

Greek politics and culture: The main Greek (political) subcultures.

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Abstract

The starting point of this paper is the hypothesis that culture and politics are related to the point that individuals who adopt a particular set of political perceptions, also adopt corresponding sets of cultural practices. Moreover, it is shown that the relation between politics and culture is intimate to the point that distinct subcultures that draw from both political and cultural practices can be identified.

The main hypothesis is examined according to factor analysis on the data of two quantitative researches. Thus, seven patterns of cultural practices emerge, which are conventionally named 'mainstream', 'alternative', 'Greek', 'traditional male', 'traditional female', 'cultivated', and 'withdrawn'. Further analysis reveals that each one is related with particular age groups and/or gender, and they are all characterised by distinct political practices and social values. Therefore, it is claimed that they are the key Greek (political) subcultures, which illustrate the main trends of the Greek society.

The main features and some key observations on these subcultures are presented. In addition, the subcultures are classified based on Gramsci's concept of hegemony and Diamantouros concept of cultural dualism, depending on whether they are traditional or modernist, and hegemonic or anti-hegemonic.

Thus, this paper shows how we can study and understand Greek society in its entirety, and how its politics and culture are closely related.

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In the social sciences, there's a tendency to study each social field in isolation, often without considering how these fields can be related. This is to be expected. Each social science and each discipline adopts and develops research methods that are best suited for its specific fields of study; in addition, research is usually based on a particular scientific paradigm (Kuhn 1970). However, this does not mean that the various social fields are unrelated. It has been argued that the attitudes of individuals are formed as a whole, based on the same socialising experiences (Metaxas 1976). That is, individuals do not live in distinct social fields and don't experience each field as if it were the only thing that matters. On the contrary, all social fields – be it politics, culture, or anything else – are part of their lives. Thus, one can argue that there must be an internal coherence among the attitudes and practices of individuals in all social fields, even if this cannot be identified immediately.

In particular, I am interested in the relation between the political perceptions and the cultural practices of individuals. The central hypothesis is that they are closely related, that each set of political perceptions has a corresponding set of cultural practices and vice versa. Proving the truth of this assumption will illustrate that politics and culture are intertwined to the point that we can not study one without taking the other into consideration. Moreover, it is believed that the relation between politics and culture is so intimate that it should be possible to discover distinct subcultures that draw from both political and cultural practices – and in this study, by the term ‘subculture’ I refer to large social categories that can be distinguished from each other and from society as a whole by certain unique features.²

Therefore, the objectives of this study are twofold. The first is to confirm the main hypothesis. The second is to identify the patterns in which political perceptions and cultural practices are intertwined and to study their features. An underlining objective is to improve the understanding of Greek society as a whole and suggest an appropriate theoretical framework.

In order to achieve these goals I used the raw data of two quantitative researches. The first of them is the *Gender differences in patterns of political behaviour* research, which was conducted between 2005 and 2007 under the auspices of the Department of Political Science and Public Administration (University of Athens), by a research team which included myself. This research included four open ended questions about the taste of the responders on music, radio stations, films, and books, which were correlated with its ample data on political and social attitudes.

The second research is the *Second panhellenic research of reading behaviour* which was conducted in 2003 and 2004 by the National Book Centre of Greece. In contrast to the first research, the emphasis of the *research of reading behaviour* lay on cultural practices.

In order to test the main hypothesis, the data of both surveys were studied according to the following procedure. First, the data concerning cultural practices were analysed using factor

1 Paper based on my PhD thesis; see Diakoumakos 2010. An extended 20-page summary in English is available online at www.gdiakoum.com/en/news/research/phd-cultural-practices-and-political-perceptions/ and www.academia.edu/2090083.

2 Some influential approaches of this concept can be found in Cohen 1980, Almond & Verba 1989, Eagleton 2000.

analysis. This way I got factors that describe the main patterns of cultural practices and taste in Greece. Afterwards, each responder was categorised in a pattern according to k-means cluster analysis using predefined centres, which were based on the factor scores.

By following this procedure in both surveys and by comparing the output of the factor analyses³ seven key patterns of cultural practices emerged. These were conventionally named ‘mainstream’, ‘alternative’, ‘Greek’, ‘cultivated’, ‘traditional male’, ‘traditional female’ and ‘withdrawn’, each pattern characterised by distinct cultural practices and taste.⁴

In particular, the ‘mainstream’ pattern features a high level of cultural participation and ‘mainstream’ taste, such as a preference for pop music and Hollywood blockbusters. The ‘alternative’ pattern is characterised by an equally high level of cultural participation, which is expressed through an ‘alternative’ taste instead, including rock music, art and independent cinema, and reading books. The ‘Greek’ pattern is named thus because it is expressed solely through Greek forms of cultural practices, like ‘rebetiki’⁵ and ‘laiki’⁶ music and old Greek cinema. The ‘cultivated’ pattern is characterised by a preference for the so called ‘high’ culture. The ‘traditional male’ pattern involves stereotypical ‘male’ activities, such as attending sporting events, hunting, and tinkering with equipment. The ‘traditional female’ pattern is similarly characterised by stereotypical ‘female’ practices, like knitting, cooking, and shopping. Finally, the ‘withdrawn’ pattern is characterised by the near total absence from all forms of cultural participation.

Afterwards, the demographics and political perceptions of these patterns were examined. As expected according to the main hypothesis, each pattern is characterised by particular political and demographic features which clearly set them apart. Thus, it is evident the cultural patterns outlined are not mere patterns, but rather distinct subcultures. It’s important to stress that categories formed according to cultural practices alone using statistical methods were found to be distinguished by particular non-cultural features. Therefore, the fact that each pattern of cultural practices is dominated by specific political perceptions provides strong support for the central hypothesis.

In order to provide a theoretical framework to study the seven subcultures identified, I used

3 In the PhD thesis the patterns discovered in each research are explained in detail (Diakoumakos 2010). These are different to an extent, because of the different nature of close and open ended questions, and of the specific forms of cultural practices measured in each research. However, carefully studying the demographic and cultural features of each pattern made possible the discovery of the main cultural patterns in a way that combines the strengths of both researches.

4 It is important to note that these are only the main cultural patterns and that the boundaries between them are not clear. They are not well-defined groupings, but rather a way to describe and understand the main trends of the Greek society. Thus, their names are always written in quotation marks in order to be reminded of their nature.

5 ‘Rebetiki’ music (ρεμπέτικη μουσική) is a kind of urban Greek folk music which was developed in cities and ports during the early 20th century, and grew to become popular among the Greek working class of the time. A number of Greek social scientists have studied rebetiki music, e.g. Damianakos 2001, Kotaridis 1996. Note that the versions of laiki and entekhni music preferred in the ‘Greek’ pattern are those that are more closely related to rebetiki music.

6 Literally meaning ‘music of the people’, laiki music (λαϊκή μουσική) is a form of Greek popular music which is widely covered by the Greek media. Its roots lie on ‘rebetiko’ and on Middle Eastern folk music, but it is often mixed with elements of western dance music, a ‘modern’ version of laiki music which is popular among the ‘mainstream’ pattern.

Gramsci's concept of hegemony and the concept of cultural dualism in Greece, suggested by Nikiforos Diamantouros (Diamantouros 1994), which I modified based on the works of Roland Inglehart (Inglehart 1977), Raymond Williams (Williams 1980), and Konstantinos Tsoukalas (Tsoukalas 1981).⁷ It's not possible to describe this framework within the time limit, but it should be mentioned that I suggested a fourfold classification of the main Greek subcultures, depending on whether a subculture is modernist or traditional, and hegemonic or anti-hegemonic.

Now, I'll briefly describe my main observations on each subculture.

The '*mainstream*' subculture involves almost exclusively young, educated people, most of them younger than 30. It's a hegemonic modernist subculture as we can understand from features such as its support to the dominant political forces and cultural practices, the prevailing 'individualistic' system of values, or its favourable view of the European Union and the civil society and unfavourable view of the church. This subculture includes individuals who were (politically) socialised during the '80s or later, which may indicate that the Greek hegemonic culture is changing. One key feature of this subculture is that it's both conformist and individualistic, a finding reinforced by some anthropological studies (e.g. Ioannou 2001). Individuals of the 'mainstream' subculture seem to accept the dominant cultural practices and political forces, but they experience them in a unique, individualised way, which indicates that they are not followers, but rather those who have the potential to define what is dominant.

The '*alternative*' subculture also includes mostly young people, the vast majority being younger than 45 and highly educated. That's an anti-hegemonic modernist subculture, indicated by features like a high level of political participation, left political orientation, adoption of values which emphasise the importance of individuals, or a favourable view of the civil society and an unfavourable view of the institutions of the state. It is also remarkable that, at the time, half of the voters of SYRIZA were drawn from this subculture. Individuals of this subculture often view their 'alternative' cultural practices as a form of resistance to the status quo (Souliotis 2001); however, it is also believed that these practices might be cultural investments, which grant them a peculiar feeling of distinction (Bourdieu 1984, Thornton 1995).

It also seems that the 'mainstream' and 'alternative' subcultures are the carriers of post-materialist values and modernist culture in Greece. The fact that these subcultures include two thirds of the individuals socialised since the middle 80s is an indication that Greece is in the process of adopting post-materialist values and convert from traditional to modernist culture.

The '*Greek*' subculture consists of predominately middle aged people of average educational level. It's an anti-hegemonic traditional subculture, demonstrated by characteristics such as a high level of political interest, centre-left ideology, adoption of parochial values, preference to the institutions of

⁷ In particular, it is suggested that the cleavage defined by cultural dualism is the form that the post-materialist cleavage takes in the case of the Greek society; the modernist/'reformist' culture is closely related to post-material values while the traditional/'underdog' culture is related to pre-industrial values. In addition, it was explained that there are many similarities between what Williams calls 'emergent' and 'residual' culture, and the modernist/'reformist' and traditional/'underdog' culture respectively. Thus, it seems that these three theoretical frameworks describe different aspects of the same cleavage of the Greek society.

the state or a hostile view towards the western world. In addition, it's impressive that half of the voters of the Communist Party belong in this subculture. Like the 'alternative' subculture, the 'Greek' subculture resists the status quo; unlike the 'alternative' subculture, this is a form of resistance which is rooted in the past. Because of this, it's a contradictory subculture which combines attitudes not usually found together, such as being xenophobic and centre-left at the same time. This is to be expected from an anti-hegemonic traditional subculture: on the one hand, being against the hegemonic culture makes it radical, and on the other hand, being attached to tradition and values of the past makes it conservative.

The '*traditional male*', '*traditional female*' and '*withdrawn*' subcultures are hegemonic traditional subcultures, characterised by their support to the dominant political forces, and their strong feelings of parochialism, sectionalism and religiousness. The first two are important in that they reveal other things that matter in the study of the Greek society; namely, gender. It's quite impressive that inequalities between men and women are important to the point that they were found to form distinct subcultures, which, taken together, express one fourth of the Greek population.⁸ As for the 'withdrawn' subculture, it includes mostly old people who, becoming socially isolated because of their age, gradually retire from nearly all forms of political and cultural activity. When they were younger they probably belonged to other hegemonic traditional subcultures, possibly the 'traditional' male or 'traditional' female subcultures.

Finally, there is reason to believe that the '*cultivated*' subculture is the expression of the cultural goodwill (Bourdieu 1984) of some middle-class strata which improved their class position during the last few decades, and thus its actual importance is marginal.

I should point out that the seven subcultures described are only the most populous, and it's very likely that there are other, smaller but equally important, subcultures to be discovered. Moreover, one should not think of these subcultures as clear-cut groups, but rather as ideal types which illustrate the main trends of the Greek society.

A number of interesting observations can be drawn from the study of these subcultures, which are not possible to mention now. However, for those of you who might be interested, the full PhD thesis in Greek and an extended 20-page summary in English can be found online. Finally, I'd like to point out that this approach does not have to be limited to Greece, but is rather a way to suggest that we can open a new field of interdisciplinary research which will allow us to better understand contemporary societies in their entirety.

8 This is further analysed in Diakoumakos 2013.

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‘The Good Guys, the Bad Guys and the Ugly Debt’: The Eurozone Crisis and the Politics of Blaming

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Abstract

The present paper wishes to investigate the public discourse that surrounds the Eurozone crisis and its management in search for an understanding of the cultural politics that have characterised it. By the means of a critical discourse analysis of media and elite rhetoric, the various ways that both German and Greek citizens, are constructed as prototypical representatives of Core Europe and Periphery Europe, respectively, will be explored. Furthermore, the ways that both Germans and Greeks are represented as distinct ‘nations’ and monolithic ‘cultures’ and constructed as either malicious ‘villains’ or innocent ‘victims’ will be analysed and questioned. The analysis shall exemplify two main tendencies, namely the trend towards essentialisms and the pattern of binary oppositions. As will be concluded, these two linguistic and intellectual tendencies are intimately involved in an on-going process of identity formation with significant political implications, particularly for the distinctly normative conceptions of national and European identities. As a second layer, reflections and speculations will be offered regarding the psychological dynamics behind these tendencies by looking for insights inside social psychological perspectives, such as social identity theory, including social categorization theory, and social representations theory. These applications will reveal the political potential of these specific perspectives and the contribution of social psychology to political science.

Introduction: The Cultural Politics of the Eurozone Crisis

The Eurozone crisis has unleashed a vast sea of analyses and commentaries, most often focused on the economic and technocratic parameters (e.g. Fernandes & Mota 2011; Gärtner *et al.* 2011; Pentecôte & Huchet-Bourdon 2012), but also on political preoccupations, such as various democratic failures (e.g. Bosco & Verney 2012; Hughes 2011; Nicolaidis 2012). Interestingly, little systematic attention has been paid to the distinctly ‘cultural politics’ that has surrounded the crisis and the national stereotypes that have characterised it, despite the rise of nationalisms and Euroscepticism. Such trends are often referenced, but there has been no systematic theoretical reflection to their respect. This paper wishes to tackle this issue by examining the symbolic divisions that have appeared in the EU, which have been activated by what we can call ‘the politics of blaming’ or what has been named in the press as the ‘the blame-game’ (Bleich 2012; Kutlay 2011; Wee 2012; Weeks 2011).

The analysis will focus on the core-periphery divide which ‘has become a central feature of the crisis’ (Becker & Jäger 2011:1) and the two countries of Germany and Greece that have played antagonistic roles on the ‘crisis stage’, because Germany’s strong economic condition has led to its leading role in the Eurozone crisis (Hübner 2012:159), while Greece’s domestic economic and administrative shortcomings have contributed to this country being the weakest link in the Eurozone crisis (Kutlay 2011:90). The paper will begin by looking at the theoretical framework that will inform the subsequent analysis, the methodology and data and the presentation of the findings, which is organised in three themes: narratives of blaming, national pride and identity, and essentialisms and binaries.

An Integrated Social Psychological Model of Identity Formation and Political Action

The present theoretical framework combines social psychological theories of identity formation, such as social identity theory (SIT) and social representations theory (SRT), with Arendtian political theory of political action. SIT was first articulated by Henri Tajfel in his research on stereotyping, prejudice and discrimination (Tajfel 1959, 1963, 1969). According to SIT, humans have two fundamental psychological needs: certainty and positiveness. As such, people need to define themselves (categorization) and to know that they can enjoy positive self-esteem (self-enhancement) (Hogg *et al.* 1995). In terms of collective identities, individuals derive positive self-identity from formal membership or emotional attachment to various social groupings (Fowler & Kam 2007: 815). The belief that a specific social dimension or quality is correlated to specific identity categories is a *stereotype* (Hogg & Williams 2000:87). This process is of a normative character since it dictates appropriate behaviour, which deems some members more ‘original’ than ‘other’s (see continuation of Tajfel’s work by Turner’s Self-Categorization Theory; Tajfel & Turner 1979; Turner 1985). This creates the opportunity for the creation of ‘internal others’.

But where do stereotypical conceptions of social groups come from, how are prototypes created? This is where SRT, first elaborated by Sergei Moscovici (1961), can complement SIT in productive ways. SRT complements SIT by providing a theorization of the creation of *representations of stereotypes and prototypes* (Chrysochoou 2000:417), which is the fruitful link between the two theories. For Moscovici (1984:24), the process of meaning construction is psychologically prompted by the human need ‘to make the unfamiliar familiar’, to arrest meaning and provide certainty, which is achieved by associating new phenomena with previous well-known phenomena (anchoring) and solidifying their meaning by grounding it in specific

objects, images or concepts (objectification). Additionally, SRT provides SIT with a critical edge, since as argued (Elcheroth *et al.* 2011:730), SRT's focus on language and meaning formation can address 'the nature of power, and how it relates to political reasoning, communication and social influence, conformity and resistance, collective harmony and group conflict'. As put, 'there is a kind of ideological battle, a battle of ideas' (Moscovici 1998:403).

However, in order to speak of political identity formation we need to connect these social psychological theories to *a political theory of action*. Hannah Arendt's work seems to resonate ideally with the above framework. Arendt asserts that what makes human action 'political' is the passion for distinction, emulation and excellence (Arendt 1990, 1998). For Arendt, it is through speech and action, *language as action*, humans appear in public, exemplify their distinction and agonise for excellence. However, the focus of her analysis is on the individual, rather than the collective. Elevating her ideas to the level of the collective, we can relate it to SIT and conclude that individuals who unavoidably experience collective processes of identifications, since they live in communion with others and not in isolation - a publicness that is integral to the 'political' according to Arendt - have a need to achieve not only positive individual distinction, but also *positive collective distinction*.

Methodology: Critical Discourse Analysis

The method used for this study is critical discourse analysis (CDA), understood as both an approach and a method (Fairclough 2001; Meyer 2001). CDA is a critical perspective that focuses on the ways language relates to power and ideology (Wodak 2001a), particularly on the role of language in the production, reproduction and transformation of power abuse or domination (van Dijk 2001). Texts from academic articles, political journalism, news reports, elite discourse and grassroots rhetoric expressed in new media (i.e. internet) were selected. The inquiry was mainly guided by questioning how the two national groups are represented, what kind of attributes they are assigned and on what argumentative basis. The aim was to identify 'discursive strategies, which are involved in the positive self and negative other presentation' and their political implications.

Of Crisis and its Narratives

The preliminary analysis reveals that there are two dominant narratives regarding the origins, dynamics and appropriate management of the Eurozone crisis. The first attributes responsibility to Greece in particular, and/or the European periphery in general, while the second projects culpability on Germany in particular, and/or the economically advanced 'core Europe'. The first narrative has been discursively anchored around the economic acronym PIGS, which stands for the initials of Portugal, Ireland (including Italy if written as PIIGS), Greece and Spain, and suggests that the origins of the Eurozone crisis are to be found in the fiscal profligacy of PIGS countries, which are accustomed to live beyond their means and work less than other Europeans (Weeks 2011). The second narrative focuses primarily on systemic, structural and macroeconomic considerations and places blame on Germany and its neomercantilistic policies. This narrative proposes that the roots of the crisis are linked to the expansion of German exports in the EU that have created surpluses which in a system like the Eurozone necessarily corresponded to southern deficits because there are no mechanisms for tax and transfer policies that can equalise and stabilise regional economies, as is the case of federal systems like the US (Lucarelli 2012; Young & Semmler 2011). In such a climate of blame

attribution, capable of inflicting damage to the national self-esteem, defensive or even offensive mechanisms of ‘saving face’ and re-evaluation of the national self as projected by SIT can be highly possible. Ultimately, the matter of concern is that of legitimation and justification of the course of action taken in the management of the Eurozone crisis.

Of National Prides and Identities

In terms of national identity threats in the Eurozone crisis context, there has been an observable rise of national prides in both German and Greek discourse. The rise of national pride, as illustrated by the following examples, can be understood as efforts of national self-esteem salvation in face of collective identity threat inflicted by various discursive exchanges. For example, Greek President of Democracy, Karolos Papoulias, unleashed an angry ‘Who is Mr. Schäuble to ridicule Greece?’, as a response to German warnings about Greece testing Europe’s patience and tolerance and propositions that Greek democratic elections should be delayed. As stated:

“We all have a duty to work hard to get through this crisis... I will not accept Mr Schäuble insulting my country. I don’t accept this as a Greek. Who is Mr Schäuble to insult Greece? Who are the Dutch? Who are the Finns? We always had the pride to defend not only our own freedom, not only our own country, but the freedom of Europe” (Papoulias in Spiegel Online 2012)

The statement is heavily invested in notions of national identity and invokes an everlasting past of Greek defiance and freedom-fighting, explicitly speaking of national pride and patriotic sentiment. It further implicitly aims to connote not only that the German side is ‘uncivil’ in its insults, but also unaware of what it means ‘to be free’, a claim that can potentially achieve high emotional reasoning as the idea of freedom is widely valued. Imagining the Greek nation, or any other nation, as the historical agent of freedom seeking, loving and delivering, can be a powerful idea in the construction of national self-esteem. This statement can be interpreted alternatively as alluding to stereotypical ideas of Greek civilizational superiority that can be associated with a venerable, seemingly golden, ancient Greek past and notions, such as democracy and cosmopolitanism, which resonate with the statement’s references to ‘our own freedom’ and ‘the freedom of Europe’, respectively. Previous research on Greek and European identities (Chrysochoou 2000:412) indicates that there has been an awkward sense of inferiority among Greek citizens as members of the EU, who felt that the inability of their national economy to be successful and to contribute to the wider European budget was a source of shame that at times needed to be overcome with declarations of cultural and historical superiority.

Moving on to the German side, regarding recent events, such as Greek protesters burning German flags and Greek newspapers representing Merkel as a Nazi, Fleischhauer (2012) commented in Spiegel Online that Germans have become ‘the new villains’ and stated that:

‘...that's how things go when others consider a country to be too successful, too self-confident and too strong. We've now become the Americans of Europe... We Germans are accustomed to having people admire us for our efficiency and industriousness and not to hate us for it... Of course, one can try to make oneself seem smaller than one really is. But this self-denial doesn't work... A giant can't conceal his size for long’ (Fleischhauer 2012)

This statement implies a notion of the German peoples are ‘a superior nation’, a natural ‘giant’ that due to its superiority has mastered the practices of the market. Furthermore, this commentary seems to legitimize the divide between core and periphery, so that the avant-garde of economic development cannot be held back by the less economically successful, a proposal promoted in the mid-nineties (e.g. see Schäuble & Lamers 1994 paper on *Kerneuropa*). Moreover, anchoring the Germans to the (North) Americans is a rather controversial tactic, since in the eyes of the beholder, the judgement will unavoidably be based on the opinion one has of the US, which it would be fair to say that it has been one of the most severely – often with good reasons – criticised country in world affairs. The statement further invites a parallelism between the US and Germany on the one side, and the Islamic world and Greece on the other, which further promotes civilizational and Euro-Orientalist visions. Nevertheless, a self-enhancing strategy may also be encountered here. As explained (Giesen 2004), Germans after the WWII suffered a tremendous blow to their national identity because of the events of the Holocaust, which has rendered feelings and expressions of national pride extremely controversial for German citizens. As argued (Stefljia 2010), the German drive for economic success and achievement served as an alternative source of national self-esteem that would overshadow the past.

Such dynamics construct a differentiation between ‘historical civilization’ and ‘technological civilization’, which has implications for the meaning of European identities. As Chrysochoou (2000:413) argues, directs to the question of ‘what gives people the right to be included in a successful superordinate group at the cutting edge of civilisation, like the European one, is it a country’s contribution to technology, industry, or its contribution to a historical continuity?’. According to social psychology, anchoring the centrality of ‘Europeanness’ to matters of civilization and heritage, or economic efficiency and industriousness serves as a self-enhancement strategy that aims at constructing Greece or Germany as a prototypical ‘European’.

Of Binaries and Essentialisms

The major feature of the above narratives is their tendency to construct essentializing ideas of the two nations and the economic regions they were made to represent in public discourse. There are numerous other binary oppositions that are constructed in the Eurozone discourse and pose false dilemmas; national identity versus European identity, nationalisation versus Europeanisation, backwardness versus modernization, instrumentality versus passion, abstinence versus indulgence, ideology versus markets, politics versus economy, democracy versus technocracy, austerity versus growth, villains versus victims, us versus them. But why has the Eurozone crisis provoked that many essentialist representations of national identities, as well as that many anchorings in binary oppositions? How can we understand these tendencies from a social psychological point of view? Social psychological perspectives suggest that the creation of stereotypes and prototypes, as well as the division of the world in binaries of ingroups and outgroups, can reduce subjective uncertainty about thoughts, feelings, actions and self-understanding and provide the illusion of coherence and precision (Hogg & Williams 2000; Huddy 2001; Tajfel 1969). Additionally, fixing of meaning and collapse in a limited number of poles can simplify social reality which in most cases is too complex to grasp, especially at moments of crisis. In other words, all these perceptive mechanisms and shortcuts can fulfil the need for ‘ontological security’, especially in the absence of economic, social and political securities.

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The 6th Biennial Hellenic Observatory
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Abstract:

Aim of the essay is to discuss how economics in general and financial industry in particular (re)create simultaneously economic reality (Callon, 1998, 2007) and identity (LiPuma and Lee, 2004; Martin, 2002; Mennicken and Miller, 2012; Gibson-Graham, 2006; Langley, 2008; de Goede, 2005; Aitken, 2007). In a context of the Greece's crisis, I implement a Foucaultian genealogy of finance (de Goede, 2005) and elucidate production of knowledge about the crisis, rather than focusing on the crisis as such. LiPuma and Lee (2004:57) point out that in relation to Turks, Malaysians or South Africans we witness permanent (re)production of risk associated to their identity as well as their national economies. Yet all of that inside the allegedly abstract and exact financial mechanisms. I have found the same pattern in relation to the Greek crisis and Greeks - when, for example, Luxemburg Prime Minister and President of Eurogroup (*), Jean-Claude Juncker (2012), among many others, emphasised that the crisis has occurred due to the Greek "Ottoman legacy", he was just repeating a broadly circulating standpoint among politicians and economic experts. Moreover, when such statements are, for example, put in context in the Morgan Stanley's prediction (2012) regarding the future of Greece and the Eurozone, among myriad other financial projections, then we actually witness how financial analysis produce not only entities but also identities.

Orientalization of Greece's Crisis

Aim of the essay is to discuss how economics in general and financial industry in particular (re)create simultaneously economic reality (Callon, 1998, 2007) and identity (LiPuma and Lee, 2004; Martin, 2002; Mennicken and Miller, 2012; Gibson-Graham, 2006; Langley, 2008; de Goede, 2005; Aitken, 2007). In a context of the Greece's crisis, I implement a Foucaultian genealogy of finance (de Goede, 2005) and elucidate production of knowledge about the crisis, rather than focusing on the crisis as such. LiPuma and Lee (2004:57) point out that in relation to Turks, Malaysians or South Africans we witness permanent (re)production of risk associated to their identity as well as their economies. Yet all of that inside the allegedly abstract and exact financial mechanisms. I have found the same pattern in relation to the Greek crisis and Greeks - when, for example, Luxemburg Prime Minister and President of Eurogroup (*), Jean-Claude Juncker (2012), among many others, emphasised that the crisis has occurred due to the Greek "Ottoman legacy", he was just repeating a broadly circulating standpoint among politicians and economic experts. Moreover, when such statements are, for example, put in context in the Morgan Stanley's prediction (2012) regarding the future of Greece and the Eurozone, among myriad other financial projections, then we actually witness how financial analysis produce not only entities but also identities.

The Greece's crisis is a complex consequence of several different economic and political causes including the devastating effects of specific derivative products created by Goldman Sachs for Greece's Government in 2001. I am challenging the widespread and hegemonic opinion that just corrupt Greek political and economic elites are to be blamed for the crisis. I would rather side with Paul Krugman (2008) in pointing out that "the origins of this disaster lie farther north, in Brussels, Frankfurt and Berlin, where officials created a deeply — perhaps fatally — flawed monetary system, then compounded the problems of that system by substituting moralizing for analysis" (Krugman, 2008). Moreover, New York should be ultimately added to the Krugman's list of the metropolitan financial centres at least due to the mentioned role of Goldman Sachs in creating the deceptive and tailor made derivatives which presented credits as currency swaps. However, at the very centre of my case study is analysis of the broadly accepted explanation that the crisis occurred due to the Greek Ottoman legacy. The explanation Orientalizes both Greece and the crisis, and proves that not only Islam is usually perceived within the global financial actors as immanent financial risk (LiPuma and Lee, 2004: 57), but it could also be Islamic history or legacy of a country. De Goede (2005) also discusses Orientalization of economic discourses and practices in the context of the Asian crisis in the 1990s.

Greek Debt Tragedy

I explore how this Orientalization of the crisis operates and what is its immanent explanatory and disciplinary power, all of that by implementing the Foucault's theoretical approach. Actually, while the speculative intervention from the global capital has mostly caused the crisis, the explanation of the "Ottoman causes", which is widely embraced by economic metropolitan elites, perfectly serves its purpose – masks real causes of the crisis and legitimizes the disciplining measures for Greek society. The Orientalization of Greece is based on a broader Eurocentric fear of Islam as political and economic factor. We can easily identify how prejudice about the allegedly lazy Oriental people are spreading, as well as how the Ottoman legacy is allegedly putting in jeopardy the authentic European economic and social responsibility. The image of lazy Oriental people is, of course, part of the neo-colonial imaginary (see Said, 1978). For example, the image of

a lazy welfare scrounger, projected on millions of individuals and the Greek nation as whole, is flourishing in the Western media. All these imaginaries are centred around the neo-colonial axes which divide “hardworking” Europeans and “irresponsible” Orientals. At this point some striking similarities in terms of deploying the discourse of Orientalism are obvious between the Greece’s crisis, on the one hand, and the Asian crisis in the 1990s, on the other. As de Goede (2005) explains, period of uncontrolled investments in the Asian countries in the 1990s was accompanied with the imaginary of the attractive Oriental virgin territories, and Asia was portrayed as “exotic, sensual and feminised world” (Hooper, 1999, 482 in de Goede, 2005:44). When occidental capital, including the fast moving speculative capital, was flooding the Asian countries then the predominant imaginary was characterised by the Oriental and feminine economic space, in desperate need for Western penetration and tough man’s managing hand (see de Goede, 2005). The whole region was also depicted as promising investment opportunity and proof of necessity and usefulness of Occidental investments on the global scale. However, when the economic situation changed dramatically then predominant discourse was not a Western critical self-interrogation in terms of over-investment and capital greed, but the “flawed Oriental mentality” was blamed for the change. As Goede points out, “in retrospect, the transition from Asian miracle to Asian crisis was blamed on cronyism, overvalued currencies, over-hasty liberalization, and the absence of proper banking system”(see Strange 1998, 81 in de Goede, 2005:45). We are witnessing that the Ottoman legacy in terms of clientelism is usually ranked high as explanation of the Greece’s crisis, apparently very similar to the key word cronyism in the context of the Asian crisis. In addition, we have witnessed the same pattern in the sophisticated financial game of blame, without any interrogation in terms of responsibility on the side of Western investors who were encouraging Greek banks and ordinary people to takeout massive consumer loans. What de Goede (2005) concludes in the context of the Asian crisis, is very similar to what should be said in the context of the crisis in Greece – “however, as Tsing asks, “if the same economic policies can produce both in quick succession, might deregulation and cronyism sometimes name the same thing – but from different moments of investor confidence” (2001, 155, emphases in original)...representation through which the Asian countries are portrayed as “wrong about the fundamentals for a healthy, modern economy...and morally unfit to lead the global economy”, while the responsibility of Western investors is displaced through emphasis on temptation and temporary dilussions” (Ling 2002, 125; see also de Goede 200; Troung 1999; in de Goede, 2005:45)

In terms of the created neo-imperial imaginary which sketches out Occidental people as capable to save money, on the one hand, and irresponsible Oriental people incapable of doing so, the Greece’s crisis is also very illustrative. For example, Aitken (2007) emphasises how “in many of the thrift and financial advice books from the late nineteenth century, this connection (between peoples capable of saving and savages who are not) was made explicit by directly representing inappropriate financial conduct as a part of a “savage economy”. “The savage”, claims Smile (1875:44), ”is the greatest of spendthrifts, for he has no forethought, no tomorrow. The prehistoric man saved nothing...Saving for the future forms no part of the savage economy (also Thornduke 1920, Gammon and Palan)” (Aitken, 2007: 85). Now we see how attributing to Greek nation incapability to save and manage both individual and collective finances is actually a sophisticated Orientalization through financial instruments.

Deployment of the discourse of Orientalism in the Western financial industry has a long and overarching tradition. Namely, as Ron Aitken shows (Aitken in de Goede, 2006), the American investment firm Dreyfus & co, launched a series of advertising campaigns, throughout 1950s that invoked this kind of theme. One image, “confidentially...I’m bearish”, features a stylised “noble savage” image (featuring a dark – skinning figure) with simple adornments and hunting tools). The caption underneath this orientalist image notes that “this gentleman” thinks that the market is going to go down. This “primitive” figure is invoked as an emblem of those populations that are incapable of assuming any of the roles associated with competent participation in markets (understanding the status of markets, exercising informed agency in market settings) (Dreyfus and Company, 1954 in Rob Aitken, in de Goede, 2010). As Paul Gilroy brilliantly emphasizes, although more in the

political terms, “tempered as civilisationism that body of racial and cultural theory is now a transnational phenomenon in which the theme of white victimage has become an increasingly prominent counterpoint to the fears of an Islamic takeover inside Europe and beyond” (Gilroy, 2012:381). But this is undoubtedly the case in the economic field, too, as I have elaborated above.

To be European Means to Spend Like Europeans

The relation between Greece and EU has been complex and polyvalent, interconnected, with investment from both sides in terms of fantasies and credits (Placas 2012, Gourgouris, 1996). For example, when Greece joined the euro zone then the EU put pressure on Greeks to increase level of consumer loans (see, Placas, 2011). Greeks were supposed to start spending as real Europeans in order to become Europeans par excellence. I am of the opinion that at the time when the EU needed fully integrated Greece within the euro zone, than the Greek identity was overinvested from Berlin and Brussels with the Eurocentric and Neohellenic fantasy. In addition, the overinvestment went hand in hand with intensive lending, both towards Greece’s government and consumer loans for ordinary Greeks. Consequently, identity was reproduced as exclusively European one through credit policy and perception of risk. As Placas (2011) brilliantly explains - “the financialization of everyday life in Greece has increased dramatically from the end of the 1990s through this most recent decade....It was only in 2003 that the last state-imposed limit to the consumer credit market was eradicated -- a cap of 10,000 euros on individual consumer debt -- and banks could lend as much as they wanted to whomever they found “credit-worthy.” A rapid, “healthy” expansion of the market for consumer credit in Greece was predicted on the idea that consumer debt there would grow to equal the “E.U. average,” bringing a harmonization both structural and symbolic, as Greeks could buy, and owe, like Europeans” (Placas, 2011). At that time, the public sector in Greece was considered safe in terms of risk management for lending consumer loans on the European level. However, when the crisis started progressing, substantial changes both in perception of the public sector as well as Greece as whole began to flourish. The public sector became an ill domain and usually described as artificial heaven of millions of lazy scroungers, while Greeks started being depicted as European Ottomans. So, Greece is the phantasmatically overinvested place of birth of the Eurocentric myth of the European Union and euro, on the one hand, but also potentially lethal place for the Eurocentric myth embodied in the EU due to the uncritically overinvested fantasies and capital.

The Orientalization of the Greek nation has not been stemming just from the EU centers, because many Greeks themselves have readily embraced the explanation of the Ottoman causes of the crisis. Instead of critically examining problematic practices in the Greek society, they were promptly and uncritically attributed it to clientalism, corruption and patrimonialism, all allegedly immanent to Ottomans.

Ha Joon Chang (2013) recently pointed out how important is to decompose the discourse of “lazy people” as explanation for the crisis in Greece and the whole EU. As he asserts, “today, once again, Europe is haunted by a spectre. But, unlike back in 1848 when Marx and Engels wrote those passages, it is not communism, but laziness. In the eurozone, many believe that its fiscal crisis can be ultimately traced back to those lazy Mediterranean types in Greece, who had lived off hard-working Germans and Dutch, spending their time sipping espresso and playing card games” (Chang, 2013). However, an analysis produced by OECD shows that people in Greece worked on average 2,032 hours in 2011., whereas Germans worked on average just 70% of that or 1,413 hours in the 2011.

Pauline Grosjean (2011) did a study aimed at analysing how former Ottoman rule has affected financial sectors and economies in the countries which were part of the Ottoman Empire. Given that the current borders of the countries are usually not the same as they were during the Ottomans, she was able to realise the analysis by compering different regions in the same country

but also to do comparisons across the countries. Her study clearly points out that “there is no association between former Ottoman rule, income, small and medium sized enterprise development or entrepreneurship....Islamic religion and trust in the financial system play no role in explaining such long-term persistence.” (Grosjean, 2011). She identifies that levels of penetration of the financial industry in some regions which were under the Ottoman are lower up to 10%, but it is relevant for economic development as a whole only if we take the neoliberal approach stating that the more banks means the stronger economy. And this neoliberal standpoint - the more banks in the enterprise the better economy - is explicitly contested in her study in the context of the countries which had been under Ottomans. Namely, Grosjean asserts that “the framework used in this paper does not make possible the identification of a causal effect of financial development on real incomes” (Grosjean, 2011). It should be also pointed out that in Catholicism lending to other parties with interest rate has been allowed since 15th century, whereas in the Ottoman Empire it was forbidden until late 19 century. However, Ottoman Empire was decentralised and complex empire, and lending with interest rates was allowed to non-Muslim ethnicities such as Greeks, Armenians and Jews. Finally, as Grosjean asserts, “the effect of former Ottoman control on the industrial index is never significant. Former Ottoman regions within a country, do not have significantly lower levels of household income, regional GDP, small and medium enterprise development or entrepreneurship” (Grosjean, 2011).

Taking all mentioned into account, I would analyse the explanation of “Ottoman causes” from a Foucaultian perspective of production of knowledge, rather than focusing just on the crisis as such. So, we have to ask why and how is the knowledge of the crisis (re)produced and what is the purpose of the explanation? In his interview in 1977, Foucault points out that “dispositif” is “a thoroughly heterogeneous ensemble consisting of discourses, institutions, architectural forms, regulatory decisions, laws, administrative measures, scientific statements...” (Foucault, 1980: 194 - 195) In the same interview, Foucault asserts an instructive explanation for the Greek crisis: “...what I am trying to identify in this apparatus is precisely the nature of the connection that can exist between these heterogeneous elements. Thus, a particular discourse can figure at one time as the program of an institution, and at another it can function as a means of *justifying or masking a practice which itself remains silent*, or as a secondary re-interpretation of this practice. In short, between these elements, discursive and non-discursive, there is a sort of interplay of shifts of position and modification of function which can also vary very widely...” (Foucault, 1980: 194–195, italic my).

(*) The **Euro Group** or **Eurogroup** is a meeting of the finance ministers of the Eurozone

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