment in Greece in 2022 sat at 11%. At the same time,

⁵¹ G. Karyotis, W. Rüdiger, 2018, 161-162.

⁵² *Ibidem*.

⁵³ D.H. Price, 2016, 32.

⁵⁴ G. Steinhauser, T. Fairless, 2015.

⁵⁵ E. Albert, M. Rafenberg, 2023.

Greek consumers are forced to cut their purchases of basic goods to deal with the continuous price hikes⁵⁶.

In the 2019 and 2023 legislative elections, the SYRIZA party was defeated by Kyriakos Mitsotakis's New Democracy, a liberal-conservative political party. This could seem like a debacle for populism and a victory for liberalism and democracy but looking at the latest election, the percentage of Greeks who abstained was around 47% – up from 42% at the 2019 legislative election. The result is that just over half of the eligible voting population (around 53%) have elected the parties that will form the new Greek parliament. Of those who did vote, the 40.55% who backed New Democracy were enough to determine the nature of the next government⁵⁷.

Thus, when politics does not provide stability of expectations, and even «populism» does not absorb the resulting uncertainty, democratic disenchantment is expressed by abstention. It does not mean that Greek people are not interested in public affairs anymore, but that they are consciously inactive because they have endured a lifetime of harmful experiences arising from the norms, powers, and qualities that govern Greek social and political life.

If democracy wants to survive and flourish, it has to answer to the social and political needs of citizens and rediscover its natural vocation that, according to Tocqueville, should simplify political life more and more. If populism is the answer to democratic disenchantment and abstentionism is the answer to populism disenchantment, then democratic renewal can be the answer to abstentionism.

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⁵⁶ S. Touchtidou, R. E. Armstrong, 2023.

⁵⁷ A. Chalari, 2023.

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