

GREEK CIVIL SOCIETY AND THE IMPACT OF GLOBALIZATION
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I. INTRODUCTION

Greece is a country that could be characterized by paradox in many domains. For instance, in the Greek economy: while Greeks are entrepreneurial, industrious and capable people who thrive around the world in different professions, Greece as a country is relatively under-developed, with a weak economy and the lowest per capita income of all European Union (EU) countries. In the political sphere, although the country achieved a smooth transition to democracy in the 1970s and was well on the path to modernization, following the example of other modern Western democracies, it ended up with an interventionist, overprotective, overregulating state, a bloated, inefficient, corrupt public sector, and a political culture of clientelism and inertia to reform. Finally, although Greek society is very homogeneous—98% of the population are ethnic Greeks and speak Greek, 97% are Greek Orthodox—it is also characterized by a culture of cynicism and distrust in state-society relations. Greeks are said to be "good patriots but bad citizens"¹, lacking civic consciousness. Their loyalty is based not so much on shared principles, as on shared blood, which is why they will passionately defend their country, while at the same time massively evading taxes and the military draft.

The roots of these contradictions could be searched in Greek society, its culture and stock of social capital. Specifically, this paper will attempt to show that the Greek familistic tradition and culture of distrust towards outsiders and state authority, leading to low levels of social capital and a weak civil society, are closely associated with a family-centered model of industrial development, economic backwardness and a clientelistic, factional and passive political tradition.

Finally, although the aforementioned contradictions have characterized Greek society for decades, recently there have been signs of progress, both in the sociopolitical

¹ Keridis, D. "Greece in the 1990s: The challenge of reform", in Allison, Graham and Kalypso Nicolaidis, eds. *The Greek Paradox: Promise vs. performance*. Cambridge, MA: The MIT Press, 1997.

and the economic realm. A plausible explanation for that progress is the effect of globalization, mainly through integration in the European Union and the resulting pressures for modernization and competitiveness.

What is social capital?

Social capital refers to the subset of shared, substantiated informal norms and values that induce and facilitate cooperation and coordination for mutual benefit between individuals and groups. Social capital takes different forms, including trust relationships, spontaneous associations and networks, and it originates from a number of sources—the family/kinship group, local communities, race, ethnicity, religion, nationality or professional affiliation.

Several studies have shown that the informal norms and networks identified with social capital seem to have an impact on the quality of public life, the performance of social institutions² and representative government, economic development and industry structure. On the latter subject, specific studies have shown that low-trust, family-oriented societies with weak civil associations have been characterized by a large number of small, family enterprises, few large, state-owned/controlled firms and low levels of economic development.³ The Greek economy and industry to a large extent fits that description; the structure and culture of Greek society is a little more complicated.

II. THE GREEK ECONOMIC AND INDUSTRIAL STRUCTURE

The Greek economy has traditionally been characterized by: small, family-based and managed enterprises; self-employment;⁴ an unproductive agricultural sector, small manufacturing base and large service sector. Greece's small size and internal market is a disadvantage for industrial development in the "intermediate" and "heavy" industry sectors—which require large scale—resulting in an orientation of investment towards light manufacturing and labor-intensive activities. The few ventures into heavy industry

² Putnam, Robert D. "Bowling Alone: America's Declining Social Capital". *Journal of Democracy*, Vol. 6, No. 1, pp. 65-78, January 1995.

³ Fukuyama, Francis. *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press, 1995.

⁴ Greece has the lowest percentage of wage labor in the industrialized world.

in Greece have resulted in classic oligopoly problems (higher prices, slower innovation) caused by the presence of large firms in a small market and by state intervention.

The small size of family firms combined with the inefficiency of state bureaucracy gave rise to a large underground—"black"—economy, estimated to account for between 35-50% of all economic activity!⁵ That untaxed, uncontrolled or even illegal activity, although beneficial to incomes and consumption possibilities, is a significant revenue drain from state coffers.

The structure of the Greek economy has often been attributed to an over-interventionist, protectionist state, which operates according to clientelistic logic and is essential for the survival of fragmented and non-competitive production structures. To illustrate, Greece has an enormous self-employed sector, the largest in the European Union, absorbing at present over 40% of the Greek labor force. This sector is dominated by low-capitalization, low-skill and often noncompetitive businesses that are dependent on state support, frequently engaged in corrupt practices and prone to tax evasion. Together with state enterprises, the self-employed sector is one of the main forces opposing reform in Greece.

Self-employment apart, the "best bet" for Greeks has always been a public sector job, offering permanent employment and secure wages. The existing legal constraints on dismissal offer no incentive to be productive for fear of job loss and explain the inefficiency of the public sector.

It is not clear whether that particular model of Greek business organization was shaped exclusively by an inefficient, centralized and authoritarian state or whether it is also linked to particular elements of Greek culture and society. It seems plausible to assume that Greek business culture and its incestuous relationship with the state are not only rooted in a low-trust and weak civil society, but they further undermine social cohesion and the potential for autonomous self-organization and create competition for state protection among social groups.

⁵ Clogg, Richard. *A concise history of Greece*. Cambridge: Cambridge University Press, 1997, p. 205.

III. SOCIAL STRUCTURE

A homogeneous society

Despite centuries of occupation by the Roman and Ottoman empires, Greeks have maintained an unusually homogeneous society, an overriding sense of "Greekness" that overcomes regional diversity. Greeks are proud, independent people, conscious of their cultural heritage, which transcends economic and social status.

Greece's class system has been more flexible than elsewhere in Europe, allowing for widespread upward mobility through education and economic advancement, helping to overcome the basic division between urban and rural populations. Deep cleavages do exist in Greek society, but these are mainly political, originating from the country's turbulent and bitterly divisive political history.

The role of the family

The fundamental social unit and object of primary loyalty in Greek society is the family, membership in which is the most important element in individual identity. Although urbanization and modernization have modified that institution in recent decades, ties of kinship, patronage and ritual kinship still cut across classes and unite rural and urban Greeks. Maintenance of the family's honor and welfare is a constant responsibility of its members, regarded as more important than individualism—in the form of self-respect and self-reliance.

A low-trust society

The struggle to cope with scarcity, insecurity and foreign occupation implanted in Greek souls and behavior a distrust of everyone outside the family, including the state. Political cynicism, undermining public endeavor was almost a natural consequence of such a fundamental lack of trust. The perception of scarcity [of Greece's natural resources] breeds insecurity and ultimately distrust; and this, in turn, diminishes the possibility of cooperation for economic betterment or the attainment of other public purposes.⁶ In fact, Greek insecurity and uncertainty often leads to a resigned fatalism, an exaggerated belief in fortune that both stifle productive action.

⁶ Legg, Keith R. *Politics in modern Greece*. Stanford, CA: Stanford University Press, 1969, p. 32.

Furthermore, the lack of trust and absence of secondary organizations create a vicious circle, since they tend to increase the importance of the family or produce an extension in the form of clientelistic relationships. Particularly in a transitional society, like Greece's, where sociopolitical institutions are transplanted from other modern societies and superimposed over totally different traditional structures, life becomes difficult and confusing, making family cohesion all the more vital. Family becomes the economic unit and individuals use politics (either as politicians or as voters) for family advantage.

The process of socialization reinforces distrust of outsiders. To deceive others—including the government—is acceptable or even a sign of cleverness, while one must always be suspicious of others' actions or promises. This attitude is evident in business transactions of Greeks: cash is the preferred medium of exchange, even for large transactions such as buying a car (!), credit cards have only recently been widespread and personal checks are not widely accepted as a means of payment, especially when the recipient does not know the issuer.

Thus, community loyalty is difficult to achieve. Important family concerns are not addressed within a community, but initially through links to extended kinship members—establishing the famous patronage networks, or webs of mutual obligations and reciprocal favor granting—and ultimately by the state.

Family orientation is also responsible for the type of business development in Greece: the family firm. The family nature of most Greek firms and industries has weakened the impetus for organizational activity and spontaneous association: since the family is the economic unit, others in a similar position are seen as competitors for scarce resources rather than as potential collaborators. Thus, expansion and industrial development is impeded by distrust. This development pattern has produced a large number of relatively inefficient small firms, managed according to family values rather than economic efficiency.

Furthermore, small business owners do not need collective action to realize their demands. Provided that they have a moderate class position, modest monetary resources or the ability to provide reciprocal favors, they can work directly with civil servants or political representatives, who can help the businessmen to circumvent cumbersome

bureaucratic and administrative structures. Similarly, in the case of large corporate entities, although power is concentrated in the hands of few families, major business interests are far from united and active collectively.

The role of the Orthodox Church

In 1995, 97% of Greeks claimed to be members of the Orthodox Church of Greece. An important aspect of Greek culture is the close connection between being Greek and being Orthodox. However, most Greeks belong to the Church “by birth and nationality”, rather than out of personal choice or faith. The Church has an equivocal position in modern Greece. On the one hand, it has traditionally been an influential institution in social life: religion has always been taught in schools; priests have been among the most revered and influential figures of rural societies; religious leaders have been involved in different aspects of political and social life. On the other hand, today religion has lost much of its influence over society and regular church attendance is minimal and limited to women and elderly people.

Overall, one could make the argument that a dominating Church hampered or at least retarded the development of a strong civil society. Church and state are not separated in Greece and the Orthodox Church actively tries to exert influence on secular matters. Since the Church is closely linked to the state in terms of its organization and administration, it is also subject to politicization—like everything else in Greek society—and therefore does not necessarily promote internal unity and civil society. Factionalism and “Church politics” are common, as are splits within the church or between church and state.

In addition, there is a strong current of anti-clericalism in Greek society, dating from the Ottoman rule, when civil (administrative) and religious power was concentrated in the hands of the Church, which regulated many aspects of everyday life, but also eventually became subject to corruption and greed.

Unlike other Western states, the Church in Greece—at least in urban areas—maintains a more distant and mystical role, most concerned with formal matters of liturgy and presentation rather than taking active part in the organization of social life through voluntary or charitable organizations. The earlier role of the priest as the traditional preserver of Greek culture and traditions, often coordinating social activities and events,

is declining with modernization and urbanization of Greek society. We could conclude that the Church's influence, conservatism and political involvement has had a negative impact on Greek civil society.

Greek civil society

Although Greeks exhibit fierce national solidarity and patriotism when faced with an external threat to their country, in their domestic political life, one does not find any sustained public morality, shared norms or code of behavior aimed at promoting the common good. Instead, an extreme combativeness and factionalism has traditionally characterized Greek affairs, while, for the average Greek, local and national politics remain highly personal matters.

In a country where passion for politics is part of the national consciousness, civil society has remained relatively underdeveloped. Greeks have very low confidence in the state's ability to handle the country's problems. Recent polls have shown that the main institutional pillars of Greek society—political parties, the media, judiciary and armed forces—are undergoing a credibility crisis and are viewed with skepticism and distrust. Although this phenomenon is not unique to Greece, it still indicates a decline in civil society indicators. One would expect a society with such deep-seated cynicism and distrust of the state to develop a strong sense of responsibility, take up action and self-organize to perform the functions unfulfilled by the state. In contrast, Greeks seem to lack civic consciousness. Their reaction to state inefficiency is to pursue their interests on an individual or family basis. They have an almost fatalistic and cynical attitude regarding the potential effectiveness of collective action, believing that any such action will be stifled and ultimately neutralized by the overbearing state mechanism.

Still, Greeks *are* bound by common values and social norms: hospitality, loyalty and assistance to relatives and friends in need, and solidarity against external enemies. They have strong social bonds, but tend to form cohesive social groups either in crisis situations or for leisure purposes, not for achieving common goals or defending common interests. Therefore, these shared norms are a form of social capital, since they lead to cooperation, but not for "productive purposes"—conventionally defined. The reason for this paradox can again be found in the primacy of loyalty to the family, distrust of

outsiders and the exclusive pursuit of individualistic interests, mainly through patronage channels.

A sense of civic consciousness and commitment to public service is difficult to promote in such an environment. Another related paradox is that although Greeks take great pride in their community or village of origin, attempts to establish village or regional cooperative groups—beyond short-term reciprocal aid patterns among relatives or neighbors—have failed. Again, emphasis on self-reliance, suspicion of others' motives and shunning of group loyalties beyond the family make Greeks traditionally weary of cooperation through associations.

Greek society has been characterized by inertia and conservatism, resisting reform and striving to maintain the status quo. There are some powerful and well-organized groups and associations in Greek society, formed around common interests and aiming at the preservation of acquired privileges. Typical examples of this closed system of privilege are employees of public enterprises, coveted by a protective state and using trade unions to resist change, and private entrepreneurs, operating in a system of arbitrary and non-transparent rules.

Until about a decade ago, Greece had very few and weak independent associations and non-governmental organizations (NGOs), which would participate in the policymaking process and provide access to sources of information and analysis not under the exclusive control of politicians. This weakness partly comes from financial deficiencies (many of these organizations depend on government funding), but also from reasons related to a passive modern Greek attitude towards "the commons".

Greek passivity in productive common action can be explained by a number of factors:

- a) Distrust and suspicion beyond the extended family circle;
- b) Inherent weariness and cynicism regarding the effectiveness of common action. This attitude could be linked to the persistence of an almost fatalistic Byzantine mode of thought, which saw all human endeavor as constituting part of the divine dispensation. It could also be explained by a desire to preserve the status quo and acquired privileges.

- c) The belief that a dominating centralized state mechanism, despite its inefficiency, will tend to stifle any productive collective action outside its sphere;
- d) An “entitlement attitude”, which leads most Greeks to focus their energies on what Greeks deserve—for historical and cultural reasons—and should expect from the state and/or the international community, rather than what they can do for themselves to pursue their interests and shape their destiny.
- e) An education system that has never been very concerned with practical or contemporary subjects and has made little effort to acquaint students with their rights and duties as citizens.

IV. GREEK POLITICS: A LONG WAY FROM THE "POLIS"

Greek politics are generally dominated by cleavages, charismatic leaders, populism and clientelism. Since the age of the Enlightenment, before the creation of the modern Greek state, the Greek political debate has centered around a dichotomy between the advocates of modernization according to Western prototypes and the nationalistic advocates of a Greek-Christian Orthodox heritage that should be preserved at all costs.⁷

The clientelistic style of Greek politics makes voting behavior a purely rational exchange in the anticipation of political favors such as jobs in the public sector or preferential access to finance. Greek political discourse, similarly to social values, has emphasized Greek rights, dating back to ancient times, rather than Greek interests, to be pursued actively in the present and future.

The role of the state

In Greece, civil society and state are closely interrelated. There is no strong liberalist tradition defending individual rights against state intervention. In contrast, the state, through the existence of extensive patronage and clientelistic networks, is often hostage to the demands of those networks and obliged to remain large enough to provide favors and to protect employment.

⁷ P. Nikiforos Diamandouros, "Politics and culture in post-authoritarian Greece", in R. Clogg, ed., *Greek politics and society in the 1990s* (forthcoming), p.18.

The bloated civil sector is inefficient and often staffed according to subjective criteria and personal connections, partly reflecting the Greek society's distrust and disregard for authority and formal criteria.

The state owns a large number of enterprises and monopolies and management of those has been traditionally inefficient and corrupt, wasting public resources. Such an imposing centralized state has not left much room for civil society to grow. The justice system is quite uneven and subject to corruption, which also impedes concerted action by Greek people.

Greece has—at least until the 1990s—lacked an administrative and regulatory framework and institutions favoring and encouraging business. Administrative arbitrariness, political favoritism, the essential role of political connections and favors in achieving anything and the absence of an impartial law enforcement mechanism, are some of the main obstacles in Greece's business development. There is also a lot of concentrated power in networks of business interests controlling public procurement and public works, media organizations and the financing of political parties.

Local government

Traditionally, local government has been popularly viewed as the exclusive domain of the wealthy elite. The concept of popular involvement in local affairs was remote at best and failed to take any firm root in Greek governance. Local governance, present during the Ottoman rule, has declined since the beginning of the 20th century. Decentralization initiatives have been pursued on and off by various governments and today there is a system of local government in place, although its autonomy and efficiency is not always guaranteed.

Political parties

Traditionally, Greek political parties have been largely based on personal connections and charisma, lacking real organization with mass membership and tending to appeal to narrow segments of the electorate. Greeks have pursued their personal contacts—usually through a patron-client relationship—to promote their individual (or family) interests rather than developing and pursuing common interests through mass political organizations and interest groups. By the mid-1990s, through active efforts by

socialist governments, Greek parties had become more mass-based and issue-oriented, following the model of West European political systems. Nevertheless, clientelism still pervades Greek political parties in the form of personal favors arranged by politicians for their constituents.

Interest groups

Opening a Greek telephone book will reveal an extensive list of formal organizations in Greece, such as business and occupational associations, labor confederations and various interest groups. However, if we accept the definition of interest groups as groups of individuals who are "linked with particular bonds of concern or advantage, and who have some awareness of these bonds"⁸, that definition is only tangentially relevant to Greek interest groups. The latter are largely "official", non-voluntary membership organizations closely linked to the state, and as a result, they are often regarded with the same distrust as the state. Greek interest groups are not an expression of civil society; they do not articulate common concerns of their members, but serve to mobilize support for the political system.

In Greece, given the extensive network of patronage relationships, genuine associational ties are possible only in the rare cases when political and social concerns of individuals or firms cannot be solved through personal connections. Since the establishment of the modern Greek parliamentary system, the representation of individual interests has relied on direct personal relations between politicians and constituents, rather than coherent pressure groups pursuing common goals.

Even in the latter half of the 20th century, Greece, unlike other Western countries, has very few, weak interest groups with almost exclusively economic demands, activated on specific occasions, rather than mobilized for a broader common purpose. For example, labor unions, after the settlement of their disputes by the government, fall into inertia until the time to negotiate the next wage raise. Also, the role of pressure groups has been neutralized by the ability of political parties to monopolize the representation of long-term social issues.

⁸ Almond, Gabriel A. and G. Bringham Powell, Jr. *Comparative politics: A developmental approach*. Boston: Little, Brown, 1966.

The large component of self-employed persons in the labor force and the predominance of small family businesses have impeded the growth of effective labor unions in Greece. The labor movement, which grew with industrialization, has had a personalist rather than ideological orientation; it has also had its independence compromised by constant political interference, which also created social hostility and low esteem towards unions. Also, the role of trade unions has often been to engage in passionate and disruptive opposition to reform in order to preserve the status quo.

Overall, Greece has so far lacked the kind of "intermediate layer" between the family and the state, that is independent groups and associations of citizens which can act as effective controls on the expansive and often interventionist tendencies of the state. These two phenomena—a decentralized, family-centered society and an overbearing state—have tended to reinforce each other in a vicious circle of low-trust and low civic consciousness.

V. THE ORIGINS OF THE PARADOX

The Ottoman rule and the independent Greek State

The origins of the Greek political/economic culture as well as the nature of civil society can be found in history and particularly in the ways the Greek State came into existence.

A significant influence originates from the period of the Ottoman rule over Greece. The Ottoman system was organized along religious lines (rather than ethnicity) and highly decentralized, allowing for a large degree of local administrative autonomy and self-rule of its subjects by their own religious authorities. The official role of the Orthodox Church in that system made its situation in Greek society paradoxical. On the one hand, the Church helped keep the Greek language alive and foster a sense of cultural identity. On the other hand, the concentration of power, civil as well as religious in the hands of the Church made it subject to rivalries for high office and to the greed and corruption endemic to the Ottoman system of government. Also, the Church became a very conservative institution that protected its role by isolating Greeks from the secular influences of the great intellectual currents of the West, first the Reformation and then the

Enlightenment. This role of the church tended to neutralize the potential positive effect of organizational autonomy on Greek social capital.

Administrative autonomy also led to a kind of rule ultimately based on interpersonal local allegiances. The idea of the rule of law was weak under the Ottoman rule, which was often capricious and discriminated against the non-Muslim population by imposing special taxes and restrictions on personal freedom. One form of self-defense of Greek subjects against that arbitrariness was to secure the protection of highly placed patrons, while being distrustful of those outside the extended family circle.

Local autonomy also fed *mistrust* towards the distant, centralized ruler—"the enemy". Even after independence and the formation of the modern Greek state this mistrust for central authority was encouraged and perpetuated by the former local leaders, in order to preserve their privileges and patronage networks within the new state. The price to pay for the establishment of a centralized state was the embracing of all those local bosses, who acquired influence in the state apparatus and institutionalized patronage and clientelism. The central state authority relied on the new urban population to break the power of the local archons and this resulted in a chronic social division between rural and urban Greeks, which perpetuated instability and undermined national consensus.

Clientelist relations in the new constitutional state centered on parliamentary deputies, dispensing favors and public sector jobs to their constituents in exchange for votes, therefore institutionalizing a corrupt political participation system from the very beginning of the Greek state. *Rouspheti*, the reciprocal dispensation of favors that (still) pervades Greek society and *mesa*, the connections that are useful, even indispensable in many aspects of daily life, were both present during the Turkish rule.

The first Greek governments started the tradition of an authoritarian and paternalistic state, based on the belief that Greeks were not yet capable of self-government. Political parties initially emerged as natural continuations of patronage relationships—crystallizing around politicians rather than ideologies—not out of genuine political concerns. Again, political connections and favors were the essential lubricant of an inefficient and unresponsive state mechanism, where laws existed but were never enforced.

The legacy of the civil war

On many occasions Greek society has been bitterly divided in opposing camps. The civil war of 1946-49 was one of the most dramatic illustrations of such cleavages, which left enduring marks, deeply divided Greek society and ended up with an exclusivist state of the victorious Right against the defeated Left. The governance of the anti-communist state in post-civil war Greece maintained a discriminatory, vindictive political system, using explicitly political, non-meritocratic and clientelistic criteria for state employment. In addition to deepening divisions in Greek society, this system resulted in an overstaffed, inefficient and unreliable state sector, where state employees, thanks to their political connections, were immune to quality control.

National integration and reconciliation has been an elusive goal, which was only partially accomplished as late as the 1980s, when the Greek socialists broke the Right's grip on power and took over under the charismatic and populist leadership of Andreas Papandreou. However, the traditional compromise on which Greek politics rested—a large state integrating and legitimizing patronage networks—did not change. On the contrary, these networks were centralized under the national party organization. The state sector became even more bloated, inefficient and corrupt, state-dependent, non-competitive enterprises persisted, the legitimacy of the state declined and civil society was further weakened.

The post-civil war period (1950-1980) in Greece had another characteristic that was detrimental to civil society: the *particularistic* logic guiding the distribution of social and economic benefits in society.⁹ This absence of universalistic criteria for the allocation of social benefits produced widespread perceptions of inequity undermining social cohesion and the legitimacy of the state, while simultaneously reducing the ability of citizens to hold the state accountable for its actions. This inequity in turn hindered the construction of social coalitions and networks along more egalitarian lines and the emergence of a collective Greek identity based on the inclusive principle of citizenship rather than ethnicity.

⁹ Diamandouros, Nikiforos. "Greek politics and society in the 1990s", in Allison, Graham and Kalypso Nicolaidis, eds. *The Greek Paradox: Promise vs. performance*. Cambridge, MA: The MIT Press, 1997.

Overall, at the first moments of the establishment of the modern Greek state, the soil for the growth of a Western-style civic consciousness was poor. The political system of government was imported from the outside and superimposed on a pre-existing network of patronage relationships. The indigenous tradition in Greece was "one of brigands, mercenaries and local potentates, not one of voluntary associations and corporate loyalties."¹⁰

Distrust outside the family and in particular of the government is also the origin of Greece's business and industrial development, which was based on the family. It was not only economical to employ relatives, but it was also a safeguard against outsiders and the uncertainties of an erratic political establishment and government.

Greece's turbulent history as a nation also set the context for its economic development. After independence, constant regional wars, Nazi occupation, civil war and recurrent political turmoil made Greeks more conservative in their investments. Their distrust of the state's abilities discouraged them from engaging in risky or unfamiliar ventures such as large-scale industrial investments, focusing instead on short-term profit return investments in real estate and commerce. Distrust and disregard for a state authority lacking credibility is also in large part responsible for the widespread practice of tax evasion and other illegal activities that severely hamper economic progress and prosperity.

The role of foreign powers

Finally, a contributing factor to the Greek attitude of political irresponsibility and passivity, as well as the low level of communal action was the tradition of external power involvement in Greek affairs since the revolution and the inception of the state. Like in their internal politics, Greeks expect all their problems to be solved by outside forces, particularly because they "deserve" special consideration given that their country was the birthplace of Western civilization. Therefore, instead of being concerned with general policy, politics are more focused on patronage, both internal and with foreign powers.

¹⁰ Vatikiotis, P. J. *Greece: A political essay*, The Washington Papers, Volume II. Beverly Hills: Sage Publications, 1974.

Although Greeks are interested and have strong opinions about politics and foreign affairs, "it is the interest of spectators rather than that of activists."¹¹

VI. GLOBALIZATION AND GREEK CIVIL SOCIETY

This part of the paper will examine the potential impact of the competitive pressures of globalization and “europeanization”—that is, integration in the EU—on Greek civil society and political and economic development. Given the relative scarcity of literature and empirical data on Greek civil society and social capital indicators, this paper will identify major trends in the Greek economy, society and political establishment—linked to globalization—and trace their potential implications on Greek civil society.

Economy

In the economic field, the impact of globalization is felt through the growing market pressures imposed on Greek enterprises by foreign competition as well as by EU restrictions (rules and regulations). The potential effects of competitive pressures include weeding out inefficient family-owned companies and making state monopolies/oligopolies unsustainable. Illustrations of this phenomenon include privatization efforts—however imperfect—in Greece in the last few years, particularly due to the pressures of integration in the EU; and cross-border mergers or acquisitions of Greek firms by foreign ones. These trends could alter both the form (family orientation) and the management efficiency of the Greek business model.

Furthermore, the goal of integration in the European Monetary Union (EMU) has been a driving force behind Greece’s successful effort to put its public finances in order and to restore macroeconomic stability. The success of this effort could boost Greek people’s confidence in their government and the state. Still, the potential magnitude of that effect could be mitigated by the fact that many restrictive government policies instituted in the framework of integration into EMU were quite controversial and unpopular with the Greek public.

¹¹ Legg, *op. cit.*, p. 77.

Society

On a societal level, globalization and europeanization imply that constantly increasing Greek contacts with the “outside world” on a daily basis may help tone down traditional distrust of outsiders. In addition, EU/EMU integration has a unifying effect on Greek society by constituting a common goal to which most Greeks—as, in fact, most political parties—adhere. This impact of EMU may help overcome polarization of Greek society in favor of convergence, moderation and ideological consensus.

Another potentially unifying factor in Greek society are the Olympic Games, due to take place in Greece in 2004. In addition to uniting Greeks behind a joint effort, the Games could enhance Greek civil society by increasing the levels of voluntarism. The Games are indissolubly connected with the feeling of cultural continuity, which is deeply rooted in the Greek national consciousness. For this reason, Greece’s undertaking of the Olympic Games in 2004 was greeted by Greek people with great enthusiasm and national pride, and seems to indicate the possibility of a large segment of the population becoming mobilized and assisting on a volunteer basis.

Furthermore, globalization and europeanization may trigger a trend for citizens’ responses to the continued growth of multinational companies and supranational government bodies such as the EU. This is likely to encourage the development of local, regional, national and European-level organizations to defend alternative or individual interests (e.g. consumer associations, environmental bodies) and to promote viewpoints which otherwise are not adequately represented.¹² Already, in Europe a large number of NGOs have established contacts among them and created information and help networks, often with funding from the EU.

Finally, globalization should also have an impact on the power and appeal of the Orthodox Church—a separation between the concepts of being Greek and being Orthodox or between Church and State, as is the case in most other Western states.¹³

¹² Euro-Volunteer Information Pool. “Main Trends in Voluntarism,” www.euro-volunteer.org/ISSUES/issue3_e.htm.

¹³ Although one could also make the argument here that increased secularization and the move away from Christian and other traditions that stress philanthropy may also reduce the number of volunteers. However, in France, 25% of religious people are volunteers, versus 21% of non-religious ones, which does not indicate a major difference (“Main Trends in Voluntarism,” *Euro-Volunteer Information Pool*, www.euro-volunteer.org/ISSUES/issue3_e.htm).

The State

Greece has had to embark on a serious effort to restructure and reduce the size of its public sector in order to join EMU and, more importantly, to maintain the economic strength to be part of that system. At the same time that the public sector is gradually diminishing in size—recognizing that this is a very slow process—there is also a change of attitude from the Greek state with respect to voluntary and non-governmental organizations.

During the populist years of the 1980s, the already well-known clientelistic relationships between citizens and the state—on which social cohesion was based—were strengthened, and the notion was cultivated that the state should intervene in all areas of political and social life and regulate almost all relationships, thus significantly limiting private initiative and the functioning of a free market. It is also interesting to note that, until the 1980s, voluntarism was a concept, if not identical then directly connected with that of private philanthropy.

In contrast, we could say that volunteer and non-governmental organizations were rekindled in the 1990s. The basic reasons that contributed to their development are:¹⁴

1. The crisis of the welfare state—The shrinking of the public system of social protection, due to the pressures of austerity measures imposed on states by globalization and the terms of international economic development, as well as to the tendency for citizens to turn more towards more efficient, private provision of services.
2. The crisis of political parties, facing a drop in active participation of supporters through party mechanisms.¹⁵
3. Continued moderate reform-oriented policies of successive governments since the 1990s, and particularly a change in the attitude of the state towards the non-governmental sector from one of indifference to active support of the social role of

¹⁴ Panagiotopoulou, Roy. “The Notion of Voluntarism in Modern Greek Society and the Challenge of the Olympic Games,” Paper from the Symposium on “Volunteers, Global Society and the Olympic Movement” held in Lausanne, on November 24-26, 1999.

¹⁵ Note that one could consider this decline in political participation as an indicator of declining levels of social capital and civil society elements, although in the case of Greece, the decline in political participation seems to be translated into an increase in voluntarism.

such organizations. Despite all this, NGOs have not yet achieved the status of official partner of the state in the shaping of policy, as is the case in other European countries.

Civil society—voluntarism and voluntary organizations

Greece is already experiencing an increase in the numbers of “productive” (see definition above) nongovernmental and voluntary organizations. The 1980s saw a setback in the development of organized voluntarism with a government portraying it as middle-class philanthropy unacceptable in a socialist state with a developed welfare system. By the 1990s, a new political and social tendency became obvious, as it was perceived that many activities for the public good involved participation by many types of people, while at the same time self-help organizations began to develop in several welfare fields. Nonetheless, there is no continued or overall coordination of voluntary work or voluntarism. Only in 1997, with European Union funding, was an attempt made to generate a database about volunteering, as a first step towards linking voluntary associations.¹⁶ This initiative helped make available data on the distribution of volunteer work in the various social realms (*see below*).

Up to now there is no legal framework for voluntary work in Greece dealing with issues of insurance, reimbursement of costs, workplace and working materials, training, support and guidance by paid staff etc. This makes it difficult for many organizations to work systematically. Under European influence, some progress is being made in that field and specifically, under the new law for Health and Welfare¹⁷ voted by the Parliament in September 1998, the following measures have been planned for volunteering: at a national level, the creation of a PanHellenic Federation of Voluntary Organizations”; the creation in the Ministry of Health of a “directorate for the development of volunteering” with two departments, one for volunteers in the health sector and one for volunteers in social care; the international day for volunteering, December 5, has been declared to be the national day for volunteering with special prizes to both individuals and legal entities as a moral reward to help develop volunteering.

¹⁶ The “VOLMED Project” is an inquiry into Voluntary Service Organization in the European South, carried out with the support of DG XXIII of the European Commission, aiming at the creation of a pilot database and an appraisal of the historical development of the voluntary sector in Italy, Greece, Portugal and Spain.

¹⁷ “Social Status and Fields of Volunteering,” *Euro-Volunteer Information Pool*, www.euro-volunteer.org/ISSUES/issue1_e.htm.

As mentioned above, there has been a steady increase in the members and number of volunteer and non-governmental organizations in recent years. This is a tendency which follows (with a considerable time lag) similar tendencies in other EU countries. Also, although the participation of Greek youth¹⁸ in volunteer organizations is limited—58% of the youth do not participate in any kind of organization/ association,¹⁹ the lowest percentage in the EU²⁰—their high degree of willingness to offer volunteer services is notable—more than half the youth (55.7%) consider taking part in voluntary organizations and approximately three quarters (72.6%) declare they would offer their services without charge.²¹ In addition, these developments strengthens the interest which the institutions of local government have begun to demonstrate recently, by putting into place more and more programs for the voluntary provision of services in their areas of activity.

There is limited empirical data on the development of volunteer organizations in Greece. The most significant piece of research to date is the VOLMED²² research undertaken under commission from the EU. According to that study, 60.3% of all volunteer organizations in Greece were created after 1980,²³ more than a quarter of them founded between 1991 and 1996. It is estimated that there are approximately 1200 volunteer organizations offering services in Greece today, but unfortunately there is insufficient data on their activities. The number of organizations for which accessible data exists with regard to their functioning reached 400 in 1997.²⁴

According to the VOLMED data on Greece, the overwhelming majority of organizations (91.5%) are nonprofit and are funded approximately 70% from private contributions and 30% from state subsidies. 69% are non-religious, 25% belong to the Orthodox Church and 6% are made up of church organizations that do not belong to the Orthodox Church. 95.5% of these organizations are well-structured bodies and only

¹⁸ 15-24 years old

¹⁹ See V-PRC Institute, *Research on the Political and Social Participation of Youth, Initial Results*, Athens: November 1997

²⁰ See European Commission, *The Young Europeans*, 47.2, DGXXII edition, Brussels: 1997, p. 21/160.

²¹ Source: V-PRC Institute, *Research on the Political and Social Participation of Youth*, Athens: November 1997, Tables 36 and 37, cited in Panagiotopoulou, op. cit.

²² See footnote 5, above.

²³ Cited in Panagiotopoulou, op. cit.

²⁴ See Anthopoulos, C. "Voluntarism Today, a Developing Phenomenon," in Katseli, L. and T. Pelagidis (eds.), *For a Europe of Social Rights*, Athens: Papazisis, 1998, p.251.

4.5% are informal organizations of self-help without statutes.²⁵ Most organizations have no strict rules of participation. In terms of membership, small organizations—less than 50 members—make up 65% of all volunteer organizations, while those with more than 100 members make up 23%. Finally, with respect to voluntary organizations' goals, the main areas of mobilization are philanthropy (65% of organizations), protection of the environment and various cultural activities.

In terms of the demographic composition and characteristics of volunteers, according to the VOLMED survey about volunteering in the social and health field (1997)²⁶, 45.8% of volunteers are men and 54.2% women, 34.6% are younger than 18 years old and about 44% between 18-45. It seems that young people are more involved in environmental and human rights activities rather than in the social and health field. Also, volunteering seems to be positively influenced by the level of education, income, social status and age, which would partly explain the rise in voluntarism in recent years, with the improvement in Greece's economic situation.

VII. CONCLUSION

The 1990s and the beginning of the 21st century stand out as a period of change in Greek political and socioeconomic development. The centralized clientelistic, state system has been strained both internally—by a period of socialist excesses—and externally by the demands of globalization and international competition. State protectionism and monopolies/oligopolies are no longer sustainable, as market forces make efficiency—through modernization and privatization—essential for survival in a global economy.

At the same time, there seems to be an end to charisma-based politics with the rise of a more technocratic, rational government, which is increasingly evaluated according to economic efficiency criteria rather than the dispensing of favors. Similarly, polarization seems to give its place to convergence, moderation and ideological consensus on both sides of the political spectrum. However, we also observe a growing apathy of the

²⁵ *VOLMED Organized Voluntary Services in the Countries of Mediterranean Europe: Greece, Italy, Portugal, Spain*, Final Report, FLVOL 1996, p. 55, cited in Panagiotopoulou, op. cit.

electorate and a declining interest in politics and political parties, but this is a more general phenomenon of modern Western democracies in the post-industrial era.

In the economic sphere Greece has, since 1990, made a determined and quite successful effort towards macroeconomic stability, starting with a tight income policy, tax reform, substantial deregulation, limited privatization of publicly-owned enterprises and a strong drachma policy. Most often, reforms have been driven by globalization and particularly the demands of membership in the European Union. Also, there appears to be consensus virtually across the political spectrum in favor of economic stabilization preceding the satisfaction of social demands. Such consensus is illustrated in the moderation of traditionally adversarial labor-management relations.

Despite strong external pressures for economic and political reform, change has to come from within Greek society. It is essential that reform be based on a strengthening of Greek civil society, drawing on a growing stock of social capital. Such change cannot be imposed top-down through government policy, although it could be facilitated by specific policies strengthening fundamental institutions, making them more efficient and restoring their legitimacy as well as that of the state. Recently, the proliferation of "citizens' movements", the growing assertiveness in defense of environmental rights and the actions of a moderate reform-oriented government could be signs of growth in Greece's stock of social capital, but that is also a matter to be proved empirically.

²⁶ Cited in Euro-Volunteer Information Pool . "Social and Demographic Characteristics of Volunteers," www.euro-volunteer.org/ISSUES/issue4_e.htm.

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