

ETUDES HELLENIQUES

HELLENIC STUDIES

**CRISE GRECQUE ET
UNIFICATION EUROPÉENNE**

**THE GREEK CRISIS AND
THE EUROPEAN UNIFICATION**

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L' unification européenne et la crise grecque

Sotiris Ntalīs*

"L'Europe continue à chercher son Roosevelt" (le président qui a sorti les États-Unis de la Grande Dépression), a rappelé le journal espagnol El País à la suite du sommet européen de juin 2013, "mais l'économie et la politique semblent aller vers des directions différentes". Alors que l'économie exige un soutien pour l'euro et des mesures à court terme dans ce sens pour son soutien, les dirigeants européens semblent se contenter de solutions compromettantes qui manquent souvent d'ambition.¹

En raison des élections parlementaires européennes (22-25 mai 2014) tous les politiciens des 28 Etats membres ont ressenti le besoin de s'exprimer pour ou contre l'intégration européenne.

Cependant, que signifie aujourd'hui l'unification européenne à part le maintien de la paix sur le continent européen, qui a tant souffert au cours du 20e siècle? La procédure pour l'unification de l'Europe porte également un modèle de développement, unique au monde, car il se combine - ou du moins il se combinait jusqu'à récemment- avec une politique de solidarité dont l'objectif est de créer le développement, pour lequel nous devrions tous nous impliquer.

Quel serait aujourd'hui un retour à la déclaration historique de Robert Schuman du 9 mai 1950, qui a jeté les bases de la mise en place de la Communauté Européenne du charbon et de l'acier (CECA) en 1951, de la CEE en 1957 et de l'actuelle UE des 28 membres? Pouvons-nous imaginer l'Europe sans l'U.E.? Si l'unification européenne n'avait pas commencé, la croissance économique de l'Europe aurait été faite à un rythme beaucoup plus lent. Il n'y aurait pas eu une politique uniforme en matière de concurrence, un marché commun ou une monnaie commune. Les transactions commerciales entre les pays auraient été limitées et l'instabilité microéconomique aurait été plus grande. Une réalisation importante de l'U.E. est le renforcement de l'«état de bien-être» et les «services de l'Etat", un Etat dont le but est de servir ses citoyens, et non pas de les dominer.

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Toutefois, quels sont les objectifs de l'Union européenne aujourd'hui et où se situe son avenir? Qu'a déjà été accompli pour le bien-être de ses citoyens et quels sont les défis actuels auxquels celle-ci est confrontée? Quels changements innovants l'UE devrait promouvoir au moment où elle prend de l'expansion? A l'heure de la mondialisation intense, l'UE peut-elle rivaliser avec le reste des grandes économies? Peut-elle jouer un rôle fondamental sur la scène mondiale? Prendra-t-elle la forme des Etats-Unis de l'Europe, comme Guy Verhofstadt, ancien Premier ministre de Belgique et actuel leader de l'Alliance des démocrates et des libéraux pour le Parti de l'Europe au Parlement européen l'a si bien dit; ou va t-elle continuer à être une structure de collaboration et de concurrence entre les différents États qui font tout simplement partie du même édifice?

Quelles sont les priorités de l'Union européenne et de ses Etats membres pour les cinquante prochaines années? De toute évidence, entre autres, c'est la création d'emplois grâce à la libéralisation du marché de l'emploi, la modernisation de l'État-providence, qui est principalement une question d'ordre étatique, et l'investissement dans les nouvelles technologies et dans la production de nouvelles idées.

En ce qui concerne l'Union économique et monétaire, elle ne peut pas aller de l'avant et dépendre d'une seule de ses deux jambes, la politique monétaire; car ce serait contraire à l'essence des traités. En outre, l'absence d'une coordination étroite entre les politiques économiques nationales entraîne des déficits croissants au niveau du développement et le manque de postes d'emploi, comme Jacques Delors le soutient souvent, nous rappelant que le dialogue social, que lui-même a inauguré en 1985, a fini de nos jours par être une routine. Ceci ne génère pas de nouvelles assurances et ne pousse pas les responsables de la prise de décision à s'orienter vers une croissance verte et coopérative.

L'«absence» de l'Europe aujourd'hui signifie la «retraite» de l'Europe. C'est le piège réel que le vieux continent court le risque de mettre en place contre lui-même.

Nous avons laissé en dernier le rôle que l'Allemagne joue dans l'UE contemporaine. La chancelière allemande a compris que dans une période de mondialisation, la puissance est mesurée en termes économiques; elle n'aime pas les aventures militaires, contrairement aux dirigeants de la France et de la Grande-Bretagne. Cependant, l'Allemagne est-elle une nouvelle puissance mondiale? Si l'on devait se concentrer sur la façon dont les Américains et les

Chinois se comportent envers Berlin, on constate que pour Washington et Pékin l'Europe c'est Berlin. Surtout dans le cas des négociations commerciales. L'Allemagne gagne de facto un rôle important sur la scène mondiale depuis que la cohérence européenne a pour principaux éléments la situation financière et un manque d'arguments convaincants pour sa compréhension.

Le dernier sondage d'opinion de l'Institut Pew intitulé «Le nouvel homme malade de l'Europe: l'Union européenne», a illustré certaines données importantes sur la perspective de l'unification européenne. Il a principalement montré la délégalisation accélérée de l'UE et de son régime d'intégration.²

La question clé concerne la recherche d'un modèle de fonctionnement de l'UE qui nous permettra de définir les intérêts européens au-delà des divisions nationales, tout en assurant les moyens d'action nécessaires. L'approche d'un gouvernement fédéral sur le chemin de l'unification européenne ne nous mènera pas rapidement à la création des États-Unis de l'Europe. Cependant, il nous permettra de travailler sur le triangle des institutions européennes: la Commission comme une expression des intérêts de la Communauté européenne, le Conseil des ministres comme une expression des intérêts nationaux et le Parlement européen comme une expression du peuple. Une unification politique de l'Europe est la seule chose qui mettra fin à la nécessité d'un pouvoir hégémonique dans le vieux continent.

Au cours de ces deux dernières années les dirigeants européens semblent avoir mal compris ce que les citoyens européens ont essayé d'exprimer. En outre, comme l'historien britannique Timothy Garton Ash l'a très bien affirmé, les dirigeants politiques européens n'ont pas réussi à raconter l'histoire de l'Union européenne comme une histoire qui propage la liberté. Aujourd'hui, le défi auquel fait face l'Union est de savoir si elle va s'adapter aux défis du 21^e siècle et dessiner un nouvel agenda pour la politique internationale et les relations transatlantiques. Il semble que jusqu'à aujourd'hui, à travers le processus d'unification européenne, l'Europe ne démontre son poids que dans les moments où elle doit prouver sa capacité à répondre aux défis de l'histoire.

La politique étrangère grecque et l'unification européenne comme une priorité stratégique

La participation de la Grèce à l'U.E a élargi les horizons de la politique étrangère de ce pays ainsi que les questions controversées spécifiques dans la région plus large de l'Europe du Sud-Est et de la Méditerranée. C'est dans ce

sens que la Grèce devrait continuer à renforcer ses relations avec des acteurs importants de la politique internationale et les relations bilatérales en particulier avec ses alliés et partenaires. En dehors de cela, l'expansion des relations avec des pays qui sont traditionnellement liés à nous et qui ont des intérêts communs en Europe, tels que la Fédération de Russie, ainsi que des pays du Moyen-Orient et de l'Afrique du Nord, est un objectif essentiel à poursuivre. En outre, il est important de développer de meilleures relations avec les économies émergentes d'Asie, d'Océanie, d'Amérique Latine et de l'Afrique.

Tout en étant consciente de sa taille et de ses limites et suivant la dynamique des politiques extraverties, la Grèce devrait commencer à prendre des initiatives pour contribuer à la résolution et la gestion des problèmes régionaux.

Amélioration et expansion du rôle international du pays

Outre l'augmentation de l'importance stratégique que la Méditerranée orientale possède pour propulser les avantages comparatifs du pays et l'élargissement de son rôle international, il est nécessaire pour celui-ci de développer la coopération sur le terrain de l'éducation et de la recherche. Il faut aussi mener en Grèce campagne pour la création de centres internationaux de connaissances et de technologie. En outre, l'amélioration de la navigation commerciale, le tourisme et l'aviation en tant que facteurs de développement international se révéleront utiles pour cet Etat. Enfin, l'émergence de la Grèce comme un pays producteur, exportateur et pays de transit en matière d'énergie va également s'avérer importante.

En ce qui concerne les relations de la Grèce avec la Turquie, Athènes, en 1999, a été un pionnier dans l'ouverture de la perspective européenne de notre pays voisin, parce que l'Etat hellénique croit sincèrement que ce sera avantageux pour tout le monde: pour l'Union européenne, la Turquie, pour la région, et pour les relations bilatérales.

L'U.E. peut devenir le catalyseur de changements cruciaux en Turquie. Cependant, tous les pays candidats doivent prouver par des actions qu'ils sont prêts à adopter les principes et les valeurs sur lesquelles la construction européenne se fonde et à adopter pleinement ses voies et moyens. Aujourd'hui le parcours européen de la Turquie est un processus lent. Cela est dû à trois raisons principales: les processus internes du pays lui-même, les différends exprimés par certains Etats membres de l'UE et le problème de Chypre.

Avec la Turquie, nous avons une présence commune et des intérêts

communs pour les questions relatives au Moyen-Orient, les Balkans, la région de la mer Noire et le Caucase. Les ressources de notre région sont énormes. Mais encore plus importantes sont les ressources que nous pouvons créer ensemble, si nous parvenons à mettre nos relations sur une base nouvelle et créative de coopération ainsi que de respect mutuel.

La Grèce, la crise et la zone euro

Nicos Christodoulakis a analysé comme il convient et d'une manière analytique l'intervention de l'UE et du F.M.I. dans la gestion de la crise grecque et a montré les défauts du memorandum qui a été signé avec les prêteurs.

Stavros Zografakis soutient que c'est avec un sérieux retard qu'a été confirmée l'aggravation des indicateurs sociaux comme une séquelle de la crise qui a entamé sa sixième année. L'augmentation dramatique du chômage, la pression pour réduire les salaires en échange du maintien des postes de travail sont ce qui a conduit les travailleurs à un point de désespoir. L'objectif des recherches de cet auteur est de mesurer le désespoir dans les ménages avec un taux construit sur une base de données primaires à partir de la recherche sur l'offre de travail menée par le Service statistique grec. Ce taux exprime, sur une base trimestrielle, le degré de désespoir dans les ménages et teste comment la réforme financière qui est atteinte par la réduction des salaires ou la perte de postes de travail peut être comprise comme quelque chose qui est distribuée de façon équitable parmi les ménages.

Dans son article Theodore Mitrakos présente les développements récents et les caractéristiques des indicateurs sociaux de l'inégalité et de la pauvreté en Grèce. Pour le moment, les effets de redistribution des mesures d'austérité mises en œuvre au cours de la crise économique actuelle sont en cours d'examen. Pour cette raison, les données les plus récentes disponibles sur les enquêtes-ménages sont utilisées (Enquête sur le budget des ménages, Enquête sur les revenus et conditions de vie). Les données qui sont disponibles sur les années de rupture de la crise montre que la pauvreté relative a considérablement augmenté au cours de la période de la crise actuelle (3 points de pourcentage entre 2009 et 2011), tandis que le degré de pauvreté «absolue», c'est à dire lorsque le seuil de pauvreté, en termes réels, reste constant à des niveaux d'avant la crise, a augmenté de façon spectaculaire. La redéfinition des paramètres de base de la politique sociale se produit à l'occasion de la crise actuelle. Le revenu minimum garanti qui fonctionnera comme un monticule

de base de la protection sociale contre les situations d'extrême pauvreté est encore le principal problème qui reste à résoudre.

Dans son article Kostas Botopoulos parle de l'expérience de cinq ans de la crise en Grèce et les effets économiques, politiques et institutionnels qu'elle a entraînés. En particulier dans la première partie, il examine la façon dont celle-ci a été abordée, dans la deuxième partie, il analyse les caractéristiques et les déficits du "plan de sauvetage" et surtout le fameux protocole qui a été signé par les prêteurs; dans la troisième partie, il étudie le renversement ultime du système des partis et les pressions exercées sur la société et dans la quatrième partie, il trace les perspectives d'aujourd'hui à un moment où peut-être, on est prêt à tourner la page.

Christos Baxevanis et Maria Papadakis affirment que parmi les priorités de la présidence grecque de l'UE il y a la promotion d'une approche unifiée de l'immigration et du système européen commun d'asile, avec une répartition équitable de la charge entre les Etats membres. La création, en cours, du nouveau Service de l'asile et d'une Autorité d'appel en ce domaine bouleverse une pratique de plusieurs décennies et crée un précédent. De telle sorte que l'Etat grec, sur le chemin d'une réforme importante du système d'asile, peut négocier une série de changements au niveau européen à partir d'une meilleure position.

La présidence grecque a la possibilité de mettre -encore une fois- sur la table, les arguments suivants: a) réexaminer la règle selon laquelle le réfugié ne peut pas demander l'asile dans un autre pays que celui dans lequel il est entré pour la première fois; b) la solidarité concrète envers les Etats qui subissent de fortes pressions de vagues d'immigration ou qui sont appelés à accepter un nombre extrêmement élevé de demandes d'asile; c) dans le même temps redistribuer les réfugiés reconnus, et les demandeurs d'asile potentiels dans l'UE d'une manière juste et bien proportionnée, ou prendre d'autres initiatives en faveur de la répartition des responsabilités dans le but final d'alléger le fardeau des Etats membres déjà chargés.

NOTES

1. Voir l'article "L'Europe continue de chercher son Roosevelt", *Ta Nea* (quotidien grec), 29 juin 2013.
2. Sylvie Kauffmann: "Trop forte, l'Allemagne!", *Le Monde*, 19 juin 2013.

European Unification and the Greek Crisis

Sotiris Ntalīs*

“Europe continues to seek its Roosevelt” (the president who brought the United States out of the Great Depression), the Spanish newspaper *El País* reported following the June 2013 European Summit, “but economy and politics seem to be going in different directions.” While the economy is demanding support for the Euro scheme and short-term measures for its support, European leaders seem pleased with the compromising solutions proposed, which frequently lack any ambition.

Given the upcoming European Parliamentary elections (22-25 May 2014), politicians from all 28 member-states felt the need to speak for or against European integration.

However, what does European unification signify today besides upholding peace in the European continent, which suffered so much during the twentieth century? The procedure for the unification of Europe also carries a development model that is unique overall, since it combines (or until recently, used to combine) solidarity politics with the objective of creating development in which we all should become involved.

What would the feedback be today on Robert Schuman’s historic declaration of May 9, 1950, which laid the foundation for the establishment of the European Coal and Steel Community (ECSC) in 1951, the EEC in 1957 and the current EU of the 28 members? Can we imagine Europe without the EU? Had the European Unification not started, Europe’s economic growth would have been at a much slower pace. There would not have been a uniform policy on competition, a common market, or a common currency.

Trade transactions among countries would have been limited and microeconomic instability would have been greater. A significant achievement of the EU is the strengthening of the “welfare state” and “state services”, a State whose aim is to serve its citizens, not to dominate them.

However, what purpose does the European Union serve today and what

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does its future hold? What has already been achieved for the well-being of its citizens and what are the current challenges it faces? What innovative changes should the EU promote as it expands? At a time of intense globalization, can the EU compete successfully with the rest of the great economies? Can it play a fundamental role on the global stage? Will it take on the format of the United States of Europe, as Guy Verhofstadt, former prime minister of Belgium and current leader of the Alliance of Liberals and Democrats for Europe Party in the European Parliament aptly put it; or will it continue being a structure of collaboration and competition among different states which simply take part in the same structure.

What are the priorities of the European Union and its member states for the next fifty years? Clearly, one is job creation through the liberalization of the labour market, the modernization of the welfare state, which is mainly a state issue, and investing in new technologies and in the production of new ideas.

As far as the Economic and Monetary Union is concerned, it cannot keep moving forward dependent on just one of two legs, the monetary one—this would be against the essence of the Treaties. Moreover, the absence of close coordination among national economic policies causes growing deficits in development and lack of employment positions, as Jacques Delors often argues, reminding us that social dialogue, which he himself inaugurated in 1985, today has ended up being a routine. It neither generates new assurances nor pressures those in charge of decision-making so as to move towards an evergreen and cooperative growth.

The ‘absence’ of Europe today means the ‘retreat’ of Europe. It is the actual trap that the Old Continent is in risk of setting up against itself.

We left for last the role that Germany plays in the contemporary EU. The German chancellor, contrary to the leaders of France and Great Britain, has understood that in a period of globalization, power is measured in economic terms and is not fond of military adventures. However, is Germany a new world power? If one were to focus on the way in which the Americans and the Chinese confront Berlin, one would see that for Washington and Beijing, Europe is Berlin, especially in business negotiations. Germany gains de facto an important role in the global sphere as soon as the European coherence has as main elements its financial burden and a lack of convincing arguments for it.

The last opinion poll by Pew Institute entitled, “The New Sick Man of

Europe: the European Union”, illustrated some important data on the prospect of the European unification. It mainly showed the accelerating delegalization of the EU and of the European integration scheme.

The key question regards the quest for an operating model for the EU that will allow us to define European interests beyond national divisions while ensuring the necessary means of action. The federal approach towards European Unification will not lead us to the creation of a United States of Europe. However, it will allow us to work on the triangle of European Institutions: the Commission as an expression of European Community interests, the Council of Ministers as an expression of national interests and the European Parliament as an expression of the people. A political unification of Europe is the only thing that will end the need for a hegemonic power in The Old Continent.

In the past few years, European leaders seem to have misheard what European citizens have been trying to voice. Furthermore, as the British historian Timothy Garton Ash has very well stated, European political leaders have failed to narrate the history of the European Union as a history which propagates liberty. The challenge faced by the Union today is whether it will adjust to the challenges of the twenty-first century and draft a new agenda for international politics and transatlantic relations. It seems as if up until today, throughout the European unification process, Europe has demonstrated its weight only when necessary to demonstrate its ability to respond to the challenges of history.

We are now asked to defend historical, social and political bonds against a disgraceful ideology that offends everything Europe achieved following World War II.

Greek Foreign Policy and the European Unification as a Strategic Priority

Greece's participation in the EU has broadened the horizons of Greek foreign policy as well as specific controversial issues in the broader region of South Eastern Europe and the Mediterranean. It is in this direction in which Greece should continue enhancing its relationships with important players of international politics and especially bilateral relationships with allies and partners. Apart from this, expanding relationships with countries, which are

traditionally related to Greece and have common interests in Europe, such as the Russian Federation, as well as Middle Eastern and North African countries, is an essential goal to pursuit. Furthermore, it is important to develop greater relationships with the emerging economies in Asia, Oceania, Latin America and Africa.

While aware of its size and boundaries and following the dynamics of extrovert policies, Greece should start taking initiative in contributing to the resolution and management of regional problems.

Enhancement and Expansion of Greece's International Role

Besides the increased strategic importance that the Eastern Mediterranean Sea has towards a boost in the country's comparative advantages and the broadening of its international role, the development of cooperation on the field of education and research is necessary; as is the campaign for the creation of international centers of knowledge and technology in Greece. Furthermore, the enhancement of commercial shipping, tourism and aviation as factors of international development will prove to be useful for the country. Lastly, the emergence of Greece as a productive country, exporting and transiting its energy wealth will also prove significant.

As far as Greece's relations with Turkey are concerned, in 1999 Greece was a pioneer in opening the European prospect for our neighbour country, because it wholeheartedly believes that this will be advantageous for everyone—for the European Union, for Turkey, for the greater region and for bilateral relations.

The EU can be the catalyst for critical changes in Turkey. However, all candidate countries should prove through action that they are ready to embrace the principles and values on which the European structure is based on and to fully adopt the E.U. ways and means. Today Turkey's European course is a slow process. This is due to three main reasons: the internal processes of the country itself, the disputes expressed by some of the E.U. member-states and the Cyprus Problem.

With Turkey, we have a common presence and share common interests in matters concerning the Middle East, the Balkans, the Black Sea region and the Caucasus. The resources of our region are enormous. But even bigger are the resources we can create together, if we succeed in putting our relations on a new, creative basis of cooperation and mutual respect.

Greece, the Crisis and the Euro Zone

Nicos Christodoulakis has been monitoring in an apt and analytic way the intervention of the EU and the I.M.F. in their handling of the Greek crisis and has shown the defects of the memorandum.

Stavros Zografakis supports the idea that the worsening of social indicators as an aftereffect of the crisis (undergoing its sixth year) is confirmed after serious delays. The dramatic increase in unemployment, the pressure to reduce salaries as a trade for maintaining employment positions have led workers to a point of desperation. The goal of his research is to measure the desperation in households with a rate constructed on a primary data basis from the study "Research on the Labor Supply" conducted by the Greek Statistic Service. This rate depicts, in a timely manner on a quarterly basis, the degree of desperation in households and tests how the financial reform achieved via the reduction of salaries or the loss of jobs can be understood as something that is distributed "fairly" among households.

Theodore Mitrakos' article presents the recent developments and the characteristics of social indicators of inequality and poverty in Greece. At the moment, the distributional effects of the austerity measures implemented during the current economic crisis are being examined. For this reason, the most recent data available on household surveys are being utilized (Household Budget Survey, Income Survey and Living Conditions). The data available from the breaking years of the crisis show that relevant poverty has significantly risen in the period of the current crisis (3 percentage points between 2009 and 2011), while the degree of "absolute" poverty, i.e. when the poverty line, in real terms, remains constant at pre-crisis levels, increased dramatically. The redefinition of the basic parameters for social policy occurs in the occasion of the current crisis. The minimum income guaranteed which will function as a basic mound for social welfare against situations of extreme poverty is still the key issue that remains to be solved.

In his article Kostas Botopoulos talks about the five year experience of the crisis in Greece and the economic political and institutional effects it had. Specifically in the first part, he examines the handling of it, in the second part he examines the characteristics and deficits of the "rescue package" and mainly the infamous Memorandum which was signed by the lenders, in the third part he examines the ultimate overthrow of the party system and the pressures

pushed on society and in the fourth part he examines today's prospects at a time when perhaps, the turning of the page is closer than ever.

Christos Baxevanis and Maria Papadaki argue that among the priorities of the Greek Presidency in the E.U. is the promotion of a unified approach towards immigration and a common European system of asylum, with a just allotment of the burden among member-states. The current founding of the new Asylum Service and the Appeal to Authority Service constitute taking initiatives which overturn the practice of decades in this field and create presuppositions so that the Greek state, having moved towards a groundbreaking reform of the asylum system, can negotiate a series of changes in a European level from a better position. The Greek presidency has the opportunity to set (yet again) on the table, the argument a) reconsidering the forecasts for the applications for asylum from the primary country of entrance and therefore the applicants return to it, if he/she has found refuge in another EU country; b) the practical solidarity towards the states that undergo serious pressures of mixed waves of immigration or are called to accept an extremely high number of applications for asylum; c) while also the redistribution of certified refugees and possible applicants for asylum within the EU in a just and well-proportioned way, or other initiatives towards the allocation of responsibility with the final goal being the unloading of the already burdened member-states.

NOTES

1. See article "Europe continues to seek its Roosevelt", *Ta Nea* (Daily Greek Newspaper), June 29 th 2013.
2. Sylvie Kauffmann: "Trop forte, l'Allemagne!", *Le Monde*, June 19 2013.

The Greek Crisis in Perspective: Origins, Effects and Ways-out

Nicos Christodoulakis*

RÉSUMÉ

En 2011, l'euro a fait face à son plus grand défi depuis son adoption, plusieurs États participants affrontant des problèmes financiers sans précédent.

La Grèce a constitué le cas le plus grave, ce qui a nécessité une intervention de l'UE et du FMI pour stabiliser son économie et rembourser ses créances. Cet article explique le processus de l'évolution de la dette en Grèce depuis les années 1980 à ce jour, et décrit principalement ses causes et ses éléments. Il évalue également le Mémoire du FMI et de l'UE et fait valoir que l'effondrement de la croissance inhibe les perspectives de stabilisation de la dette. Un autre scénario est examiné et qui montre que la stabilisation peut devenir plus efficace et réaliste si la récession est abordée en priorité, les réformes s'accomplissant moins brutalement.

ABSTRACT

In 2011 the Euro faced its toughest challenge since its introduction as several of the participating Member States faced unprecedented financial problems.

Greece was the most severe case requiring intervention from the EU and IMF to stabilize its economy and repay debt obligations. This article explains the debt process in Greece from the 1980s to date, and describes its main causes and episodes. It also assesses the IMF-EU Memorandum and argues that the collapse of growth inhibits the prospects of debt stabilization. An alternative scenario is discussed that shows that stabilization can become more effective and is realistic if the recession is tackled first and reforms follow on a steadier path.

1. Introduction

In the aftermath of the global financial crisis of 2008, a number of Eurozone countries were engulfed in a spiral of rising public deficits and explosive

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borrowing costs that eventually drove them out of markets and into bail-out agreements jointly undertaken by the International Monetary Fund (IMF), the European Union (EU) and the European Central Bank (ECB). Greece was by far the most perilous case with a double-digit fiscal deficit, an accelerating public debt which in GDP terms was twice as much the Eurozone average and an external deficit near 5,000 US Dollars per capita in 2008, one of the largest worldwide. No wonder that Greece was the first to seek the bail-out assistance and the last expected to exit its ever-changing conditionality terms.

Two years after the bail-out Memorandum was signed the situation remains highly uncertain. The economy faces an unprecedented recession, unemployment is rocketing, social unrest undermines the implementation of reforms and the fiscal front is not yet under control, despite extensive cuts in wages, salaries and pensions. In the summer of 2011 uncertainties multiplied at such a rate that the possibility of Greece exiting the Eurozone was widely discussed either as a punishment mechanism from abroad for not accepting the pains of adjustment or as a quick fix from within to avoid them for good.

In two subsequent EU summits, held respectively in July and October 2011, the Memorandum agreement was substantially broadened to include a radical debt restructuring and reduction by 50%, a second round of bail-out loans and a generous release of European structural funds to assist the real economy. The agreement was conditional on being approved by the national Parliaments of the lender states as well as by the European Parliament. Finally, the conditionalities of the Memorandum were approved by the Greek Parliament in a session on the 12th of February 2012 and this implies that a realistic horizon for concluding the debt-restructuring process and starting the financing of investment projects is the first quarter of 2012. Some of the envisaged measures may delay until the second quarter of the year, as a fresh election is likely to be set soon to provide new legitimacy for carrying on the reforms. It is obvious that the process of economic decisions will be strongly conditioned on political developments and a very careful implementation should be designed by both the European and the Greek authorities to go through. Hence, the economic and political analysis of the Greek problem is becoming crucial not only for understanding its origins and causes, but also for recognizing the constraints and setting realistic priorities.

The purpose of the present article is twofold: First to provide a historical account of debt accumulation, identify the main difficulties of fiscal stabilization and explain the factors that led to the present crisis and the failure to prepare for it. Second, to assess the main reasons for missing the targets set by the Memorandum agreement and the need for encompassing a growth strategy in order to make reforms acceptable and more effective to achieve debt sustainability in the longer run.

Section 2 describes the main episodes of debt escalation in the 1980s, Section 3 the stabilization effort on the way to EMU and Section 4 the combination of fiscal irresponsibility, external deficits and indecision that led to the present crisis. Section 5 describes some recurrent facts on fiscal policies that repeatedly hinder stabilization and growth. Section 6 attempts an ex post assessment of the policies conditioned by the Memorandum agreement to correct the economy while Section 7 argues why exiting the Eurozone is not an option for Greece.

An alternative scenario based on higher growth is shown to be more credible in achieving fiscal consolidation and stabilizing debt, while Section 8 concludes on the need to fight current recession as the only way for Greece to regain social coherence and debt sustainability.

Figure 1: Greek public Debt as %GDP for the period 1980-2011.

Source: Debt of General Government, ESA95 definition, Ameco Eurostat 2011. GDP at market prices, IMF WEO Database 2010.

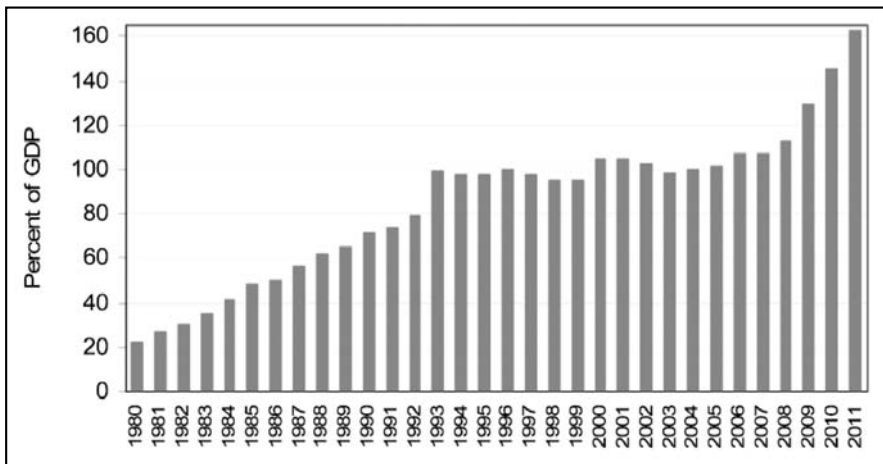
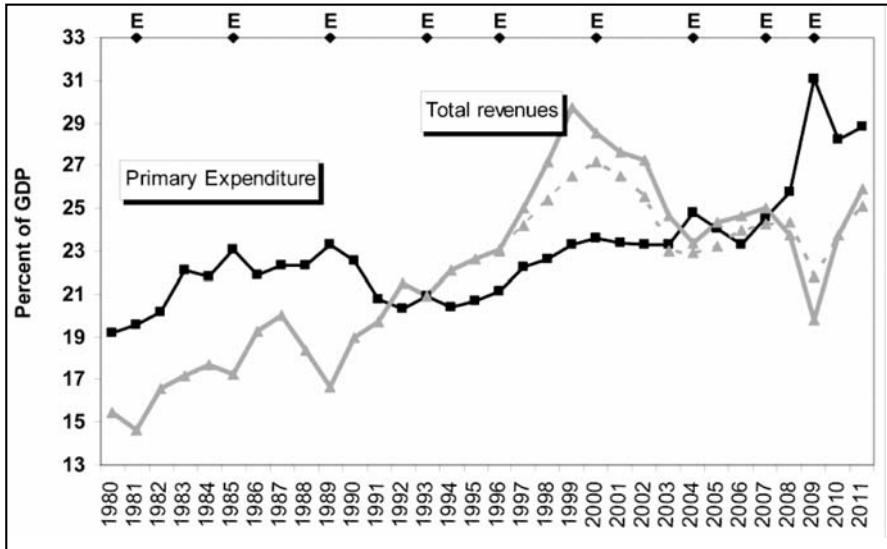


Figure 2: Primary public expenditure and total revenues (incl. privatisation proceeds) as % GDP in Greece, 1980-2011.



Election years denoted by (E). Dotted line denotes public receipts net of privatizations.
 Source: Budget Reports. GDP at market prices, AMECO Database 2012.

2. The Period of Debt Escalation: 1980-1993

In 1980, Greece became a full-fledged member of the European Union. Looking at Fig.1, there are three distinguishable phases for the dynamics of debt: The first covers the period 1980-1993 during which public debt rose from slightly above 20% of GDP toward 100% in 1993. The second phase spans the period 1994-2005 in which public debt ends up again at around 100% of GDP after two mild reductions in between. The third phase covers the period 2006-2011 when public debt surpasses the 100% threshold, accelerates after 2008 and ends up exceeding 160% of GDP in 2011.

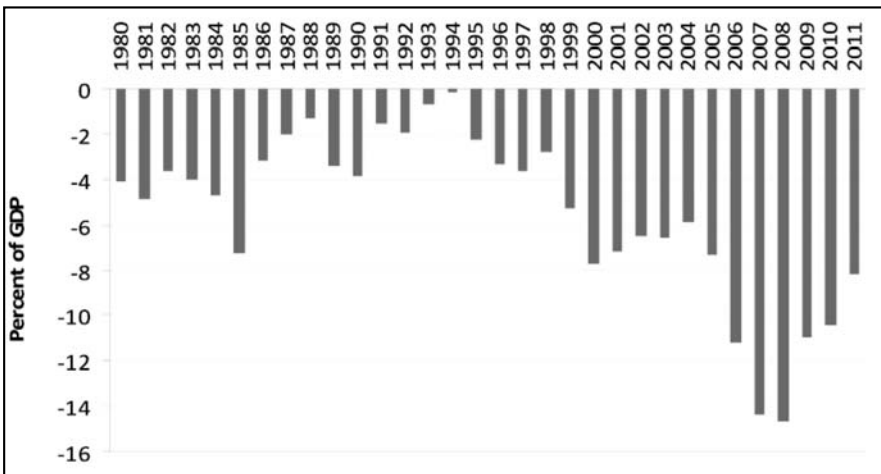
The above periodicity broadly coincides with substantial shifts in the context of economic policies, as suggested by developments in the fiscal patterns shown in Fig. 2 and in the Current Account depicted in Fig. 3.

Membership of the European Union was an event that inspired nationwide confidence in political and institutional stability but - at the same time - it fed

uncertainties over the economy. After a long period of growth, Greece faced a period of recession not only as a consequence of worldwide stagflation, but also because on its way to integration with the common market it had to dismantle its protectionist system of subsidies and tariffs. Soon after accession, many firms went out of business and unemployment rose for the first time in many decades.

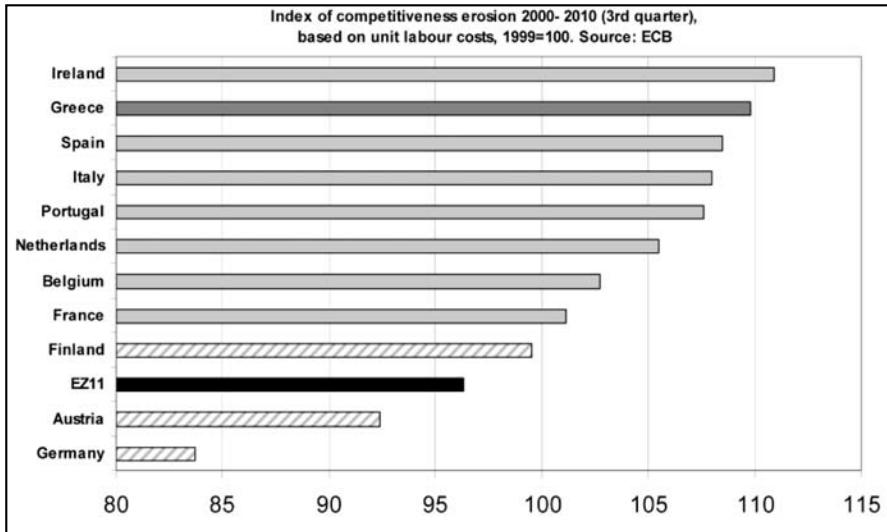
The Government opted for a massive fiscal expansion that included demand-push policies to boost activity and the underwriting of several ailing companies to maintain employment. The effect was quite predictable: private debts in turn became a chronic hemorrhage of public funds without any supply-side improvements. Similarly, the expansion of demand simply led to more imports and higher prices. Activity got stuck and Greece ended up in a typical stagflation, perhaps the quickest assimilation to European practices of the time.

Figure 3: Current Account in Greece as % of GDP, 1980-2011.



Source: IMF WEO Database 2011.

Figure 4: Development of unit labour costs in the Eurozone 2000-10.



Source: ECB, Competitiveness indicators, 2011.

For Portugal the ULC index was missing for 2010 and replaced by the CPI index adjusted for differences from ULC by using the estimates for 2011. In the more recent editions, the effect of Greek ULC on competitiveness is even less pronounced, due to the wage-cuts implemented in the last quarter of 2010 and through 2011.

Regarding fiscal developments, the main characteristic of the period was the substantial expansion of public spending and the concomitant rise in budget deficits and government debt. Revenues increased as a proportion of GDP, but were outpaced by the steadily growing expenditure. Both fiscal components appear to be volatile in the election years 1981, 1985 and 1989, suggesting the presence of a strong political cycle in public finances, as will be discussed later in more detail.

To maintain competitiveness, authorities had adopted, since the mid 1970s, a real exchange-rate target with a crawling peg. After the Government adopted an automatic wage indexation scheme in 1982, the only effect of the exchange rate policy was to fuel price increases and aggravate trade deficits. To break the vicious cycle of depreciation and inflation, a discrete devaluation combined with a temporary wage freeze was implemented in 1983, but it was

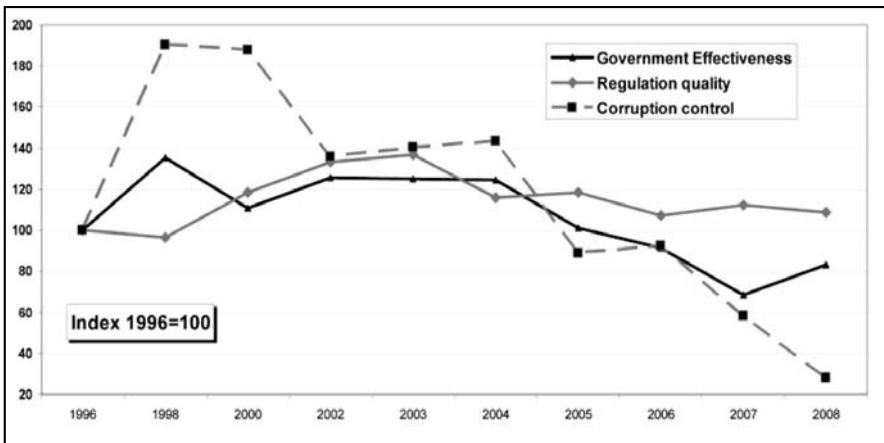
superseded by a new phase of expansion as elections were approaching leaving public debt at even higher levels.

The external deficit approached 8% of GDP in 1985, an alarming threshold as several Latin American economies with similar imbalances at that time were collapsing. A coherent stabilization program was called for in October 1985 enforcing a discrete devaluation by 15%, a tough incomes policy and extensive cuts in public spending. The program achieved a rise in revenues by beating tax evasion practices, and replacing previous less effective indirect taxes with the VAT system. Public debt was stabilized, but only until the program was fiercely opposed from within the Government and it was finally abandoned in 1988.

2.1. The First Fiscal Crisis

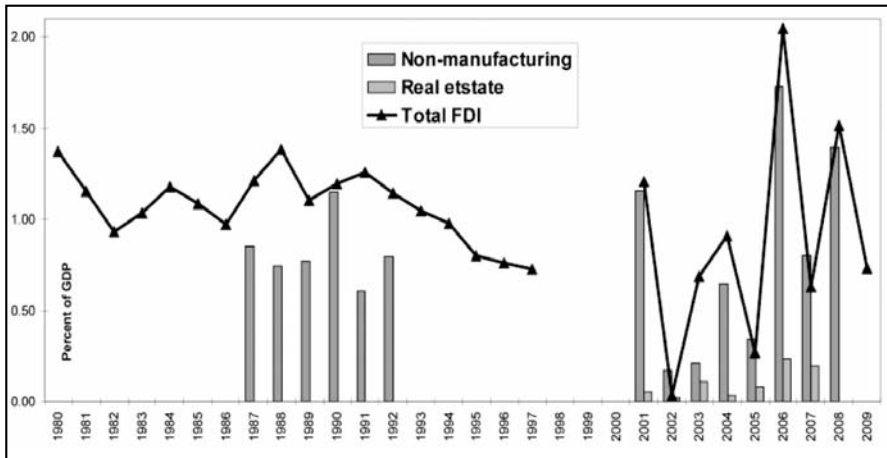
Two general elections in 1989 failed to secure majority, thus leading to the formation of coalition Governments and inflicting major harm on the economy. Stabilization policies are particularly difficult to implement through party

Figure 5: Quality indicators affecting the economic climate



Notes: Indicators are measured in various units with higher values corresponding to better outcomes; to ease comparison all are here indexed at 100 in 1996. Source: World Bank, WGI various editions.

Figure 6: FDI inflows to Greece expressed as percent of GDP.



Note: Missing observations are due to non-availability and do not necessarily imply poor flows. Source: OECD, FDI statistics.

coalitions, because each party tries to avoid the cost falling on its own constituency. Two characteristic episodes confirm this view: Despite looming deficits, in 1989 the coalition Government decided to abolish prison terms for tax arrears hoping to induce major tax evaders to reconsider their strategy. The move was interpreted the other way around, as a signal of relaxed monitoring in the future, thus effectively encouraging further evasion.

Another bizarre measure was to cut import duties for repatriates buying luxury cars, thus depriving the Budget of badly needed revenues and leading to black-market abuses of the scheme.

As a result, revenues collapsed and the country suffered a major fiscal crisis, until a majority Government was elected in 1990 and enacted a new stabilization program. Despite substantial cuts in spending and a rise in revenues, public debt as a ratio to GDP continued to rise because of the higher cost of borrowing worldwide and a stagnant output. The sharp rise in 1993 is due to the inclusion of extensive debts initially contracted by public companies under state guarantees but finally underwritten by the Budget. Except for the electoral years 1989-90, fiscal consolidation significantly improved the Current Account and a balanced external position was reached in 1994.

3. Debt Stabilization and EMU Membership

Although Greece was a signatory of the Maastricht Treaty in 1991, it was far from obvious whether, how and when the country could comply with the nominal convergence criteria required to join the Economic and Monetary Union. Public deficits and inflation were galloping at two-digit levels and there was great uncertainty about the viability of the exchange rate system; for a detailed analysis see Christodoulakis (1994).

In May 1994, capital controls were lifted in compliance with European guidelines and this prompted fierce speculation in the forex market. Interest rates reached particularly high levels and the Central Bank of Greece exhausted most of its reserves to stave off the attack; for an account see Flood and Kramer (1996). This episode proved to be a turning point for the determination of Greece to pursue accession to EMU and avoid similar attacks. Soon afterwards the “Convergence Program” was adopted that set time limits to satisfy the Maastricht criteria and included a battery of reforms in the banking and the public sectors.

However, international markets continued to be unconvinced about exchange rate viability. With the advent of the Asian crisis in 1997 spreads rose dramatically and Greece finally chose to devalue them in March 1998 by 12.5% and subsequently enter the Exchange Rate Mechanism wherein it had to stay for two years. The country was not ready that year to join the first round of Eurozone countries and was granted a transition period to comply with the convergence criteria by the end of 1999.

After depreciation, credibility was further enhanced by structural reforms and reduced state borrowing so that when the Russian crisis erupted in August 1998, the currency came under very little pressure. Public expenditure was kept below the peaks it had reached in the previous decade and was increasingly outpaced by the rising total revenues. Tax collection was enhanced by the introduction of a scheme of minimum turnover on SMEs, eliminating a vast number of tax allowances, by the imposition of a new levy on large property and a re-organization of the auditing system. Proceeds were further augmented by privatization of public companies and, as result, public debt fell to 93% of GDP in 1999. Although still higher than the 60% threshold required by the European Treaty, Greece benefited from the convenient interpretation “*to lean toward that level*” that was previously used by other countries to enter EMU.

3.1. The Implementation of Market Reforms

In the 1980s, structural reforms were hardly on the agenda of economic policy. For most of the time the term was a misnomer used to describe further state intervention in economic activity, rather than market-oriented policies. Market reforms were introduced for the first time in 1986 aiming at the modernization of the outmoded banking and financial system in compliance with European directives. A major reform in social security took place in 1992 curbing early retirement and excessively generous terms on the pension/income ratios. Throughout the 1990s, various reform programs were aimed at the restructuring of public companies whose deficits had contributed to the fiscal crisis in 1989. Privatization was attempted through direct sales of state-owned utilities as the quick way to reduce deficits. Despite some initial success, the program failed when applied to large public companies.

A new wave of reforms was launched in the course of the “Convergence Program”. State banks were privatised or merged, several outmoded organizations were closed down, and IPO provided capital and restructuring finance to several utilities. Other structural changes included the lifting of closed-shop practices in shipping, the entry of more players into the mobile telephony market and a series of efforts to make the economic environment more conducive to entrepreneurship and employment.

3.2. Post-EMU Fatigue

After 2000, Greece emulated a number of other euro area members that had exhibited a ‘*post-EMU fatigue*’ and the reform process gradually slowed down. As shown in Fig.9, proceeds from privatization peaked in 1999, but subsequently remained low as a result of the contraction in capital markets after the dot.com bubble and the global recession in 2003; for an extensive discussion of reforms in Greece over the period 1990-2008 see Christodoulakis (2012).

An attempt in 2001 to deeply reform the pension system led to serious social confrontations and was finally abandoned, to be replaced by a watered-down version one year later. Two other reforms followed in 2006 and 2010, but the social security system is still characterised by inequalities, inefficiencies and structural deficits that exert a substantial burden on the General Government finances.

The fatigue spread more widely after the Olympic Games in 2004. Since

then, reforms have been concentrated on small-scale IPOs, with important exemptions being the sale of Greek Telecom to the German state company and the privatization of the national air carrier after a decade of failed attempts.

3.3. Why Debt Reduction was Insufficient

Despite substantial primary surpluses achieved throughout 1994-2002, and around 1999 in particular, public debt fell only slightly. There are three reasons to explain this outcome. First, during this period the Government had to issue bonds to accumulate a sufficient stock of assets for the Bank of Greece as a prerequisite for its inclusion in the Euro-system, and this capital injection led to a substantial increase in public debt without affecting the deficit.

Second, after a military stand-off in the Aegean in mid 1990s, Greece increased defence procurement to well above 4% of GDP per year. In line with Eurostat rules, the burden was fully recorded in the debt statistics at the time of ordering but only gradually in the current expenditure according to the actual delivery of equipment. This practice created a considerable lag in the debt-deficit adjustment and, in 2004, the Government enforced a massive revision of the deficit figures by retroactively augmenting public spending on the date of ordering, prompting a major dispute over the statistics of public finances in Greece. Though a decision by Eurostat in 2006 made the delivery-based rule obligatory for all countries, Greece did not withdraw the self-inflicted revision. Perversely, the result was that deficits were augmented for 2000-2004 and scaled-back for 2005-2006 relative to what they should have been otherwise.

The third reason was the strong appreciation of the Yen/Euro exchange rate by more than 50% between 1999 and 2001 that significantly augmented Greek public debt as a proportion of output due to substantial loans in the Japanese currency contracted during the 1994 crisis. To alleviate this exogenous deterioration, Greece entered a large currency swap in 2001 by which the debt to GDP ratio was reduced by 1.4% in exchange for a rise in deficits by 0.15% of GDP in subsequent years, so that the overall fiscal position remained unchanged in present value terms. Although the transaction had no bearing on the statistics for 1999 on which EMU entry was assessed, Greece suffered extensively from criticisms that mistook it as a ploy to circumvent a proper evaluation. Values shown in Fig.1 are net of swap effects, and this explains the peak in 2001.

2.4. The Current Account

After the Eurozone became operational, hardly any attention was paid to Current Account imbalances, regarding Greece or any other deficit country. Even after they reached huge proportions, external disparities in the euro area continued to be surprisingly unnoticed from a policy point of view. It was only in the aftermath of the 2008 crisis that policy bodies in the European Union started emphasising the adverse effects that external imbalances may have on the sustainability of the common currency (see for example EC, 2009).

The reason for this complacency was not merely that devaluations were ruled out by the common currency. A widespread - and unduly comfortable - view held that external imbalances were mostly demand-driven effects and, as such, they would sooner or later dissipate as a result of ongoing fiscal adjustment in member-states. When, for example, Blanchard and Giavazzi (2002) asked whether countries such as Portugal or Greece should worry about and take measures to reduce their Current Account deficits they “... *conclude(d), to a first order, that they should not*”. A few years later, this proved to be a misguided optimism and Blanchard (2006) remarked that Current Account deficits were steadily increase within the euro area and urged immediate action otherwise *implications can be bad*”. As indeed they were.

Although it improved for a while after the country joined the common currency, the vast deterioration in the Greek Current Account played a crucial role in inviting the global crisis home. The reason behind the initial containment was that factor income flows from abroad increased as a result of extensive Greek Foreign Direct Investment in neighbouring countries while labour immigration kept domestic wage increases at bay. The deficit started to deteriorate after 2004 as domestic demand rose in the post Olympics euphoria, inflation differentials with other Eurozone countries widened and the Euro appreciated further. Unit labour costs increased and as shown in Fig.4 the relevant index rose by 10% in the period 1999-2010. It is worth noticing that a similar erosion of competitiveness took place in *all* other Eurozone countries that are currently in bailout agreements (Ireland by 12% and Portugal 8%) or considered to be at the risk of seeking one (Spain by 9% and Italy by 8%).

Compared to Germany, Greek unit labour costs increased by 27% causing significant bilateral imbalances. However, this erosion was gradual and cannot

have been the single reason for the rapid deterioration experienced after 2006. Other factors affecting the investment environment, such as the quality of the regulatory framework, elimination of corruption practices and overall Government effectiveness might also have been crucial in shaping productivity and competitiveness. Using the Worldwide Governance Indicators published by the World Bank as proxies for how the above factors evolved during the period from 1996 to 2008, Fig.5 shows that, after some improvement in the first years of EMU, there was a noticeable decline thereafter.

These developments were pivotal to the poor performance of Greece in attracting foreign direct investment in spite of the substantial fall in interest rates and the facilitation of capital flows within the Eurozone. As depicted in Fig.6, FDI expressed as percent of GDP hardly improves during the last decade relative to the 1980s. The composition has also changed, as most of the FDI inflows were directed to non-manufacturing sectors and, pointedly, with an increasing allocation to real estate.

It is a well established fact that when new investments are directed mainly to the tradeable sectors this leads to substantial productivity improvements and favours net exports. In contrast, investments going mostly into the real-estate sector boost aggregate demand, raise prices, cause the real exchange rate to appreciate and hinder competitiveness. These developments manifest a major failure of Greece - and for that matter of other Eurozone countries - to exploit the post-EMU capital flows in order to upgrade and expand production; for details see a study by Christodoulakis and Sarantides (2011) who use the differentiation in FDI composition to explain the diverging patterns of external balances in the Eurozone countries.

4. Unprepared for the 2008 Crisis

The fiscal decline started with the disappearance of primary surpluses after 2003 and culminated with rocketing public expenditure and the collapse of revenues in 2009, as shown in Fig.2. Revenues declined as a result of a major cut in corporate tax rate from 35% to 25% in 2005 and extensive inattention to the collection of revenues.

Increasingly, it was becoming evident that stabilizing the economy was not a policy priority and the Government actions soon confirmed this assumption:

concerned over the rising deficits in 2007, it sought a fresh mandate to redress public finances but - despite securing a clear victory - no such action was taken after the election. Only a few months before the global crisis actually erupted, the Government claimed that the Greek economy was “*sufficiently fortified*” and would stay immune to the reverberations of international shocks. Even after September 2008, the Government was for a long time ambivalent as to whether implement a harsh program to stem fiscal deterioration or to expand public spending to fight off the prospect of recession. A final compromise included a consumption stimulus at the end of the year, combined with a bank rescue plan of Euro 5 bn and a pledge to raise extra revenues. The first two were quickly implemented, whilst the latter was forgotten.

Weakened by internal divisions, the Government continued to be indecisive on what exactly to do and, after a defeat in the European elections in June 2009, it opted for general elections in October 2009 as a new opportunity to address the mounting economic problems. The fiscal consequences were stunning: total public expenditure was pumped up by more than 5 percentage points exceeding 31% of GDP at the end of 2009. (In actual amount, it exceeded Euro 62 bn, i.e., twice the size in 2003). The rise was entirely due to consumption as public investment remained the same at 4.1% of GDP; details on how public spending was ballooned are given in Christodoulakis (2010).

Total receipts in 2009 collapsed by another 4% of GDP as a result of widespread neglect in collection and the fact that privatization proceeds turned negative since the Government had to finance the emergency capitalization of Greek banks. The deficit of General Government spiraled and was serially revised from an estimated 6.7% of GDP before the elections to 12.4% in October 2009, and finally widened to 15.4% of GDP by the end of the year triggering the fiscal crisis.

4.1. Post-election Inaction

In spite of the gathering storm, the new Government was far from being determined to achieve immediate fiscal consolidation, as it was constrained by pre-electoral rhetoric that “*money exists*” and its timidity in controlling trade union demands in public enterprises. Trapped in such attitudes, the Budget for 2010 included an *expansion* of public expenditure while completely *excluding* privatizations, rather than the other way around. Seeing that no

appropriate action to deal with the situation had been taken, rating agencies downgraded the economy, this sparked massive credit default swaps in international markets and the crisis loomed.

The problem Greece faced at that time was an acute shortage of financing for the deficit, not yet one of debt sustainability as it became later. In this regard, a significant opportunity was missed. In order to reduce the risk of spillovers to other markets after the credit crunch in 2008, the ECB invited private banks of Euro member states to obtain low-cost liquidity using sovereign bonds as collateral securitization; see De Grauwe (2010) for an assessment of this policy. As a result of this credit facilitation, yields on Treasury bills remained exceptionally low. But instead of borrowing cheaply in the short term as a means of gaining time to redress the fiscal situation, the Government kept on issuing long maturities despite the escalation of costs. This had dramatic consequences on the perception of the crisis by international markets. Feldstein (2012) aptly notes that:

“What started as a concern about a Greek *liquidity problem* - in other words, about the ability of Greece to have the cash to meet its next interest payments - became a *solvency problem*, a fear that Greece would never be able to repay its existing and accumulating debt”, (my emphases).

The option was unwisely undermined when the ECB threatened to refuse collateral status for downgraded Greek bonds, hence fuelling fears that domestic liquidity would shrink and precipitating a capital flight from Greek banks. Three months later the rating requirement was dropped for all Eurozone countries, but the damage was not reversible. In early 2010, borrowing costs started to increase for both short and long term maturities, Greece had become a front page story worldwide and the count-down began. In April 2010 the Government was financially exhausted and sought a bailout.

4.2. The Role of External Deficits

The global financial crisis in 2008 revealed that countries with sizeable Current Account deficits are vulnerable to international market pressures because they risk having a “sudden stoppage” of liquidity. Recent studies show that highly indebted EMU countries with large external deficits are found to experience the highest sovereign bond yield spreads. Along this line, Krugman

(2011) recently suggested that the crisis in the southern Eurozone countries had rather little to do with fiscal imbalances and rather more to do with the sudden shortage of capital inflows required to finance their huge external deficits.

This explains why immediately after the crisis sovereign spreads peaked mainly in economies with large external imbalances, such as Ireland, Spain, Portugal and the Baltic countries, which were under little or no pressure from fiscal deficits; for a discussion of the effects of credit crunch in emerging markets with large Current Account deficits see Shelburne (2008).

It is worth noting that countries with substantially higher debt burdens, such as Belgium and Italy, experienced only a small increase in their borrowing costs at that time.

Greece happened to have a dismal record on both deficits and its exposure to the credit stoppage was soon transplanted into a debt crisis. The Current Account was in free-fall after 2006, when pressure from three factors intensified: Domestic credit expansion accelerated, disposable incomes were enhanced by tax cuts and capital inflows from the shipping sector peaked as a result of the global glut. The external deficit exceeded 14% of GDP in 2007 and 2008 but no warning was raised by any authority, domestic or European. In fact, the Government acted pro-cyclically and decided to reduce surcharges on imported luxury vehicles responding to the pleas of car dealers. Replicating history back in 1989, the unfortunate decision to facilitate car purchases in order to favour particular groups caused again a significant deterioration of both the external and the public deficit. Additionally, nobody missed the signalling about the true priorities of the Government and this opened the way for the pre-electoral spree that followed.

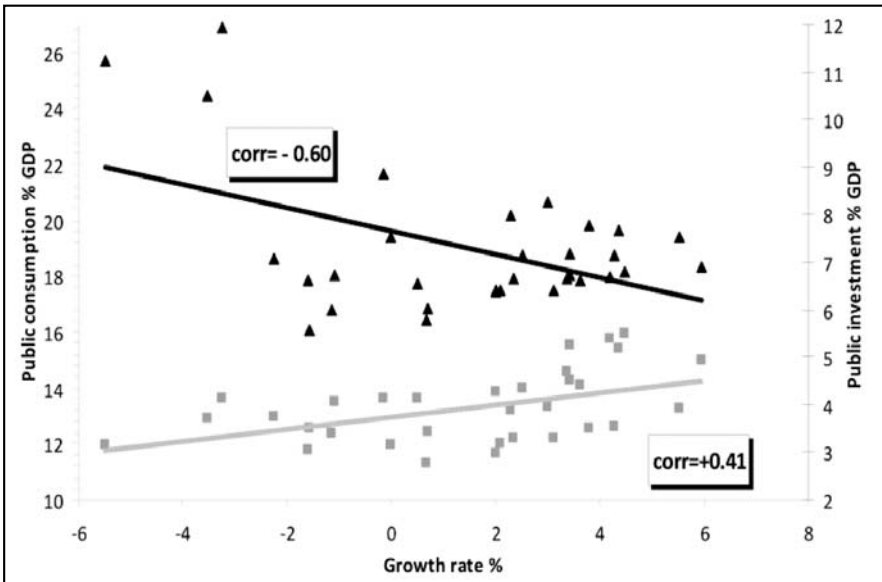
5. Two Important Policy Facts

Two stylized facts emerge from the historical account of fiscal developments. One is the fact that in periods of recession counter-cyclical activism usually takes the form of increased consumption, not public investment and this has detrimental effects on public and external deficits without contributing to higher growth. Another recurring characteristic is the propensity of Governments to increase public spending and to tolerate lower revenues in election years.

5.1. Cyclicity of Public Spending

As an indication of how the two main components of Government spending behave over the economic cycle, public consumption and public investment expressed as proportions of GDP are correlated with the growth rate; see Fig.7. Public consumption is found to have a strong negative correlation with growth rates, suggesting a counter-cyclical pattern. This finding implies that periods of economic downturn are likely to be associated with higher public consumption due to increased benefits and programs to contain unemployment. In a situation of fixed employment and nominal wage resistance, public consumption is expected to rise further relative to GDP.

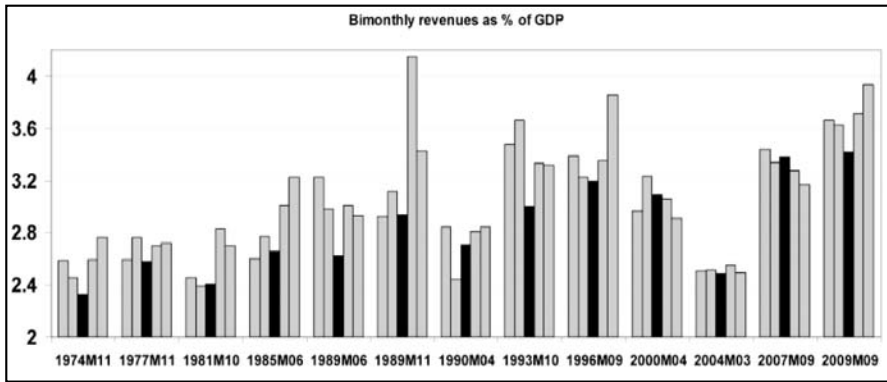
Figure 7: Growth rate correlations with public consumption (Lhs) and public investment (Rhs) expressed as a percentage of GDP.



Source: Government budget, various editions.

Bimonthly revenues as % of GDP

Figure 8: Comparison of bimonthly tax revues in pre-election periods.



Revenues are calculated for the period of two months before each election as % of annual GDP. Each election year (N) is denoted by black and compared with revenues collected over the same period during the previous (N-2, N-1) and the following years (N+1, N+2) denoted by grey. Frequency is bimonthly to account for the fact that the pre-election period lasts for 30-40 days, thus it extends over the prior as well as the poll month. Data are not seasonally adjusted, thus they reflect within year variations.

Source: Skouras and Christodoulakis (2011) where further details are available.

On the other hand public investment shows a strong positive correlation with growth. This implies that, in a downturn, public investment is likely to fall, thus hindering growth and causing more recession in the economy.

A clear manifestation of such behaviour over the cycle took place in recent years. With recession deepening in 2010 and 2011, the Government rather than curtailing the public sector found it more expedient to cut public investment in order to control the deficit. As a result, recession was made worse.

5.2. Electoral Cycles

The Greek economy was often subject to the electoral cycle, as incumbent Governments tried to appeal to voters by a variety of opportunistic policies, thus inflicting non-trivial fiscal losses. Practices included extra appointments of party affiliates, grants to favorable groups and allocation of petty projects to local constituencies, all of which affect current or next period expenditure.

It can readily be seen from Fig.2 that spending rises during the election years in the 1980s and, as deficits widened, the economy had to enter a period

of stabilization that was usually terminated before the next election. During the debt escalation in 1980-93 there were four stabilization programs and ten Finance Ministers - usually one to pursue the program and then another one to denounce it and prepare for a new period of spending rise. Though the electoral cycle subsided in the period before and after EMU membership, it returned full-steam in the elections of 2009.

Apart from direct actions on the expenditure side, the empirical evidence suggests that slacker tax auditing around elections causes further fiscal deterioration. An extensive investigation by Skouras and Christodoulakis (2011) found that flaws in tax collection arise either as a result of deliberate relaxation of audits as a signal to political supporters or as an indirect consequence of the slackness prevailing in public administration around elections.

Considering that a typical pre-election period has duration of circa 40 days, Fig.8 compares the revenue in the two months of the election period in each electoral year with the same two months in adjacent years. Simple inspection shows that in most of the elections held between 1974 and 2009, average bimonthly revenues expressed as a percentage of GDP were lower than the average of the respective figures in the two adjacent years, (with only two slight exceptions in 2000 that coincided with the entry to EMU and 2007 because it is compared with another - and a lot worse - electoral period in 2009). In the same study it is estimated that pre-electoral misgovernance causes a loss in revenues equal to 0.18% of GDP in each election year. For the 13 elections taken place in the period 1974-2009, this amounts to more than 5 billion Euros at 2010 prices.

6. An Ex-post Assessment of the Memorandum

EU authorities seemed to be unprepared to react promptly to the Greek problem and undertook action only when they recognized the risks it posed for the banking systems of other European states. After difficult negotiations, a joint loan of Euro 110 bn was finally agreed in May 2010 by the EU and the IMF to substitute for inaccessible market borrowing. The condition was that Greece follows a Memorandum of fiscal adjustments to stabilize the deficit and structural reforms to restore competitiveness and growth. More details are given in the Appendix. In the eventuality of success, Greece would be ready to tap markets in 2012 and then follow a path of lowering deficits and higher

growth. Nearly two years after implementation, the record remains poor and the economy is fiercely contracting. Some explanation is attempted below.

6.1. The Failure in Fiscal Adjustment

The decline of revenues as a share to GDP after 2007 and the collapse of the collection mechanism in 2009 in particular were instrumental for the explosion of public debt and deficit thereafter. Strangely enough, no serious effort was undertaken to remedy the situation after the elections. The ministerial post in the Inland Revenue remained empty for more than a year and two top executives resigned in protest that their proposals to beat tax evasion were turned down. The Government opted for an increase in the VAT rate from 19% to 23% in the spring 2010 and, as a result, CPI inflation jumped to 4.5%, further cutting purchasing power amid recession. Activity was reduced and revenues did not rise.

The Government continued to act as in a positive feedback loop, with lower revenues prompting higher taxation and this in turn causing further evasion. Unable to raise efficiency and under pressure to raise revenues, it imposed a heavy increase in fuel tax, substantial consumption surcharges and finally a lump-sum tax in exchange for settling previous arrears. By the end of 2010 revenues were practically at the same level as in the previous year and the Government opted for retro-actively raising the tax rate on the self-employed and imposing a new levy on property. Once again tax revenues ended up far below the target in a typical manifestation of elementary Laffer-curve predictions.

Only by the end of 2011 it was recognized that further tax measures are no more viable and attention should shift on collection efficiency. In its assessment of progress, the European Commission task force warns that tax and expenditure measures... substantially compress the households' disposable income and significantly tighten their liquidity constraints", (European Commission, 2011, p.2).

Regarding public expenditure, a slightly more optimistic picture emerged but at a huge cost in terms of growth and efficiency. Soon after the elections, the Government made clear signals that it had no real intention of containing the oversized public sector. Numerous appointments that were made before elections through a highly disputed process were approved, and a widely publicized operation to abolish and merge outdated public entities made no

real progress, to date. A novel scheme to push older staff onto a retirement-waiting status with a fraction of their salary misfired as it was soon discovered that most on the list were already exploiting the incentives of an early retirement. After this fiasco the Government announced a lengthy process of evaluation in the public sector as a precondition for staff redundancies, but without setting a time limit.

In the absence of any structural adjustment in the public sector, the reduction of spending was achieved by imposing universal cuts in salaries and this led to widespread shirking practices. Another tool for keeping expenditure low was to cut the budgetary co-financing of the European Community Support Framework, thus reducing public investment at a time when it was mostly needed to induce some growth in the economy. After the Decision by the European summit in July 2011, Greece was freed from the co-financing obligation, but when it started to be implemented at the end of 2011 it was already too late to rectify the damage to economic activity.

6.2. The Limits of Structural Adjustment

In order to rebalance the economy onto a more competitive path, the Memorandum agreement envisaged a long list of structural reforms ranging from reforming the social security system to removing closed-shop vocational practices, and liberalizing the licensing process for lorry and taxi drivers. The pension reforms initially succeeded in harnessing the deficits in the social security funds, but soon they reappeared when a wave of retirement took place in anticipation of imposing further age extensions in the future.

Despite the severity of clashes with trade union hardliners, the opening-up of lorry licenses failed to reduce transportation costs and enhance competitiveness for two reasons:

First because insiders took advantage of a two year postponement and decided to maximize rent-seeking by withdrawing previous price concessions. Second, because the economic gloom was thwarting potential investors by making the upfront cost of setting up a new business too high.

A similar attempt to open-up the taxi licensing system was abandoned after a protracted clash with insiders in the summer 2011. In other professions, such as lawyers and pharmacists, there was only a token liberalization without any reduction in consumer prices. Recognizing this failure, the new conditionality

measures impose a regressive mechanism with the aim of reducing the overall profit margin to below 15%, (see Memorandum II, 2012, para 2.8, “*Pricing of medicines*”).

Seeing that the structural adjustment program was derailed, the Memorandum sought alternatives. To enhance competitiveness in the labour market, liberalization measures extended part-time employment, imposed wage cuts across the board and removed collective bargaining agreements. Despite lowering labour costs by 12%, enterprises were overwhelmed by recession and unemployment became rampant, exceeding 17% of the labour force by the end of 2011. As with the positive feedback mechanism on the tax front, the rise in unemployment invited a new round of wage cuts in the private sector, shrinking further disposable income and fuelling new waves of social protest. Though the IMF mission in the autumn 2011 was explicit that “accelerated private sector adjustment... would likely lead to a downward spiral of fiscal austerity, falling incomes and depressed sentiment”, it nevertheless urged for further structural measures in order to achieve a “critical of reforms needed to transform the investment climate” (IMF, 2011). Bringing-up some growth to the real economy is still not a top priority.

6.3. The Failure of Privatization

The failure of privatization is worth commenting on, as it reveals an unusual combination of strong rhetoric in theory with apathy in practice. Immediately after the elections in 2009, the Government showed that it had no intention of curbing the wider public sector. Its lack of resolve to tackle the excessive demands of public trade unions was made manifest in a dispute with a newly arrived investor in the Piraeus Port Company. The Government succumbed to paying enormous compensation for early retirement as a condition that the investment goes ahead. No privatization target was included in the 2010 Budget and none was actually implemented.

Thus it was viewed as a major shift of policy when the Government agreed in March 2011 to adopt a large-scale privatization plan of Euro 50 bn during the period 2011-2015, or roughly 4% of GDP per annum. The plan included extensive sales of public real-estate, privatizations of public enterprises in the energy sector and private partnerships in the operation of airports and ports throughout Greece.

After months of procrastination a market-friendly Privatization Fund was finally set up to replace the ineffectual authority that was in charge before, but its determination was this time hindered by adverse market conditions. With asset prices falling to abysmal levels, privatization would be embarrassing in political terms and inadequate in terms of revenue. There was no real demand either, as capital flight continued to be fuelled by fears of abandoning the Eurozone and funds from abroad were not forthcoming for the same reason. Despite initial ambitions, the program achieved little in 2011, selling only an option on Greek Telecom, future rights to the National Lottery and publishing a preliminary tender for the re-development of the old Athens airport. In 2012 the program aims at the privatization of selected public companies, lowering expected proceeds to Euro 2.8 bn, just a fourth of the amount initially announced.

7. The New Memorandum Conditionalities and Ways-out of the Crisis

Faced with a deepening recession and a failure to produce fiscal surpluses sufficient to guarantee the sustainability of Greek debt, the European Union intervened twice to revise the terms of the Memorandum. In the first major intervention in July 2011, the amount of aid was increased substantially by Euro 130 bn and repayment was extended over a longer period of time. To implement the Private Sector Involvement (PSI) in debt restructuring, a cut of 21% of the nominal value of Greek bonds and re-profiling of maturities was decided upon with the tacit agreement of major European banks.

Crucially, the EU authorities this time fully recognized the perils of recession and allowed Greece to withdraw a total amount of Euro 17 bn from Structural Funds without applying the fiscal brake of national co-financing. The plan looked powerful, except for the typical implementation lags. The Agreement was only voted through by all member-state Parliaments only in late September 2011 and the release of structural funds was approved by European Parliament in late November. Participation in the PSI had reached only 70% of institutional holders amid speculation that post-agreement buyers of Greek debt from the heavily discounted secondary market were expecting a huge profit through their offer to cut it!

Thus, a new intervention looked inevitable and in October 2011 a revised restructuring (the so called PSI+) was authorized, envisaging cuts of 50% of nominal bond value that would eventually reduce Greek debt by Euro 100 bn. Assuming that negotiations conclude in time and all other structural adjustments take place, Greek debt is expected to be stabilized at 120% of GDP by year 2020. The agreement was hailed in Greece as the definite solution to the debt conundrum, but euphoria turned sour a few days later when the Greek Government surprised everybody by seeking a referendum for its approval.

Many feared that the outcome could in all probability be negative as an expression of current misgivings, and this would be quickly interpreted as opting for exiting the Eurozone. In the ensuing *furore*, the decision was annulled, the Prime Minister resigned and a coalition Government was formed in November 2011 to implement debt restructuring and negotiate the terms for the new round of EU-IMF loans.

7.1. Is Exit from the Euro an Option?

The crisis in Greece had profound ramifications for the Eurozone, both in political as well as in economic terms. In the Euro area, Greece is routinely considered not only as devouring European taxpayers, but also as the habitual wrongdoer especially when compared with the other two countries (Ireland and Portugal) which are undergoing similar adjustment programs with more efficacy. In such a politically unyielding and increasingly suspicious framework, a Greek exit from the Eurozone started to attract attention both at home and abroad. Though complications and costs that would ensue in the banking sector will be enormous, the exit of Greece could prove opportunistically attractive to some European politicians who get angrier every time a new round of aid is discussed. However, they overlook the fact that a Greek exit would reverberate around other states and lead to an aggravation of the crisis; for how contagion will spread see Vehrkamp (2011). It may also serve as the convenient argument for consolidating and enforcing a two-tier model of Economic Governance, as has been advocated before the creation of EMU (e.g. Bayoumi and Eichengreen, 1992) and is recently on offer by commentators and politicians singing in the “*Grex*it chorus”. Based on an inner core of surplus economies in the north and a weaker periphery in the south, competitiveness in this model will be restored through the so called “*internal devaluation*” of labour costs, thus

perpetuating the gap that is already widening between the Eurozone countries, (see Christodoulakis, 2009).

For Greece, exit would trigger a prolonged economic catastrophe. As the entire Greek debt will remain denominated in Euros, the rapid depreciation of the new national currency will make its servicing unbearable and the next move will be a disorderly default. Isolation from international markets would drive investors even further away, while the financial panic would drain domestic liquidity at a massive scale. The creditor countries of the EU would start demanding repayment of their aid loans, and this would soon deprive Greece of its claim on the EU cohesion funds. Tensions are likely to produce further conflicts with EU agencies and the pressure to consider complete disengagement from the European Union will gain momentum both domestically and abroad.

7.2. Stay in the Eurozone and Grow More

The cost would be so immense that the single available option for Greece is to complete the fiscal adjustment and become reintegrated into the Eurozone as a normal partner. This requires Greece to undertake concrete actions that produce visible results within a short timeframe, so that society becomes more confident to pursue reforms. Some policy suggestions for this direction are as follows:

First, Greece needs to acquire credibility while also being properly understood abroad. The continued fiscal shortfall is easily translated as reluctance, causing continual friction with the European Union and the demand for a new battery of austerity measures. To escape this cycle, Greece must adopt as a matter of urgency a front-loaded policy to achieve key fiscal targets quickly and to change the impression of being a tactical waverer. If Greece succeeds in this front-loaded policy, it may be in a position to revise some of the pressing - although so far unattainable - schedules and ensure greater social approval and tolerance.

To ensure that there will be no spending spree in future elections, the best option for Greece is to adopt a constitutional amendment on debt and deficit ceilings, just as Spain did last August, alleviating market pressures, at least for the time being.

Second, Greece needs a fast-track policy for exiting the long recession. An amount of 17 billion Euro could be disbursed and routed immediately to

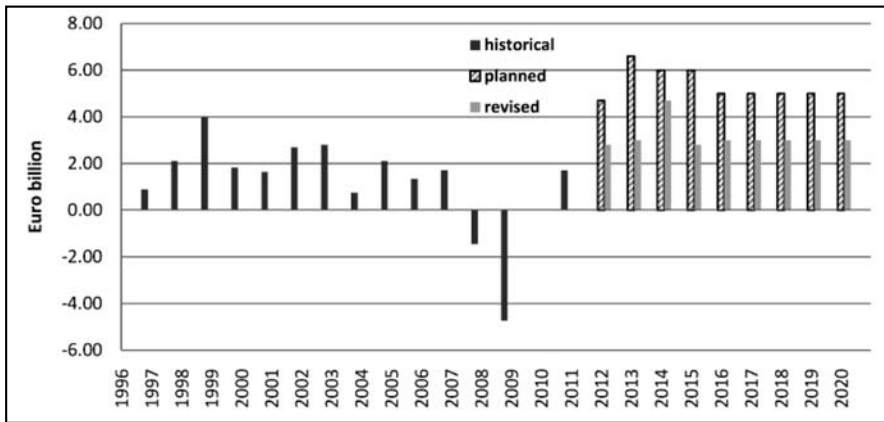
support major infrastructural projects and private investment in export-oriented companies. The growth-bazooka should be followed by structural reforms and privatizations that can attract significant private investment as market sentiment is restored. In addition, instilling growth will help to control the debt dynamics and reduce public deficits without ever-rising taxes, thus thwarting private investment and making economic recovery and sustainability unattainable. Feldstein (2012) leaves no doubt about the mechanics of stabilisation when he warns that “(t)o achieve a sustainable path, Greece must start reducing the ratio of its national debt to GDP. *This will be virtually impossible as long as Greece’s real GDP is declining*” (my emphasis).

7.3. Two Alternative Scenarios

The dynamics of the debt-to-GDP ratio are sensitive to the prospects for growth, thus it is worth examining alternative paths that correspond to a low and to a higher growth profile respectively.

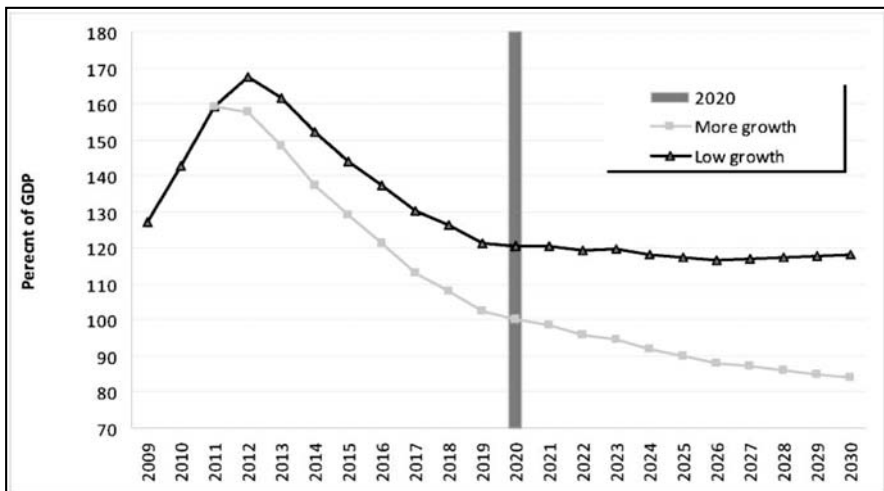
In both cases it is assumed that a ‘haircut’ of 50% is imposed on all private bond holders, so that repayments in the following years are cut by half. In nominal terms the reduction amounts to 100 bn Euro as announced in October 2011. As it now stands, Greek bonds held by public institutions and social security funds will be fully honored. The reduction in present value terms is still unclear as this depends on the yields and maturities that will actually apply and are currently under negotiation. The total amount also depends on the degree of private holders’ participation. For simplicity, present calculations assume full participation.

Figure 9: Proceeds from Privatisations



Note: Proceeds are net of capitalizations in state-owned enterprises. For 2008, 2009 and 2010 figures of proceeds are net of bank shares purchases, thus the negative sign.
 Source: Privatization Report, Ministry of Finance, 2008. Data for 1996 and 1997 are taken from Budget Reports. Planned figures were set in May 2011, but then they were revised in 2012 (Memorandum II, para 2.1).

Figure 10: Alternative paths for public debt as % of GDP.



Data sources: Budget Report 2011, Bailout Memorandum as updated May 2011.

Privatizations are assumed to complete the 50 bn Euro target, albeit over a period that extends well beyond the initially envisaged window of 2015. The computation further assumes a nominal cost of borrowing at 5% per annum and annual targets of General Government deficits at 3% after 2014. Primary surpluses are computed as residuals. Results are depicted in Fig.10.

The low growth case is based on the official predictions of -2.5% in 2012, followed by a +2% rate for the rest of the period. Inflation is assumed at 2% throughout. In this scenario, debt is found to fall to 120% of GDP in 2020 in line with the official estimates. Primary surpluses are found to be 3% of GDP on average, plausibly close to the average that prevailed in the decade 1993-2002. (The arithmetic suggests that paying interest will be $0.05 \times 120\% = 6\%$ of GDP minus the primary surplus of 3%, so that deficit is at 3% of GDP). In the absence of further privatizations, the debt to output ratio remains stationary after 2020, unless a higher growth or a larger primary surplus is assumed afterwards.

To examine (in a highly schematic way) the effect of more growth on debt, the economy is assumed to grow at 3% from 2012 onwards. Inflation also picks up and stays at 3% throughout. All other assumptions regarding the debt reduction, public deficit and privatization targets remain the same as in the baseline. A serious decumulation of public debt takes place and its ratio to output approaches 100% of GDP in 2020, close to its in 2005, before it took-off. The higher growth supports a further decumulation of debt that approaches 80% of GDP by year 2030. It is worth noting that primary surpluses need not be higher than 1.7% of GDP in average. If budgetary surpluses are assumed to be at 3% of GDP as required in the baseline scenario, then debt will fall even further.

8. Conclusions

Exactly three decades after becoming a fully-fledged member of the European Union and ten years after joining the Eurozone, Greece sought a bail-out agreement in 2010 to avoid bankruptcy. A long history of stabilization programs proved incapable of achieving a lasting fiscal correction and adequately raising competitiveness, as fundamental weaknesses in the economic and political system continue to play a corrosive role. The oversized public sector and the frequent indulgence in pre-electoral spending sprees in exchange for political support led to protracted fiscal deficits and the accumulation of a large public debt. Equally, the chronic deterrence of productive investment by a multitude of

regulatory inefficiencies resulted in a thin tradeable sector and large Current Account deficits. The economy remains vulnerable to political developments which are often dictated by short-term partisan considerations with far reaching fiscal implications. This explains why, in spite of substantial reforms taking place over the last two decades and achieving high growth rates, EMU participation and moderate debt stabilization, the situation went once more out of control.

Regarding the current crisis, the article described how prolonged external and fiscal deficits were allowed to reach uncontrollable levels and, in the aftermath of the credit crunch, led to a further escalation of debt and the subsequent bail-out. Two years later, fiscal consolidation is still far from being sustainable in spite of augmenting the bail-out loans and implementing a debt reduction by 50% on private holders. The economy has cumulatively shrunk by nearly 15% since 2008, social tensions are multiplying and the future of Greece in the Eurozone is in jeopardy. Some consider such an outcome as a due punishment for past excesses, while others see it as an escape from further unemployment and recession. The article finds both angles of view as illusory, and argues that the only viable way out of the current crisis is to restore growth and to adopt a realistic plan for privatizations and reforms. The lesson of the past two years is that the deep recession will otherwise continue to hinder any existing possibility for exiting the crisis. Greece, and perhaps other Eurozone countries in the near future, are desperate of a “*corridor of confidence*”, to use Keynes’ famous phrase, in order to put things in order before it is too late for anything meaningful.

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Appendix: A Brief Description of the Conditionality Programs for Greece

The adjustment program for Greece was laid out in three phases. The first Memorandum was signed in May 2010 and aimed at reducing the fiscal deficit to 3% in 2013. Specific measures that were actually implemented included universal cuts in public salaries and all pensions, a rise in VAT from 19% to 23% and similarly in other consumption surcharges, the abolition of collective agreements in favor of firm-level contracts, the lowering of private sector wages by 12% and a reform in the Social Security system. It also included the liberalization of red-tape practices in the transport sector, pharmacists and lawyers, but the outcome was heavily compromised through a series of delays and back offs. Fiscal deficit for 2010 ended up close to 11% of GDP, substantially lower than the horrendous 15.4% in the year before but still away from the initially set target.

Thus, in early 2011 a new round of negotiations resulted in a second round of measures voted by Parliament in June 2011. They included further taxation on past incomes, a lump-sum tax on professionals, further rises in indirect taxes and a new property levy that was imposed two months later. The program demanded the abolition of outdated public entities, the reduction in the number of civil servants and a further curtailment in their salaries. It also envisaged ambitious privatizations on utilities and public real-estate that could trim down public debt by Euro 50 bn within a four-year period. Fiscal deficit for 2011 is provisionally estimated to be 9.8% of GDP, revealing a major difficulty in further adjustment in the absence of growth.

The third round of adjustments was voted for in February 2012 as Memorandum II. (For the full text see “Memorandum of Understanding on Specific Economic Policy Conditionality”, 9 February 2012, available at <http://www.hellenicparliament.gr>).

This time it was approved by the two major parties, but only after a line-up was imposed to avoid desertions and rising internal protest. Measures included a reduction of minimum wages in the private sector by 22%, an additional cut by 10% to new entrants as a means to beat youth unemployment, 15% cuts in various pensions, the abolition of several tax credits and explicit targets for cutting employment and entities in the wider public sector. Policies will start to be implemented together with the application of the PSI+ agr

The Apartment Building and the Index of Despair

Stavros Zografakis*

RÉSUMÉ

La détérioration des indicateurs sociaux en Grèce à la suite de la crise, qui en est à sa sixième année, a été confirmée avec un décalage considérable. L'augmentation dramatique du chômage et la pression sur les travailleurs à accepter des réductions de salaire en échange de la conservation de leur emploi ont conduit de plus en plus de ménages au désespoir. L'objectif de cet article est de mesurer le désespoir des ménages grecs, en utilisant un indice construit sur la base de données brutes de l'Enquête sur la population active de l'ELSTAT. Cet indice fournit, chaque trimestre, une mesure du désespoir des ménages et étudie comment le fardeau de l'ajustement budgétaire réalisé par des réductions de salaires ou des pertes d'emplois peut être considéré comme réparti «équitablement» entre les ménages.

ABSTRACT

The deterioration in social indicators in Greece as a result of the crisis, which is now in its sixth year, has been confirmed with a considerable lag. The dramatic increase in unemployment and the pressure on workers to accept wage cuts in exchange for keeping their jobs have been driving more and more households to despair. The aim of the study is to measure the despair of Greek households, using an index constructed on the basis of raw data from ELSTAT's Labour Force Survey. The index provides a timely measure, at a quarterly frequency, of the despair of households and examines how the burden of a fiscal adjustment achieved through wage cuts or job losses can be considered to be distributed "fairly" across households.

After five full years of deep economic recession (2009-2013) in Greece and well into its sixth year, a turnaround is not yet clearly in sight. Mirroring the dramatic deterioration in economic indicators during that period, social

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indicators paint a bleak picture too, although this picture emerges with a lag of about two years. We are currently in early 2014 and we know that all social indicators deteriorated sharply until 2012, which saw poverty and inequality soar. This is the last available year for the most common sources of this type of information, i.e. two distinct annual surveys conducted by the Greek Statistical Authority (ELSTAT): the Survey of Income and Living Conditions (SILC) and the Household Budget Survey (HBS), the most recent waves of which reflect household income and consumption for the years 2011-2012.

This paper, using a different methodological approach and drawing data from the Labour Force Survey (LFS), which is the most up-to-date source of relevant statistics, seeks to address this timeliness gap and provide a more recent insight into the evolution of social trends. Most importantly, it attempts to gauge, in almost real time, the effectiveness of the various policy measures hastily taken by the government in its effort to alleviate the woes of the recession. To this end, we construct an index that can serve as a tool for a timely measurement and evaluation of alternative policy options. This index can be seen as a leading indicator of the social conjuncture, i.e. an index that signals developments in the various social indicators, similarly as leading economic indicators signal developments in coincident economic indicators.

The link between labour market developments, on the one hand, and the social indicators of inequality and poverty, on the other, has been well documented, as many studies suggest that attachment to the labour market is key to preventing situations of poverty, deprivation and social exclusion. The mechanics of this link relate to such aspects as employment, unemployment and level of labour compensation, i.e. wages. From the perspective of unemployment, the continuing dramatic increase in the number of unemployed in Greece over the last six years has far-reaching and even more alarming implications for several parameters other than the unemployment rate itself. For example, unemployment has now hit the core of the social fabric, as the share of unemployed persons who report themselves as “heads of household” has risen sharply during the current crisis. This development should certainly be given particular attention, in view of its relevance for the objectives of stability and social cohesion.

The index we have constructed is designed to measure the degree of despair in households of employees and unemployed persons.² It examines how the

burden of a fiscal adjustment that is achieved through wage cuts or job losses can be considered to be distributed “fairly” across households.

A few words about the construction of the index: The reference group comprises households of employees (wage earners) and unemployed households. That is, it excludes households that do not include at least one employee or households receiving pension income. The reason for excluding households in which at least one member is self-employed or a pensioner is because the LFS does not capture income from these sources. Therefore, we only consider households with income derived solely from wages, unemployment benefits, or both.

As already mentioned, the index is based on primary data from ELSTAT’s quarterly LFS, conducted on an annual sample of 120,000 households, enabling to obtain information four times a year. The reference period runs from the first quarter of 2009 to the latest available quarter, i.e. the third quarter of 2013 which when this article was written, was implying a lag of just one quarter.

The index ranges between extreme values of zero and one. A value of zero is attached to households reporting that none of their members is unemployed and the monthly wage of each employed member is more than 1,000. A value of one is assigned to households reporting that all their active members are unemployed and none of them receives any unemployment benefit. The latter households are identified as being in a state of absolute despair.

The score of each household depends on the individual scores of all its active members. Specifically, each active member scores the maximum value of one if he/she is unemployed and does not receive any unemployment benefit. Otherwise, the score is gradually lower if this member at least receives an unemployment benefit or is employed, and drops further in inverse proportion to the level of his/her labour income. Finally, a member scores the minimum value of zero if his/her monthly wage exceeds the 1,000 threshold.

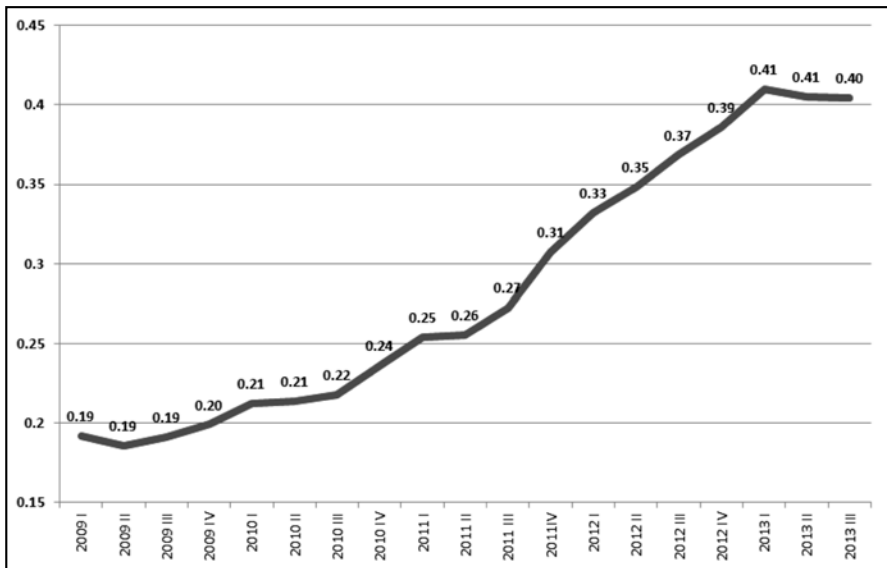
Accordingly, each active member of the household is assigned one of the following values:

- 1 if unemployed and not receiving any unemployment benefit
- 0.8 if unemployed and receiving an unemployment benefit
- 0.6 if employed and receiving a monthly wage of less than 499

- 0.4 if employed and receiving a monthly wage of between 500 and 699
- 0.2 if employed and receiving a monthly wage of between 700 and 999
- 0 if employed and receiving a monthly wage of 1,000 or higher

The total score of each household is the average of the individual scores of its active members. Children and economically inactive members in the household (students at all levels of education, soldiers, individuals incapable of work, housewives, etc.) are not taken into account in the calculation of the index.

Chart 1: Evolution of the index of despair over time
(average value for all households of employees)



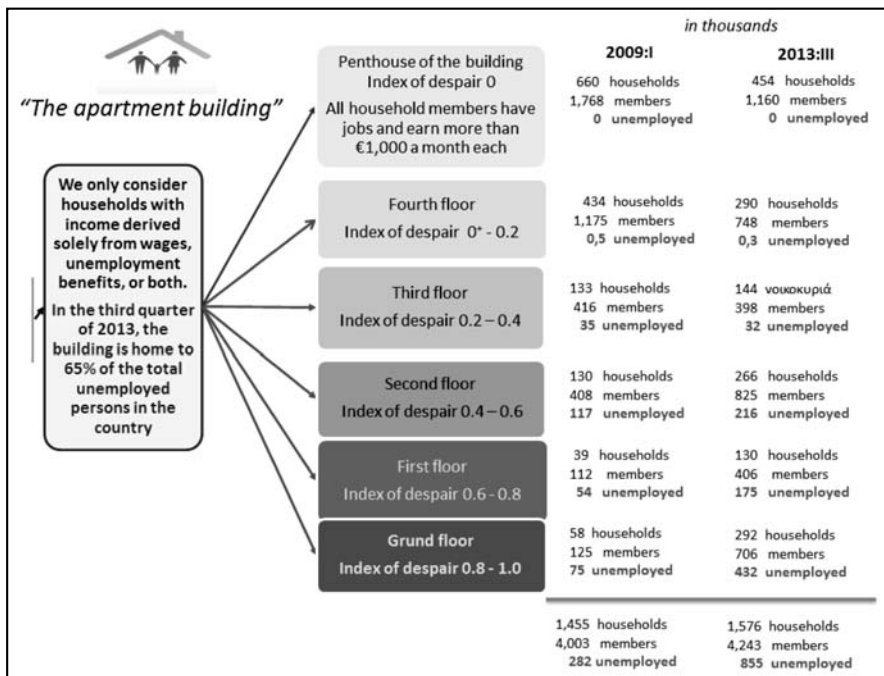
Source: Calculations based on data from the Labour Force Survey, ELSTAT.

Looking at the evolution of the index² as shown in Chart 1, we can make two important observations.

1. Between the second quarter of 2009 and the first quarter of 2013, the index of despair was on a constant rise: from 0.186 in Q2 2009, it peaked at 0.410 in Q1 2013, having increased by 120%. The path of the index implies that we have covered 41% of the distance to the point of absolute despair, i.e.

the point at which all wage earners would be jobless and without any unemployment benefits.

2. Three distinct periods can be identified in the evolution of the index. In the first period, between Q2 2009 and Q3 2010, the index increased by an average of 2% quarter-on-quarter. It seems that in its initial phase the economic crisis did not weigh so heavily on the index of despair. In the second period, until Q1 2013, developments were dramatic, with the index rising quarter-on-quarter by 7% on average. It is worth noting that during a quarter alone, between Q3 2011 and Q4 2011 it increased by as much as during the entire first period. Finally, in the third period, the index showed for the first time signs of stabilisation, remaining almost unchanged at the still high level of 0.405-0.404 for two consecutive quarters.



By construction, the index can improve if any of the following conditions are fulfilled (all other factors remaining constant):

1. some of the unemployed persons find jobs;

2. some of the unemployed persons who had ceased to receive unemployment benefits are reinstated as eligible for such benefits under the reformed framework;
3. the wage of low-paid workers (earning less than 1,000 per month) is raised.

Based on the above, we could argue that the strong tourism season of spring-summer 2013, when a number of unemployed persons found jobs, even on a temporary basis, and subsequently the parallel implementation of a programme creating community service jobs for the unemployed (prioritizing households with more than one unemployed member) have led to a slight improvement in the index of despair (first condition).³ On the other hand, the introduction of benefits for the long-term unemployed during this period helps to fulfil the second condition.

As the “average” tends to mask extreme values thereby shedding a flattering light on the situation, let us use the metaphor of an apartment building to illustrate what is really going on. The households under review are assumed to live in an apartment building with several floors; the floor on which a given household lives depends on its respective degree of despair. We are particularly interested in identifying those households that are the most in despair, as these are the most urgently in need of social protection. The building has five floors. On the ground floor, there are households with an index of despair of over 0.8. As we climb to higher floors, the index decreases, until finally in the penthouse we find households in no despair at all, since all of their members are employed and receive monthly wages of more than 1,000. The building also has a basement. There we can find people who sleep on sidewalks, households of illegal immigrants, socially excluded people and, generally, parts of the population that are not recorded by surveys or official statistics.

As the crisis unfolds, we can see movements in the building, which can be grouped into two types:

- The first type of movement is horizontal. This is the case when a household moves into or out of the building. The number of tenants in the building is currently 4.24 million, up from 4 million before the economic crisis, having increased by 240 thousand. This increase reflects cases of households moving into the building as their self-employed members lose their jobs and thus qualify as tenants. There are also flows out of the building, which

occurs when a member finds a job as a self-employed or becomes a pensioner.

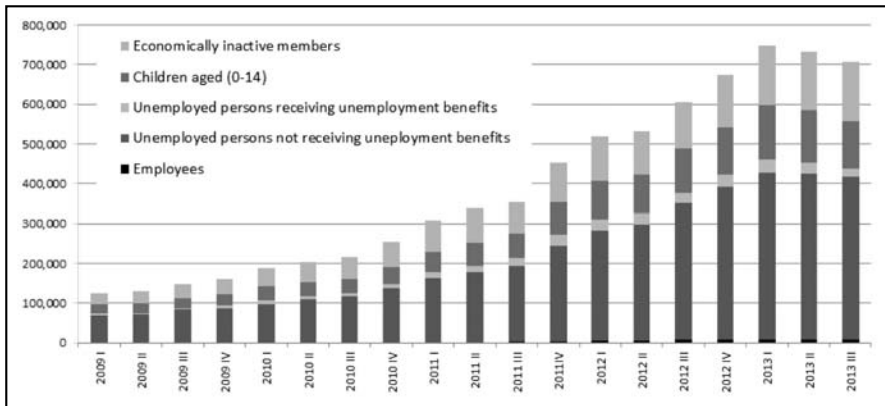
- The second, and most important, type of movement is vertical, when households move from upper floors and the penthouse to lower floors down to the ground floor. When a household member loses his/her job, when his/her wage is reduced and gradually falls below 1,000, below 700 or below 500, when the duration of unemployment benefits ends and their payment is discontinued, then the degree of despair of the household rises, and the household takes the elevator to a lower floor. When it has lost everything, it ends up on the ground floor of the building. Living on a specific floor is therefore not a given.

In the third quarter of 2013, the building is home to 65% of the total unemployed persons in the country, or 855 thousand people, up from 282 thousand before the economic crisis. Specifically, 292 thousand households with a total of 706 thousand members, of which 432 thousand are unemployed, live on the ground floor. That is, more than half of the unemployed persons in the building live on the ground floor. Of these 292 thousand households, 181 thousand have one unemployed member each, 89 thousand have two unemployed members, 15 thousand have three, while the remaining 6 thousand households have four or more. These figures have increased more than five times in just four years.

As mentioned above, 65% of the unemployed persons in the country live in the building; the remaining 35% live outside the building in households which, by definition, include at least one self-employed member or a pensioner and are therefore better off than the unemployed persons living on the ground floor of the building.

On both of the first two floors of the building, the number of tenants has increased. In contrast, upper floors are home to less and less households (gradual pauperisation) due to flows out of the building. For example, the number of tenants in the penthouse has shrunk by 600,000 individuals (or 200,000 households). These households moved to lower floors during the crisis or, if they were extremely unlucky, went right down to the ground floor.

Chart 2: A visit to the ground floor of the building - households in absolute despair. Evolution of the number of household members on the ground floor

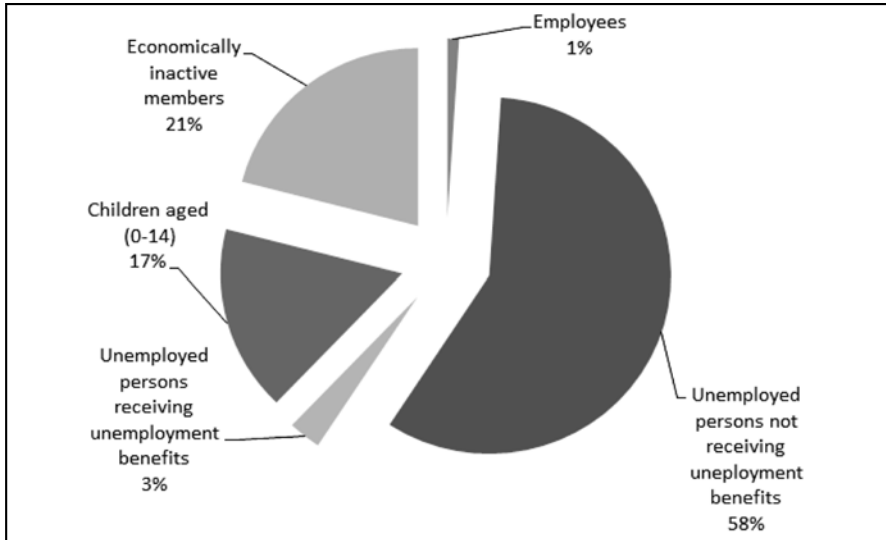


Source: Calculations based on data from the Labour Force Survey, ELSTAT.

Chart 2 shows changes in the structure of the population on the ground floor over time. The colours in the stacked bars denote the different groups as follows: red: unemployed persons not receiving unemployment benefits; green: unemployed persons receiving unemployment benefits; purple: children aged 0-14; blue: economically inactive members (housewives, students, soldiers, persons incapable of work, etc.); and black, at the bottom of each column: employees who support the members of the previous categories. These are barely discernible, almost non-existent. When a household's index of despair is higher than 0.8, this means that, at best, it includes one employee, who is paid less than 500 a month. At worst, which is the most likely case, all members of the household are unemployed and few of them receive unemployment benefits.

There are 706 thousand people living on the ground floor. These households include no pensioners or self-employed, but only few employees, some unemployed persons, children and economically inactive members. Their only source of income therefore consists in wages and unemployment benefits. Employees paid less than 500 (denoted by the black bar in the chart) should “theoretically” provide for all the other members.

Chart 3: Structure of household members living on the ground floor of the building in Q3 2013



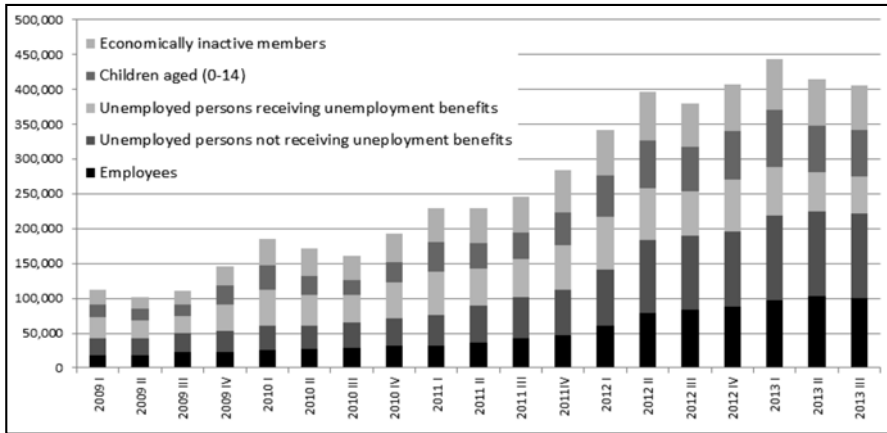
Source: Calculations based on data from the Labour Force Survey, ELSTAT.

The proportion of breadwinners to dependents is as follows: For each employee who lives on the ground floor of the building and earns a month pay of no more than 500, there are 100 dependent members; for each unemployment benefit there are 35 dependent members.

We realise that here on the ground floor households have no money. They cannot benefit e.g. from a heating allowance, as they cannot afford to buy heating oil in the first place. Rather, they would need a survival allowance or a food allowance. Here the cold can be suffered, hunger cannot. And there are about 120 thousand children under 14 living in these households.

Things are somewhat better upstairs (Chart 4). Employees are more in number, and so are unemployment benefits. Of course the unemployment benefit will cease at sometime in the future and the risk of falling back downstairs is high. The income gap from households on the ground floor is no more than 500. As mentioned above, the higher the floor, the better the situation. The unemployed persons who live on higher floors are better cushioned by family income.

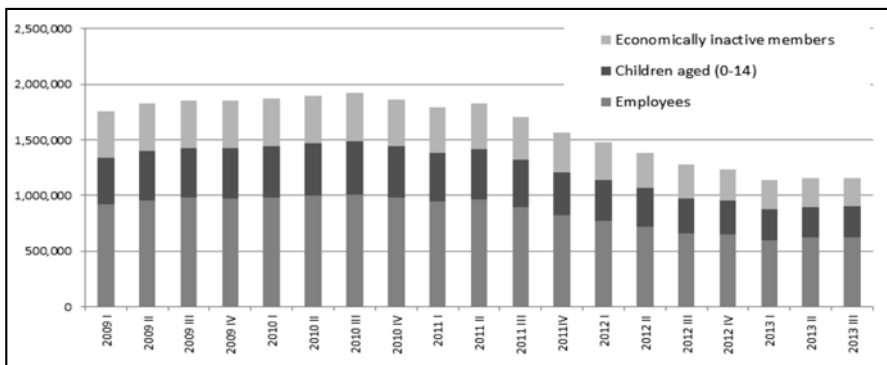
Chart 4: Evolution of the number of household members living on the first floor of the building



Source: Calculations based on data from the Labour Force Survey, ELSTAT.

In the penthouse (Chart 5), there are no unemployed, all household members have jobs and earn more than 1,000 a month each. The economic crisis has certainly reduced the number of tenants here too, with some households taking the elevator to lower floors when their members lose their jobs or face wage cuts.

Chart 5: Evolution of the number of household members living in the penthouse of the building



Source: Calculations based on data from the Labour Force Survey, ELSTAT.

The tenants of the penthouse have most certainly suffered reductions in their income, but these changes are not reflected in the index of despair. A decline in the monthly wage from e.g. 3,000 to 2,000 is outside the scope of our investigation.

Over the last two quarters (Q2 and Q3 2013), some stabilization can be seen in the index of despair, with a slight decline in the number of tenants on the overpopulated ground floor. Indeed, some households have managed to move upstairs, for the first time since the start of the economic crisis. In figures, this appears to be the case with about 42 thousand household members, including 21 thousand unemployed persons (of which 14 thousand receive unemployment benefits) and 18 thousand children.

What households live on the ground floor? Are they known to us? Are they immigrant households? Are these the households that in earlier national action plans on social inclusion had been identified as being at greater risk of poverty, such as: households with an elderly head, households living in mountainous and inaccessible rural areas, single parent households or households with many children, households with low skills, households with disabilities, etc.? According to LFS data:

- 84% are Greek (only 9% are Albanians)
- 66% are male
- 47% are married
- 33% are aged 20-39, 55% are aged 40-59 and 12% are aged 60+
- 21% have completed tertiary education, 48% secondary education and 30% primary education
- 8% of tertiary education graduates have a doctorate or master's degree
- 17% had a job one year earlier and 69% are long-term unemployed
- 83% of those who had a job one year earlier were employees
- 83% report that they have not rejected any offer of work
- 40% live in Athens, 11% in Thessaloniki
- just 0.8% have a job and their monthly wage is up to 499

We should keep in mind that the LFS does not record homeless persons or households without a residence. On the other hand, illegal immigrants as a

rule are afraid to open the door to strangers and will not respond to surveys conducted by the Hellenic Statistical Authority.

The next question would be: how do these households cope?

According to responses to the LFS:

- 51% depend primarily on people outside the household (neighbours, friends, acquaintances...)
- 16% receive some allowance, benefit or small pension (e.g. disability, death, old age...)
- 8% are supported by other people in the household
- the remaining 25% report that they depend on a combination of sources (neighbours, an allowance, relatives, occasional work...)

The new poverty does not have the characteristics of the pre-crisis poverty. For example, the proportion of the elderly (65+) and the proportion of pensioners (of any age) who are at risk of poverty have declined significantly. Rather, the new poverty is closely linked to unemployment.

Given budgetary constraints, it is clear that government policy should step up its efforts to reduce the adverse impact of the current economic crisis. In this regard, as suggested by the findings of this paper, the main focus should be on the unemployed: in addition to (mostly short-term) income subsidies that help them to better weather the crisis, particular attention should be paid to facilitating their access to the labour market as well as to social services (health, education, childcare, etc.), thereby also reducing the likelihood of long-term social exclusion for some of these people. At the same time, the cost of these policies would be money well spent, as this group represents a potential new enclave of economic precariousness and poverty. Furthermore, it is essential that access to the labour market should be combined with a shift towards higher-quality jobs and to more secure attachment to a well-structured labour market. This could be sought e.g. by establishing, and making accessible to as many unemployed persons as possible, programmes of on-the-job training, retraining and education in the skills required in the new conditions, as shaped by technological change and challenges.

In the current period, with limited or no budgetary resources, social protection will be more efficient and effective when it targets more the overall

needs of a household rather than the needs of individual members.

As suggested by the results of our research, a part of the population took the elevator and were zipped down to the ground floor of the building, without any intermediate stop. These people are currently the most vulnerable. On the ground floor of the building, people have nothing to lose now. Unless of course they have loan arrears, unpaid electricity bills, unpaid taxes....

Another part of the population take the elevator and goes down gradually, with increasing despair. If nothing changes, it will not be long before they reach the ground floor of the building.

The drafters of the Memorandum were aware of the problem even before the austerity measures began to be implemented. It was for this reason that they set a MoU requirement for the implementation of a pilot income support programme (minimum guaranteed income) by 2014. After this pilot run, it is necessary to roll this programme out nationally.

This time we must channel the scarce available resources to the citizens who are facing the most severe difficulties. We all know that in the past only a small part of social resources reached their intended recipients. The most part was lost to mismanagement and ended up in the pockets of people who were not the true beneficiaries. We should not forget that tax evaders steal from the state twice. Once by hiding their incomes and not paying the corresponding taxes, and again, as on the basis of their understated income they take advantage of for social transfers. At present, it is absolutely necessary that resources should be directed at households in absolute despair. The community service jobs programme that gives priority to households with more than one unemployed member is moving in the right direction. But we must not forget that the recession and the problems remain. And the ground floor is suffocatingly packed with despair.

NOTES

1. For a more extensive presentation of the index construction methodology, see Zografakis Stavros and Theodore Mitrakos (2012), "The low-income risk of households of employees and unemployed during the current crisis", in *Social Policy*

and Social Cohesion in Greece in conditions of economic crisis, Bank of Greece, pp. 175, June (in Greek).

2. The above index is calculated for different groups of households according to the characteristics of the household (e.g. depending on the level of education, age, region of residence, degree of specialization, profession, sector of activity, years of service, nationality, type of employment, etc.).
3. The dampening effect that the strong tourism season of 2013 had on the index of despair is evidenced by the evolution of the index broken down by place of residence of households: the index fell markedly in Crete, the Ionian Islands and the South Aegean, all areas with high tourism activity.

Inequality, Poverty and Social Welfare in Greece: Distributional Effects of Austerity

Theodore M. Mitrakos*

RÉSUMÉ

Cet article présente les tendances récentes et les caractéristiques de l'inégalité, de la pauvreté et des conditions de vie en Grèce, en insistant sur les effets de redistribution des mesures d'austérité adoptées pendant la crise économique actuelle. En outre, dans l'analyse des différentes parties de l'étude sont examinées la structure de l'inégalité et la contribution des diverses sources de revenu à cette inégalité globale. Les principales caractéristiques du système grec de solidarité sociale et l'impact distributif faible des prestations sociales sont également analysés. À cette fin, sont utilisés le revenu des ménages à partir des données du Budget les concernant, les statistiques et enquêtes sur le revenu et les conditions de vie de l'UE. Les données disponibles indiquent que les inégalités de revenus et la pauvreté relative ont augmenté, mais pas de façon spectaculaire, au cours de la crise actuelle, bien que la composition de la population pauvre a considérablement changé. Cependant, la forte baisse du revenu disponible et l'augmentation dramatique du chômage ont conduit à une détérioration significative de la prospérité économique et à la pauvreté absolue, c'est-à-dire lorsque le seuil de pauvreté en termes réels demeure stable s'agissant de ses niveaux d'avant la crise.

ABSTRACT

This paper presents the recent trends and the characteristics of inequality, poverty and living conditions in Greece, emphasising the distributional effects of the austerity measures adopted during the current economic crisis. Moreover, the decomposition analysis of the study examines the structure of inequality and the contribution of various income sources in overall inequality, while the main characteristics of the Greek social solidarity system and the poor distributional impact of social benefits are also discussed. To this end, household income from the Greek Household Budget and the EU Statistics of Income and Living Conditions surveys are used. The available data indicate that income inequality and relative poverty has increased, yet not dramatically, during the current crisis, although the composition of the poor population changed

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considerably. However, the sharp decline in disposable income and the dramatic increase in unemployment has led to a significant deterioration in economic prosperity and absolute poverty, i.e. when the poverty line in real terms remains stable in the pro-crisis levels.

1. Introduction

The problems of poverty, inequality and social cohesion often constitute the focal point of public social and political debates during the current economic crisis. However, the arguments put forward are usually insufficiently documented, and sometimes run contrary to the results of empirical studies. This paper summarises the key findings of such studies in order to facilitate the political and social dialogue on these issues and to check the validity of claims usually made. It also presents the recent trends and the characteristics of inequality, poverty and living conditions in Greece, emphasising the distributional effects of the austerity measures adopted as a consequence of the current economic crisis and the consequent decline in economic activity.

The second section of the study presents the data sources usually used in the analysis of the trends and structure of inequality and poverty in Greece as well as in other European countries. The empirical results of the analysis regarding inequality, risk of poverty or social exclusion and living conditions trends are presented in the third section. In the same section a decomposition analysis is performed in order to examine the structure of inequality and the contribution of various income sources to overall inequality. The main characteristics of the Greek social solidarity system and the poor distributional impact of social benefits are discussed in the fourth section of the study. The last section concludes and some policy remarks are suggested.

2. The Main Data Sources

In Greece, the systematic empirical research of economic inequalities and poverty is relatively limited and rather recent. The major restrictive factor in the study of these issues has been the lack of solid statistical data, as well as conceptual and analytical problems encountered in such efforts.¹

The main source of data for the analysis of the trends and structure of inequality and poverty in the case of Greece are the Household Budget Surveys

(HBS). HBSs provide detailed information on consumption expenditure (very detailed items on both an actual and an imputed basis), income (analytical sources of income after social security contributions and transfer payments) and socio-economic characteristics of a representative sample of households and their members. Six cross sectional HBS are available, covering the period 1974-2004, while since 2008 a yearly rotating panel survey is conducted by the National Statistical Institute (ELSTAT). Many empirical studies have utilized the information on either income or consumption expenditures of the HBSs and in most cases the results are very similar regardless of the chosen variable.² It should be noted, however, that surveyed population in the HBS does not include groups which are poor by inference, like homeless or institutionalised persons, illegal economic immigrants, Romà, etc.

The second important source of data for compiling social indicators (inequality, poverty, living conditions etc) in Greece as well as in many European countries is the disposable income information of the European Community Household Panel (ECHP) and the more recent EU Statistics of Income and Living Conditions (EU-SILC). EU-SILC is the main source of comparable statistics on income distribution, risk of poverty and social exclusion in EU countries. The basic aim of the survey is to study, both at national and European level, the households' living conditions mainly in relation to their income. The use of commonly accepted questionnaires, primary target variables and concepts – definitions ensures data comparability.³

3. Empirical Results

In the current study the unit of analysis is the household member and the distributions used are those of equivalent per capita income. Equivalent income is calculated by dividing the total current income of each household by the number of its equivalent adult members. The quotient derived is attributed to each household member by means of the technique of sample re-weighting on the basis of the household size (number of members). The family equivalence scales used are those of Eurostat, which assign a weight of 1.0 to the household head, a weight of 0.5 to each of the remaining household members above the age of thirteen and a weight of 0.3 to each child aged up to thirteen. According to the methodology for measuring poverty, the poverty line is calculated with its relative concept (poor in relation to others) and it is

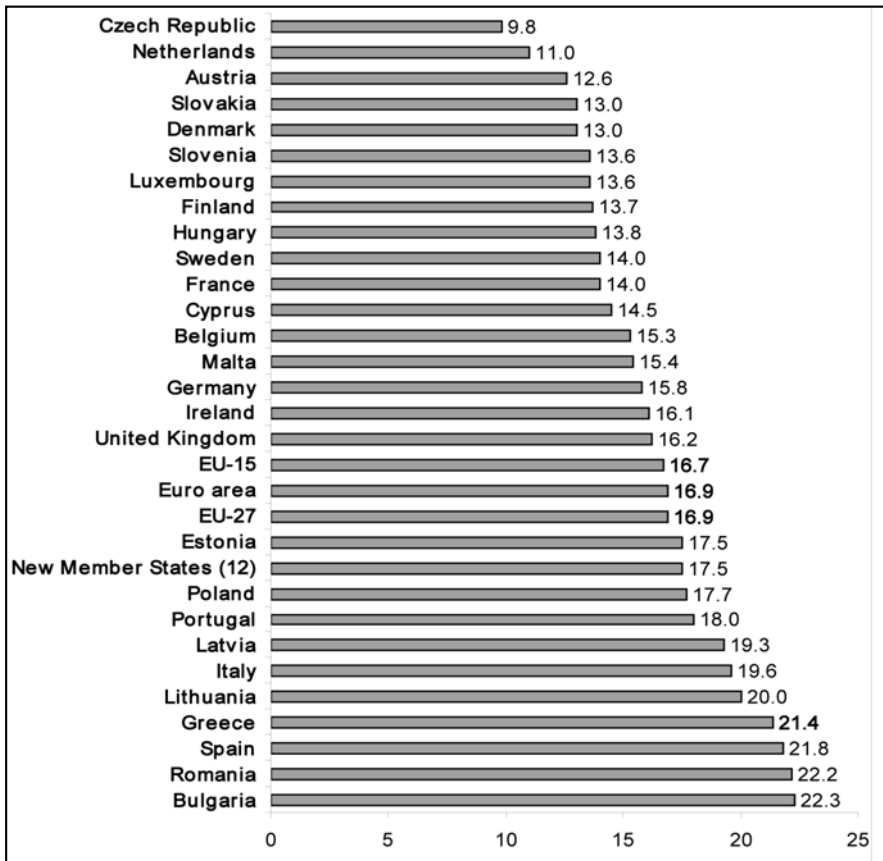
defined at 60% of the median total equivalised income of all households in the survey.

3.1 Risk of Poverty or Social Exclusion Indices

According to the concept of *relative* poverty, a person is considered poor when his income is not sufficient to ensure a standard of living compatible with the habits and standards of the given society he lives in. This approach implies that the poverty line changes with the average standard of living of the population, while, under the concept of *absolute* poverty, it remains stable over time in terms of real purchasing power.

Mitrakos and Tsakoglou (2012) analyse inequality and poverty in Greece for the period 1974-2008 using primary data from HBSs. They conclude that in the period since the return to democracy (1974), relative poverty initially decreased considerably (between 1974 and 1982) and thereafter remained relatively stable with narrow fluctuations throughout the years from 1982 to 2008. However, an examination of poverty over time adopting the absolute approach rather than the relative one leads to the conclusion that absolute poverty in Greece has decreased impressively since the return to democracy. Furthermore, all relevant indicators show an almost constant but not linear improvement in the population's level of economic prosperity. Several non-monetary indicators of prosperity, such as house comforts, possession of consumer durables, life expectancy, average education level, etc., support the aforementioned conclusions.

According to the latest data from the sample survey EU-SILC for the year 2011, as announced by ELSTAT and published by Eurostat, 21.4% of the Greek population or 901,194 households numbering 2,341,400 individuals in total live below the relative at-risk-of-poverty threshold (based on 2010 incomes).⁴ This relative poverty rate is significantly higher than that of the other EU countries except Spain, Romania and Bulgaria (EU-27, EU-SILC 2011: 16.9%, see Graph 1).

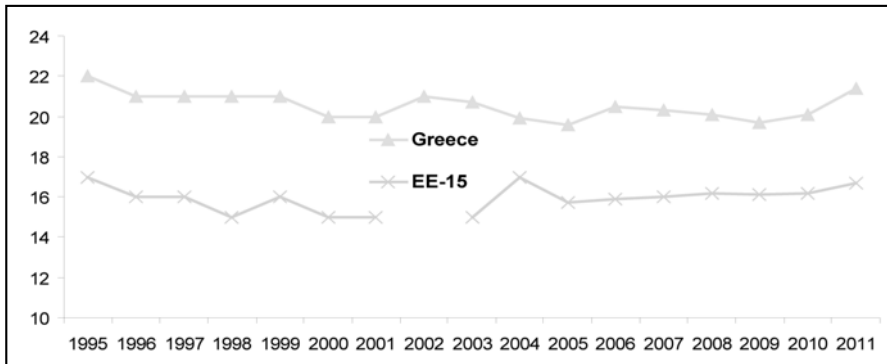
Graph 1: Poverty rates in EU countries: 2011

Source: Eurostat (EU-SILC).

In the 2011 EU-SILC survey, the relative poverty threshold for Greece was set at 6,591 (2010: 7,178) per year for a single-member household and at 13,842 (2010: 15,073) for a four-member household with two adults and two children. This threshold has been set at 60% of the median equivalised disposable income of all households (Eurostat definition). The average annual disposable income of total Greek households amounted to 21,590 for 2010 that means 12.2% lower compared to that of 2009 when it was 24,224 (see Table 1).

Relative poverty has been broadly stable or moderately decreasing over the 15 years prior to the beginning of the crisis, namely over 1995-2009 (ECHP, EU-SILC data). As presented in Graph 2 the poverty risk indicator, calculated using the same methodology, ranged between 19.5% and 23% during the 1995-2009 period, around 5 percentage points consistently higher than the EU average.⁵ This poverty risk indicator rose by 1.7 percentage points in the first two years of the crisis (2008 incomes: 19.7%, 2009: 20.1%, 2010: 21.4%) and remains significantly higher than in most EU countries (see Table 1, Graph 2).

Graph 2: Inter-temporal trends in poverty rate



Source: Eurostat (ECHP, EU-SILC).

In *absolute* terms, i.e. when the poverty threshold remains stable over time in real terms, the poverty rate during this period has been significantly reduced. For example, the at-risk-of-poverty rate for the year 2010 (20.1%), calculated using the poverty threshold for the year 2005 (60% of the median income for 2005 expressed in 2010 prices, on the basis of the harmonized index of consumer prices) would be only 16.0%, i.e. 4.1 percentage points lower. In other words, 16% of the population in 2010 would be considered as being at risk of poverty under the conditions prevailing in 2005. However, the corresponding poverty rate for the following year (2011) climbed to 22.9%, suggesting that in only a single year in the current crisis the poverty rate in absolute terms increased by 6.9 percentage point (or by 43.1%).

Similar conclusions are reached by the studies of Matsaganis and Leventi (2011, 2012) using tax-benefit microsimulation techniques in order to provide estimates of the impact of the austerity measures and the concomitant decline in economic activity on aggregate inequality and poverty. They conclude that the austerity measures undertaken by the Greek government were progressive but had small redistributive effect in relative terms and very important in the absolute poverty. While the authors argue that austerity measures contribute to the crisis, they highlight the significant role of more fundamental problems of the Greek economy such as the weak production structure, low competitiveness, etc.⁶

Other poverty indices reach similar conclusions. The relative at-risk-of-poverty gap is the difference between the poverty threshold of the total population and the median equivalised income of persons below the poverty threshold, expressed as a percentage of at-risk-of-poverty threshold. This indicator is estimated at 26.1% of at-risk-of-poverty threshold, which means that 50% of the poor have an income higher than 73.9% of this threshold (6,591 euro), that is to say more than 4,870 euro, yearly per person. The highest relative at-risk-of-poverty gap (27.4%) is recorded among children aged 0-17 years, while for persons aged 65 years and over the corresponding percentage is 21.1%.

A much higher percentage of the population at risk of poverty or social exclusion (ie severely materially deprived or living in a household with low work intensity) that is 31.0%, is estimated in the survey for 2011 which corresponds to 3,403,000 people (EU-27: 24.2%). The risk of poverty or social exclusion is higher for persons, aged 18-64 years old (31.6%), while it is estimated at 29.7% for nationals and at 58.3% for foreigners.⁷

Moreover, people living in households with very low work intensity (none is working or works less than 3 months in total per year) amounted to 837,300 persons while in the previous year (2010) they were 544,800 persons, ie an increase of 53.7% compared to the previous year. Individuals living in households with very low work intensity, aged 18-59 years old, are estimated at 13.2% for total population, 11.9% for men and 14.5% for women.

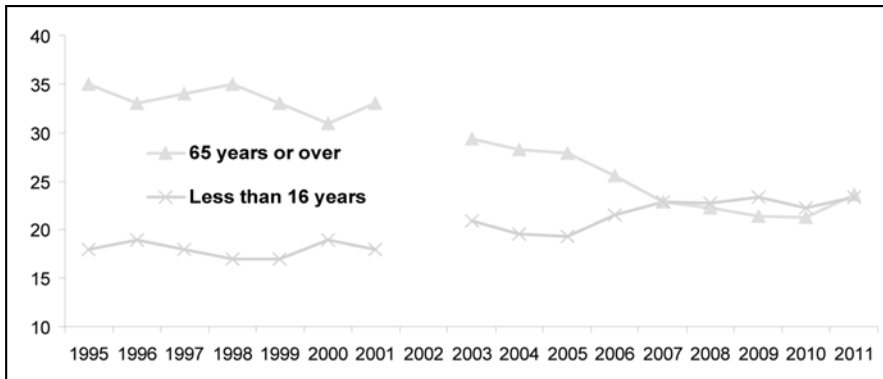
Finally, an examination of the indicators of living conditions in Greece shows that material deprivation (difficulties in meeting basic needs, poor housing conditions, housing costs, inability to repay loans or instalments for purchases, difficulty in paying bills, difficulties in meeting ordinary needs, quality of life) concerns not only the poor, but also a significant part of the non-poor

population. For example, the percentage of population living in a house with limited space stands at 25.9% in total, 23.2% for the non-poor population and 35.8% for the poor population. Similarly, 24.9% of non-poor population faces difficulties financing extraordinary but necessary expenditure of around 600, while the corresponding percentage for the poor population is estimated at 69.5%. Moreover, 18.7% of the total population declares an inability to keep their home adequately warm, while the corresponding percentage of the poor population is estimated at 38.9% and the percentage of the non-poor population is estimated at 13.7%.

3.2. Groups at High Risk of Poverty and Changes in the Composition of Poor Population

In Greece, groups at high risk of poverty according to the latest data from EU-SILC 2011 include principally the unemployed (44.0%), particularly unemployed men (48.4%, increased by 10 percentage points compared to previous year, when it was 38.5%), single-parent households with at least one dependent child (43.2% compared to 33,4%), households with one adult over 65 years of age (29.7% from 30.1%), economically inactive persons excluding pensioners (30.0% compared to 27.4%), households with 3 or more adults with dependent children (24.7% from 29.3%), households living in rented accommodation (25.9% from 27.2%) and children 0-17 years of age (23.7%).

Poverty in Greece in recent years seems to have shifted away from the elderly towards younger couples with children and young workers. In particular, the percentage of children up to 15 years living in households which are below the relative poverty threshold rose to 23.3% in 2011 (EU-27: 20.3%), from 19.3% in 2005 which is about two percentage points higher than the corresponding percentage for the whole population. By contrast, the poverty rate among the elderly (aged 65 years or over) fell down sharply, to 23.6% in 2011 (EU-27: 16.0%) from 27.9% in 2005 (Graph 3). Moreover, the low and declining poverty rate in the case of temporary employment (2011: 8.9%) as well as in the case of part-time employment (2011Q 21.4%), means that the recent flexible forms of employment do reduce poverty (see Table 1).

Graph 3: Inter-temporal trends in poverty rate for elder and children

Source: Eurostat (ECHP, EU-SILC).

After the return to democracy in 1974, a similar shift of poverty took place from rural to urban areas and from the less educated (e.g. people who have not completed primary school) to those with medium and higher education (e.g. secondary school graduates). The erstwhile particularly high share of farmers in total poverty decreases considerably in recent years due to a contraction of the agricultural sector, population ageing and the payment of contribution-based pensions to the newly retired farmers. The shift of poverty from the less educated to higher levels of education reflects mainly an improvement in the population's education level ("educational maturity") rather than a lower probability for people of a low education level to find themselves below the poverty line (see, Bank of Greece, Annual Report 2008, Box VI.I).

However, research for Greece has concluded that the probability of poverty is dramatically reduced as the educational level of the household head rises, while policies aimed at reducing educational inequalities are bound to limit economic inequalities and poverty in the long run. The probability of poverty for households whose head has not completed primary education is 3.4 times greater than for the entire population.

The magnitude of child poverty is a matter of concern. In the last few years most countries increasingly recognise the existence of the problem of child poverty. This fact relates to the considerable size of the problem, which is steadily growing. As relevant UNICEF reports point out that around 50

million children in the developed world (the OECD countries) live below the poverty line. According to the recent report published by Eurostat based on data from the EU-SILC survey, in the EU27 children are at greater risk of poverty or social exclusion than the rest of the population (Eurostat, 2013a).⁸ In 2011, 27% of children aged less than 18 were at risk of poverty or social exclusion in the EU27, compared with 24% of adults (aged 18-64) and 21% of the elderly (aged 65 and over). Almost one child in two with parents of low educational level and almost one child in three with a migrant background is at risk of poverty in the EU27.

In Greece, based on EU-SILC data, a rise in child poverty rates is recorded after 2002. In fact, unlike what happened in most other EU countries, the rate of children aged 15 or less living below the relative poverty line in Greece rose by 3 percentage points in 2006 and by one further percentage point in 2007, reaching 23% from 19% in 2005. Based on 2011 data, around 450,000 children in Greece live in poor households.

Reducing the child poverty risk should henceforth be placed at the heart of social policy concerns. The adoption of measures aimed at improving the educational level of mainly the population's poorer sections is practically bound to help limit child poverty. Furthermore, based on research findings, it is estimated that a reduction of uninsured employment and a fast inclusion of economic immigrants into the country's social and economic life will most probably reduce the size of child poverty. Similar results can be created by policy measures supporting the access of young couples with children to employment and high-quality jobs. Consequently, combating child poverty requires multifaceted actions that not only increase monetary social benefits, but also provides services (in the fields of education, health, social security, culture, etc.) and facilitate the access (of poor families with children) to social services and primarily to the labour market.

Finally, the disparity and divergence in child poverty rates among EU countries can be seen as signalling an objective economic problem for the sustainability of the union. A high level of child poverty is synonymous with an investment deficit that is simultaneously cause and effect in a vicious circle of underperforming labour markets and education systems. If members of the EU get trapped into such a vicious circle, we could be confronted with an objective problem for the long-term sustainability of the monetary union.

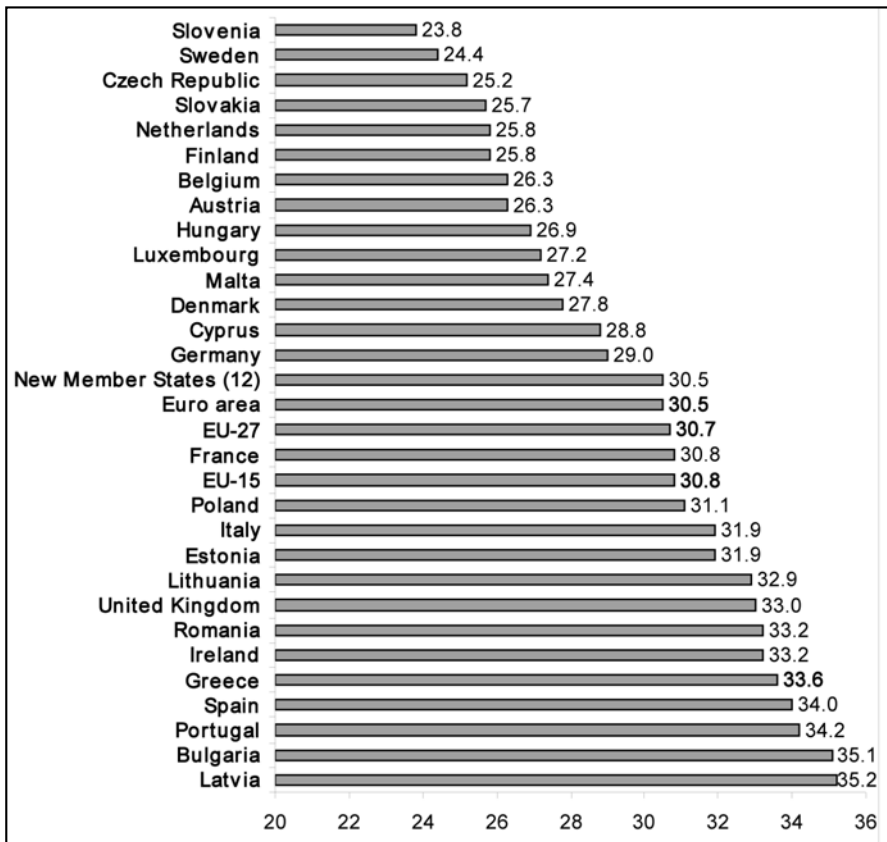
3.3. Income Inequality Indices

Greece entered the global economic crisis already facing high levels of income inequality. With the increase in unemployment and lower returns to capital, the crisis not only weighed heavily on incomes from work and capital but also made the income distribution in these countries more unequal. In the first three years of the crisis, the inequality in income from work and capital according to OECD (2013) estimates increased as much as in the previous twelve.

For cross country comparisons as well as the analysis of the inter-temporal changes in inequality, the Gini coefficient is the most common indicator used. This inequality index is relatively more sensitive to changes around the median of the distribution instead of other indices which are relatively more sensitive to changes near the top or the bottom of the distribution (e.g. the Atkinson index).

Greece has a poor ranking among EU countries also in terms of income inequality. According to Gini coefficient values presented in Graph 4, Greece together with Latvia, Bulgaria, Portugal and Spain ranks among the five EU countries with the higher rates of inequality. In particular, the EU-SILC 2011 survey indicates Gini coefficient 33.6 (incomes of 2010) for Greece instead of 30.7 for the average of EU-27 countries.

Graph 4: Income inequality in EU countries: GINI 2011



Source: Eurostat (EU-SILC).

Moreover, the wealthiest 20% of the country's population has a 6.0 (2009: 5.6) times higher income share than the income of the poorest 20% of the population (S80/S20 indicator), while the value of this ratio is 5.1 (2009: 5.0) for EU-27 as a whole (see Table 1).

It should also be noted that the pay for male employees in Greece is 12.7% higher than the corresponding pay for women (7% in the public sector and 19.6% in the private sector).⁹

3.4. Inequality Decomposition by Population Group and Income Sources

Regarding the structure of inequality, contrary to what is often claimed during public debates, economic inequalities are much more (almost by 75%) attributable to differences within the various socioeconomic population groups (broken down based on demographic, geographical, occupational, educational and other criteria) than to differences between these groups.¹⁰ From a substantive point of view, the estimates of Graph 5 using equivalized income from Household Budget Survey of 2011, confirm earlier results that inequality in Greece emanates primarily from disparities “within” rather than “between” population groups.¹¹ These results, which remained unchanged when different population subgroups, inequality measures, equivalence scales and reference units were used, also remained consistent over time (Tsakoglou, 1993, Mitrakos and Tsakoglou, 2000, 2006, 2012, Mitrakos, 2004, 2013). More specifically, when dividing the population by region of residence, size of locality, demographic characteristics and occupational status of the household head, within-group differences were found to be accountable for over 85% of aggregate inequality. Thus, no matter how much funding is allocated to completely eliminating the between-group differences, aggregate inequality will not be contained by more than 15% as long as within-group differences remain unchanged.

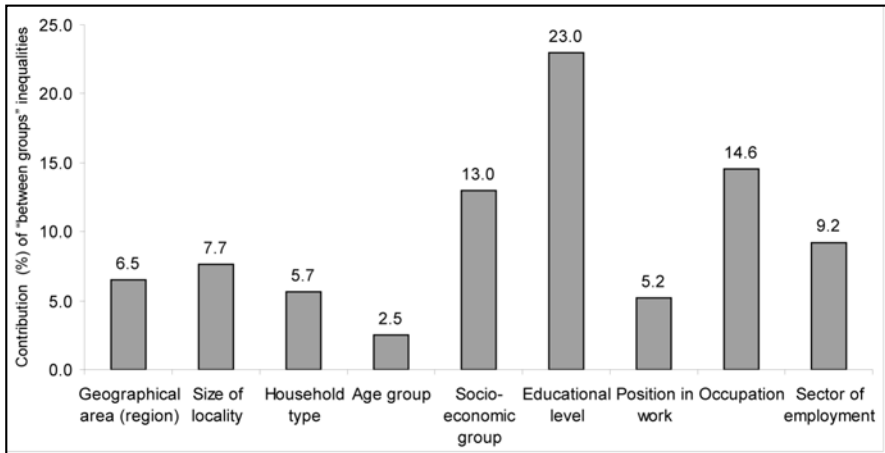
Since inequality stems primarily from differences within the various socioeconomic groups, policies aimed at alleviating inequality should be “general” rather than “specific”. General policies (for instance, tax policies, general welfare policies, etc.) apply to the entire population and do not take specific group characteristics into account. Although specific policies (such as regional or agricultural policies) may be warranted for other reasons, this analysis indicates that they are not very effective in reducing economic inequality.

However, when the population is broken down into 5 groups depending on the household heads’ education level, nearly one fourth of aggregate inequality is attributed to disparities between these education-level groups. That means that education remains over time the major factor for reducing inequality and poverty. Educational inequalities seem to be much more closely linked to economic inequalities than other demographic and socioeconomic factors (occupation, age, household size and composition, area of residence,

gender, etc.). In other words, educational inequalities alone account for almost one fourth of total inequality.¹²

Consequently, policies aimed at reducing the educational inequalities are bound to help limit economic inequalities and poverty in the long run. Such policies may aim at increase the number of years of mandatory education and decrease the school dropout rate; encouraging the participation of the population’s poorer sections in the non-mandatory levels of education; keeping the schools and universities “open” and reducing the thousands of lost teaching hours; limiting the phenomenon of “substitute education” (reliance on costly private preparatory schools and lessons for entry in the country’s tertiary education institutes) and supporting the state-run schools, which are attended by the population’s poorer sections; etc.

Graph 5: Inequality decomposition by population group: Contribution (%) of “between groups” inequalities



Source: Processing of micro data from HBS 2011, ELSTAT.

In the rest of this section, total income inequality is decomposed into individual income sources. The variable used for the measurement and decomposition of inequality is household’s current income as derived from the micro-data of the HBS conducted by ELSTAT in 2011. The question examined by this decomposition is how much each individual source of

income contributes to overall inequality or in other words, what is the weight of individual sources in the overall level of inequality. In this, as in most empirical studies, overall inequality decomposition by income source is mainly based on the decomposition of the Gini coefficient following the Pyatt, Chen and Fei (1980) methodology. The coefficient of variation is also used in the analysis and hence the results are tested in terms of the sensitivity of measurement and decomposition inequality indices in the various parts of the distribution.¹³

As illustrated by Pyatt, Chen and Fei, the overall inequality depends on the degree of inequality of each income source, the extent of correlation between the income of each source and overall income and the importance of the income of each source in the total income (weight). Thus, the elasticity of the Gini coefficient, e_i to each income source can be easily calculated as follows:

$$e_i = w_i g_i - w_i,$$

where w_i is the income share of the i income source, g_i is the relative concentration coefficient of this income source and $w_i g_i$ is the factor inequality weight of the i source in overall inequality. This equation yields the per cent change in the Gini coefficient of total income distribution, which stems from a per cent change of the mean income in the i income source. The sum of all the aforementioned elasticities is always equal to zero, since an equal per cent increase in the incomes of all sources does not change overall income inequality or the Gini coefficient (mean independence property). Similarly, following Shorrocks (1982) one can achieve inequality decomposition by income source also on the basis of the coefficient of variation.¹⁴

On the basis of the Gini index and the coefficient of variation, Table 2 presents the estimates of the elasticities of overall inequality to changes in each income source. The first column describes the individual sources of income, while the second column presents income shares (per cent) of these sources. Total income is broken down into salaries and wages from the main and secondary job (including Christmas and Easter bonuses and vacation benefit), self-employment income and income from businesses (excluding agricultural income), agricultural income, capital income (including rents, income from interest and dividends), income from main and supplementary pensions, and all transfers or benefits (family allowances, unemployment benefit, sick-pay,

maternity benefit, housing benefit, marriage allowance, scholarships and financial assistance from relatives and friends, etc). According to the data, salaries and wages constitute the main source of total income (contribution rate: 33.6 per cent), followed by pensions (20.2 per cent), capital income (19.2 per cent) and self-employment income (17.5 per cent).

The results of the estimates of elasticities in the third column of Table 2 show that a 10 per cent decline in self-employment, capital or salaries-wages income decreases the Gini coefficient by 0.78, 0.35 or 0.40 per cent, respectively. By contrast, pensions, agricultural incomes and transfers seem to have a significant effect on the increase in overall inequality. A proportional decrease of 10 per cent, for instance, in all agricultural incomes, pensions or transfers would lead to an increase in the Gini coefficient of 0.48, 0.52 or 0.65 per cent, respectively. This result is very important, given that agricultural income and transfers constitute only 5.2 per cent and 4.2 per cent respectively, of total income.

The importance of the index chosen for the decomposition of overall inequality is evidenced by the results of the last column in Table 2, where the elasticities of the coefficient of variation are presented. The previous results are valid irrespective of the inequality index and the inequality weighting system (sensitivity of index) in the various parts of income distribution. However, the direction of the contribution of salaries and wages to overall inequality is very sensitive. It depends on the inequality index used in the analysis. Indeed, the elasticity of wages and salaries to overall inequality changes from 0.040 in the case of the Gini coefficient to -0.035 using coefficient of variation. It is obvious that the results of the analysis do not clearly demonstrate whether the cuts in wages and salaries since 2011 have led to an increase or decrease in overall inequality.

The previously mentioned findings are particularly enlightening. The results of the analysis show that economic policies aimed at uniformly strengthening agricultural incomes, pensions and transfers to households and/or proportionately limiting self-employed and capital income would reduce income inequality. This is accounted for by the relatively larger contribution of the former incomes to the total income of the poorer households as well as the relatively higher contribution of the latter incomes to the total income of the richer households. Owing to the relatively larger contribution of wages and salaries to middle income brackets, the size and

direction of their contribution to overall inequality is not identifiable. Furthermore, the recent abolition of Easter, Christmas and holiday bonuses as well as other benefits in the public sector is estimated to have fallen mainly on middle income brackets, with doubtful redistributive effects as a whole.¹⁵

4. The Greek Social Solidarity System and the Poor Distributional Impact of Social Benefits

During the current economic crisis, a significant part of fiscal consolidation efforts in EU countries fell on social protection expenditure. While social spending played a prominent role in compensating households' income losses in the early phase of the crisis (until 2009), and helped stabilise the economy, this impact has been weakening since mid-2010 and was negligible in 2012. After an initial increase in the first year of the crisis, social expenditure levelled off in 2010 and declined in 2011 and 2012, even in countries where unemployment kept rising. This reduction in social spending was much stronger than in past recessions, partly reflecting the exceptional need for fiscal consolidation in the context of the euro crisis (European Commission, 2013).

Social transfers vary substantially across EU countries (Eurostat, 2013b). As is clear from earlier studies, these transfers help to reduce both inequality and poverty in all countries, but with significant cross-country differences. The distributional impact of these transfers is greater in countries that spend a higher proportion of income on them, but there are also other important determinants, including the distribution of funds between different types of transfers as well as the degree of targeting for each transfer. The most important type of social transfer is pensions and they have the highest individual contribution to reducing inequality and poverty. However, non-pension social transfers are concentrated towards the bottom of the distribution to a larger extent than pensions and, in all non-Southern countries, the combined contribution of the non-pension social transfers in reducing inequality is larger than the corresponding contribution of pensions (Heady, Mitrakos and Tsakloglou, 2001, Matsaganis, 2011, Dafermos and Papatheodorou, 2012).¹⁶

The redistributive effect of the social benefits of the fragmented Greek welfare state is limited compared to the other EU countries. In addition, given

available resources, there are also other important factors affecting the effectiveness of social expenditure, such as the composition of social benefits and the degree to which they are targeted towards those who should really be entitled to them, i.e. the economically weaker social groups which are in greater need. The bulk of social expenditure in the Mediterranean countries is mainly pensions; non-pension social transfers, such as social benefits (unemployment, disability, welfare, sickness, housing, family, etc.), form a smaller proportion of social expenditure.¹⁷ Yet these transfers are more “progressive”, in the sense that they are more supportive of those in the lower income brackets. Furthermore, the limited resources made available for social expenditure do not reach those that should benefit from them. Indicatively, the poorest 10% of the population receives 6.6% of social transfers (excluding pensions), whereas 12.5% goes to medium income brackets and 7.4% to the richest 10% of the population. This obviously does not ensure a minimum living standard for the poor and the underprivileged households, while the fragmented and bureaucratic social expenditure system is prone to create *de facto* discrimination among the various categories of beneficiaries. Consequently, strengthening and improving the targeting of social expenditure towards families in relatively greater economic need is a matter of social justice that should contribute to a reduction of economic inequalities and poverty. Social dialogue on the issue of redefining the population groups that genuinely deserve social support should be launched, as it would contribute considerably to the improvement of the effectiveness of social expenditure in Greece.

However, it should be mentioned that, although the distributional impact of social benefits in Greece remains limited, it has improved in recent years. The reduction of poverty on account of total social expenditure came to just 23.5 percentage points (20.1 on account of pensions and only 3.4 on account of social transfers) in Greece, compared with an EU average of 27.3 percentage points (17.9 attributable to pensions and 9.4 to social transfers, see Table 1). In recent years, however, the ratio has risen 19.6 percentage points in 2005 to 23.5 in 2011. This improvement is considered to be associated with the significant increase in social expenditure as a percentage of GDP (2005: 24.9%, 2010: 29.1%). Moreover it can be attributed mainly to the poverty-mitigating effect of pensions (from 16.6 percentage points in 2005 to 19.6 in 2011), given

the significant increases in minimum pensions and the Social Solidarity Pension Supplement (see Table 1).¹⁸

5. Conclusions and Some Policy Remarks

Fiscal tightening has affected employment in EU countries through both public sector employment and aggregate demand channels. Changes to the tax and benefits systems and cuts in public sector wages have led to significant reductions in the level of real household disposable income, putting a heavy strain on the living standards of low income households in particular. Figures for 2011 indicate that, among different population subgroups, it is the unemployed, the inactive, single parent families and non-EU migrants who face the greatest risks of poverty or exclusion. Among age groups, children and young adults are more at risk than others, while with regard to skill levels it is the low-skilled who face a much higher risk. Moreover, the crisis has not impacted uniformly across the whole population and has often worsened the situation for these groups already at high risk before the crisis. The recent analysis of European Commission shows that the design of measures is crucial to avoid low income households from being affected disproportionately. Different fiscal consolidation packages impacted differently on high and low income households, with regressive effects in a few countries (European Commission, 2012a, 2012b, 2013).

Various international comparisons, as well as the present study, show that the level of inequality and (relative) poverty in Greece were and remain substantially higher than in most developed countries (OECD, 2008, 2013). In the course of the fiscal crisis and the deep recession, some negative developments, primarily the dramatic rise in unemployment (from 7.2% in the second and third quarter of 2008 to 27.0% in February of 2013), are estimated to have contributed to an exacerbation of relative poverty and economic inequality in Greece. It should be pointed out that the significant increase in the number of the unemployed (from 355,000 in the third quarter of 2008 to more than 1,320,000 in February 2013) comes on top of other, even more alarming developments. For example, unemployment has already reached the core of the social fabric, as the share of unemployed persons that report themselves as “heads of household” has increased by more than five percentage points in the last three years.

Only 29.4% of the registered unemployed in the records of the Public Employment Agency in December 2012 received some kind of unemployment benefit. As a result, it is estimated that an extension of the grant period and, more importantly, a widening of the group of beneficiaries to other unemployed people, such as professionals and traders, who, because of the crisis have stopped their self-employed professional activity, are policies that could help to maintain social cohesion.

The available data on the first two years of the crisis (2009 and 2010) indicate that income inequality and *relative* poverty increased, yet not dramatically, during the crisis, although the composition of the poor population changed considerably. However, the sharp decline in disposable income led to a significant deterioration in economic prosperity and *absolute* poverty, i.e. when the poverty line remains stable in real terms. Most of the austerity measures undertaken by the Greek government were progressive and had a small redistributive effect in relative terms but were very important in influencing absolute poverty. Hence, there is a clear need to strengthen specific features of the safety net, to assist those most affected by the crisis. Job training programs and income support programs for the unemployed both need to be geared up, leveraging European Community funds where available. The need for a policy launching an investment programme for growth and employment is now more than obvious.

Initial estimates from this study, as well as Matsaganis and Leventi's simulations of income distribution after 2010, reveal that the trends identified in this paper have continued (since 2011), worsening an already bad social situation. However, given that detailed data on incomes after 2010 are not yet available (the last available data come from household surveys in 2011 monitoring the income of the previous year), it is difficult to draw sure conclusions about how inequality and poverty have developed in more recent years. Certain developments most probably were not in the direction of reducing poverty and economic inequalities. For example, the significant increase in unemployment, particularly youth unemployment will likely have increased poverty and inequality. Additionally, the rise in VAT and Excise Duties (Special Consumption Tax) on alcohol, tobacco and heating oil, will have caused the purchasing power of poorer households that consume a larger share of their income on such products to erode further. On the other side, other

developments, characteristic of periods of sharp economic recession, may have had a dampening effect on poverty and inequality. Such developments include, for example, the significant decrease in profits, a source of income for mostly wealthier persons, and the one-off extraordinary levy usually imposed on higher incomes, profitable firms and large real estate property. Such measures were certainly progressive in nature, in the sense that they targeted higher income brackets relatively more than lower ones. Moreover, implementing a more progressive tax scale, abolishing separate taxation on certain incomes and other special tax regulations and tax exemptions, broadening the tax base and curtailing tax evasion are expected to yield results which can be characterised as more progressive in nature. Other policies to mitigate or combat the current adverse situation must be targeted to specific vulnerable groups, enhance their human capital and facilitate their access to the labour market.¹⁹

Regarding the structure of inequality, results from decomposition analysis confirm the previous results suggesting that, unlike what is often mentioned in the public discourse, inequality emanates primarily from differences “within” rather than “between” socioeconomic groups. Less than a fourth of total inequality is attributed to disparities “between” groups. As a policy implication, policies aimed at alleviating inequality should be “general” (tax policies, general welfare policies, etc.) rather than “specific” taking specific group characteristics into account. Although specific policies (such as regional or agricultural policies) may be proposed for other reasons, this analysis indicates that they are not very effective at reducing economic inequality. However, education remains over time the major driving force for reducing inequality and poverty, due to the fact that educational inequalities seem to be much more closely linked to economic inequalities than other demographic and socioeconomic factors (occupation, age, household size and composition, area of residence, gender, etc.).²⁰

Finally, the system of social solidarity in Greece is flawed and characterised by considerable leaks.²¹ For instance, among households with dependent children and no employed members, the poverty rate rises to 54%. The existing social solidarity system unfortunately does not provide anything for the unemployed once the relatively short period of unemployment benefit collection lapses, similarly to many other vulnerable groups. No matter how much the existing system’s targeting improves, these people will remain well below the poverty

line. A solution could be to establish a universal and at the same time selective measure (on the basis of income), aimed at eliminating extreme poverty and ensuring for all a minimum income and living standard, not necessarily on a compensatory basis.²² The implementation and management of such a universal measure in the case of Greece would address, in addition to the issue of cost, some serious practical problems, mainly as regards the identification of the persons really entitled to the relevant benefits. However, a pilot-phase implementation of such a selective programme for ensuring a minimum living standard for all would allow for a systematic examination of its crucial management problems, just as was the case in other South-European countries that, one after the other, proceeded to the establishment of such a programme. Successful pilot-phase implementation of such a programme requires cooperation between different sections of the state mechanism, but also the involvement of local governments and “civil society”. In any case, the social policy measures identified should not destroy the very important contribution of informal social network solidarity (Lyberaki and Tinios, 2012).

In any case, the experience of European countries shows that the adoption of policies that are indeed universal but also targeted towards groups facing a high risk of poverty and/or social exclusion can reduce economic inequalities and poverty. The introduction of a similar measure for the sensitive population of the pensioners had outstanding results in Greece. After the introduction of a pension for the uninsured elderly there are no leaks in the network of their social protection, as everyone now receives some kind of pension. This measure, combined with the remarkable rises in minimum pensions and in the EKAS, has most probably contributed considerably to the notable reduction of the poverty rate recorded in the group of the elderly in Greece in the decade before the current crisis.

Finally, although at the EU level an important attempt to fight macroeconomic and fiscal imbalances has taken place in recent years, excessive social imbalances remain and social problems affect Member States very differently creating a pattern of divergence. These social imbalances - with youth unemployment and child poverty two important examples - should be a matter of common concern for the EU as a whole. If not, the credibility of the European project is at stake and the Union will lose its trust-based legitimacy that will be needed to perform better in the future.

Table 1: Selected indicators of social cohesion

Indicator	Greece						EE-15 ⁽¹⁾	EE-27 ⁽¹⁾
	2005	2006	2007	2008	2009	2010		
I. Risk of poverty								
1. At-risk-of-poverty rate								
1.1 Total population	19.6	20.5	20.3	20.1	19.7	20.1	21.4	16.9
a. People aged 65+	27.9	25.6	22.9	22.3	21.4	21.3	23.6	16.0
b. Children aged 0-15	19.3	21.5	22.8	22.7	23.4	22.3	23.3	20.3
c. Single-parent households	43.5	29.6	34.2	27.1	32.1	33.4	43.2	34.5
d. Two adults with 3 or more children	32.7	38.0	29.7	27.2	28.6	26.7	20.8	25.9
1.2 In-work poverty	12.9	13.9	14.3	14.3	13.8	13.8	11.9	8.9
a. Part-time employment	24.1	26.1	27.2	26.0	26.9	29.4	21.4	13.5
b. Temporary employment	17.4	18.2	19.0	15.9	15.1	13.4	8.9	13.2
1.3 Unemployed	32.6	33.3	35.9	37.0	37.9	38.6	44.0	45.1
2. At-risk-of-poverty gap ⁽²⁾								
Total population	23.9	25.8	26.0	24.7	24.1	23.4	26.1	23.3
a. People aged 65+	23.7	24.4	24.2	20.8	14.7	14.6	21.1	16.6
b. Children aged 0-15	22.5	25.7	30.0	26.5	26.4	27.3	27.8	24.4
3. At-risk-of-poverty line (in euro)								
a. Single-member households	5,650	5,910	6,120	6,480	6,897	7,178	6,591	...
b. Two adults with two children	11,866	12,411	12,852	13,608	14,484	15,073	13,842	...
II. Inequality indicators								
1. Gini coefficient	33.2	34.3	34.3	33.4	33.1	32.9	33.6	30.7
2. S80/S20 ratio ⁽³⁾	5.8	6.1	6.0	5.9	5.8	5.6	6.0	5.1
III. Social welfare								
1. Social expenditure, % of GDP								
Total	24.9	24.7	24.8	26.3	28.0	29.1	...	30.3
a. Pensions	12.2	12.1	12.3	12.7	13.4	13.9	...	13.3
b. Social transfers	12.7	12.6	12.5	13.6	14.6	15.2	...	17.0
2. Reduction in the at-risk-of-poverty rate:								
Social expenditure (total)	19.6	20.0	21.6	21.4	22.3	22.7	23.5	25.8
a. Pensions	16.6	17.1	18.2	18.2	19.3	19.0	20.1	17.1
b. Social transfers	3.0	2.9	3.4	3.2	3.0	3.7	3.4	9.2

Source: Eurostat (EU-SILC).

1 Data for the EU-15 and EE-27 are estimates and refer to the latest available year (2011 survey year, data referring to the earnings of 2010).
 2 The relative at-risk-of-poverty gap is the difference between the at-risk-of-poverty threshold of the total population and the median equivalised income of persons below the poverty threshold, expressed as a percentage of this threshold.
 3 Share ratio, defined as the ratio of total income received by 20% of the households with the highest income (highest quantile) to that received by 20% of the households with the lowest income (lowest quantile).

Table 2: Inequality decomposition by income source

Income source	Income shares	Elasticity of Gini coefficient	Elasticity of coefficient of variation
Wages and salaries	33.6	0.040	-0.035
Self-employment	17.5	0.078	0.090
Agriculture	5.2	-0.048	-0.062
Capital	19.3	0.035	0.038
Pensions	20.2	-0.052	-0.060
Transfers	4.2	-0.065	-0.064
TOTAL	100.0	0.000	0.000

Source: Processing of micro data from HBS 2011, ELSTAT.

NOTES

1. Many aspects of inequality, poverty and the redistributive role of the state have been investigated by studies in the case of Greece. Among them see, Matsaganis and Leventi (2011, 2012), Tsakloglou (1990, 1993), Tsakloglou and Panopoulou (1998), Mitrakos and Tsakloglou (2000, 2006, 2012), Mitrakos (2004, 2008), Lyberaki, Tinios and Georgiadis (2010).
2. However Mitrakos (2008) using data from the Household Budget Survey 2004/05 found that the child poverty was considerably lower on the basis of the distribution of expenditure than on the basis of income. A possible explanation, according to economic theory, is the presence of a smoothing mechanism for short-term fluctuations in income incorporated into the distribution of expenditure. In other words, while a household's income changes rather frequently, its consumption expenditure tends to remain stable over a longer period of time or at least changes at a slower pace. Thus, during an economic downturn, households are often able to avoid poverty by maintaining their consumption expenditure at the previously higher levels, in relation to their declining income.
3. EU-SILC is part of a European Statistical Programme to which all Member States participate and which replaced in 2003 the European Household Panel Survey with a view to improving the quality of statistical data concerning poverty and social exclusion. For further information please visit ELSTAT's webpage - Survey on Income and Living Conditions. See also Eurostat (2010) Statistical Books.
4. See ELSTAT Press Release of 2 November 2012.
5. Tsakloglou and Mitrakos (2012) examining the entire period after the restoration of democracy in Greece and using HBS' data show that, unlike what is usually heard in the public discourse, overall, relative poverty declined non-monotonically in the period 1974-2008 and the changes are larger when indices other than the poverty rate are utilized. Taking into account that the average living standard improved

markedly during the period under examination it is not surprising that where the poverty line is held constant, all indices record a spectacular decline in poverty. These results are also confirmed using ECHP and EU-SILC data.

6. Matsaganis and Leventi (2011, 2012) use the Greek section of the European microsimulation model EUROMOD in order to estimate the impact of the austerity measures on social indicators. This model depicts the payments made by the households to the state in the form of direct and indirect taxes (accounting for tax evasion) and social insurance contributions, as well as the monetary public transfers to the households (pensions, other social insurance and social assistance benefits). As a result of these changes, the Gini index declines by 0.3% between 2009 and 2010, the relative poverty rises from 20.1% to 20.9% but when the poverty line is fixed at its 2009 level in real terms, there is a substantial increase in poverty from 20.1% to 25.1%, while considerable changes are observed regarding the structure of poverty.
7. According to Eurostat definition, persons at risk of poverty or social exclusion are those falling into at least one of the following three conditions:
 - Persons at-risk-of-poverty live in a household with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). The equivalised income is calculated by dividing the total household income by its size determined using the following weights: 1.0 for the first adult, 0.5 for each other household member aged 14 or over and 0.3 for each household member aged under 14.
 - Severely materially deprived persons have living conditions constrained by a lack of resources and experience at least 4 out of the 9 following deprivation items: cannot afford 1) to pay rent/mortgage or utility bills on time, 2) to keep home adequately warm, 3) to face unexpected expenses, 4) to eat meat, fish or a protein equivalent every second day, 5) a one week holiday away from home, 6) a car, 7) a washing machine, 8) a colour TV, or 9) a telephone (including mobile phone).
 - People living in households with very low work intensity are those aged 0-59 who live in households where the adults aged 18-59 on average worked less than 20% of their total work potential during the past year. Students are excluded.
8. In a majority of Member States, children are more affected by at least one of the three forms of poverty or social exclusion examined than the other age groups. See, Eurostat, *Statistics in Focus*, 4/2013.
9. The gender pay gap is the difference between the average gross hourly male and female earnings from salaried work, expressed as a percentage of the gross hourly male earnings. This indicator takes account of employees aged 16-64, who work more than 15 hours/week (EU-SILC data).
10. In order to examine the structure of inequality we use the mean logarithmic deviation, which allows the quantification of the contributions of disparities “within” and “between” population groups to aggregate inequality. According to Anand

(1983) method of inequality decomposition by population group, the “within groups” component is the level of inequality that would have been recorded if the mean of each group’s income became equal to the aggregate mean, while the “between groups” component of inequality is the level of inequality that would have been recorded if the income of the members of each group became equal to the group mean but differences between group means remained intact. For the purposes of this analysis, the population of 2011 HBS is grouped into mutually exclusive and exhaustive groups using four alternative criteria: region, locality, household type, age group, socio-economic group, educational level and employment characteristics (position in work, occupation, sector of employment) of the household head.

11. The definition of income is wide and includes, apart from monetary income, the value of imputed incomes and expenditure (allowances in kind, imputed rents, consumption of own production, etc.).
12. Kantzara (2011) examines the ways education is related to social cohesion, mainly in sociology of education approaches. The notion of cohesion is used widely, while education is viewed as an important institution that contributes to cohesion by socialising the new members of society, providing them with knowledge and skills in order to facilitate their social participation. Sustaining however current societal organisation implies that social inequality is also reproduced.
13. Each inequality index corresponds to a different Social Welfare Function and, consequently, is more or less sensitive to transfers of different type. A group of inequality indices, among them Gini and the coefficient of variation, allows the decomposition of overall inequality and the estimation of the contribution of specific income sources to overall inequality. This property of certain inequality indices is utilised in this part of the study.
14. The coefficient of variation is the second most used indicator after the Gini coefficient for inequality decomposition by income source. The literature on the decomposition analysis of inequality by factor components is extensive. Among them see Adams (1994), Adams and He (1995), Paul (2004) and for an application to Greece, see Mitrakos (1998, 2013) and Aggelopoulou, Zografakis and Sypsas (2010).
15. These findings are robust, but have a serious drawback. They examine the impact of these policies on overall inequality unilaterally, regardless of the impact of such a policy on other very important economic variables such as inflation, unemployment and economic growth itself. In other words, the above results are valid, *ceteris paribus*. Such an assumption is understandably restrictive. The results of the analysis, however, remain interesting, as they can help assess the impact of many different recent austerity measures on overall inequality, even if the other consequences of these policies are overlooked. Furthermore, it should be stressed that the aforementioned analysis aimed exclusively at investigating the impact of proportional (uniform) changes in incomes

of the various sources on overall inequality. This, of course, is not the common practice in the various recent income cuts in the sense that they support the lower income brackets relatively more.

16. Dafermos and Papatheodorou (2012) utilize European macroeconomic data for the period 1994–2008 to estimate the determinants of aggregate relative poverty rate. They conclude that the main inhibitory forces of relative poverty are the per capita GDP and social transfers as percentage of GDP. They also argue that social democrat or corporatist social security systems are in this respect more efficient with the result that in such countries an increase in per capita GDP reduces poverty more compared to Mediterranean or liberal countries. Exploiting these findings the authors anticipate that in Greece relative poverty and standards of living will not improve in the years to follow.
17. Social benefits in Greece include the social assistance (the allowance of social solidarity for pensioners –EKAS, a lump sum payment to poor households in mountainous and disadvantageous areas, allowances for children under 16 years old who live in poor households, allowances to repatriates, refugees, persons released from prison, drug-addicts, alcoholics, allowances to long-standing unemployed aged 45-65, benefits to households that faced an earthquake, flood etc.) and allowances such as family, unemployment, sickness, disability/invalidity benefits /allowances as well as the education allowances. Pensions include old-age pensions and survivor's pensions and benefits.
18. Social transfers (including pensions) represent 30.9% of total disposable income of the Greek households. Pensions account for a significant share of total disposable income, reaching 27.1%, while social benefits represent 3.8% of the disposable income (see, Press release, Hellenic Statistical Authority, November 2, 2012).
19. See Bank of Greece, *Monetary Policy Report 2010-2011* (Chapter III, Section 2.B).
20. According to the international Classification of the Functions of Government and the recent data from Eurostat, the EU-27 general government expenditure on education amounted to 5.3% of GDP in 2011. The lowest ratios of government expenditure on education to GDP were observed in Bulgaria (3.6 % of GDP), Slovakia (4.0 % of GDP), Greece and Romania (both at 4.1 % of GDP). See, Eurostat (2013b).
21. Lyberaki and Tinios (2012) discuss the characteristics and interactions between the formal and informal social security networks and show that the unchanging features of the formal sector contribute to the creation and deepening of crisis.
22. Atkinson (2012) proposes the adoption of a basic income scheme, instead of a targeted social policy, which will be financed by a mix of intergenerational and vertical (higher taxation) redistribution. Moreover, he highlights the intergenerational character of current national debt which includes outstanding state pension rights, implying that

economic and social policy should be considered under a unified prism, as any economic policy to overcome fiscal crisis will have intergenerational implications in many dimensions. The author argues that since debt burden can be shifted to future generations it is essential to establish an intergenerational compact.

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La Grèce à l'épreuve de la crise

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RÉSUMÉ

Cet article traite de la progression de la crise en Grèce depuis 2009, d'un point de vue économique, politique et institutionnel. La première partie de cette étude s'adresse plus spécifiquement à la gestion de la crise; la deuxième analyse les caractéristiques et les problèmes du « paquet de sauvetage » et surtout du fameux «Mémorandum» avec les bailleurs; la troisième examine les conséquences de la crise sur la vie politique et sociale incluant notamment l'éclatement du système des partis et l'extension de la précarité; et la quatrième partie essaie de déterminer si ce qui semble être aujourd'hui un tournant, tant sur le plan interne que sur celui européen, l'est réellement.

ABSTRACT

This article deals with the progress of the crisis in Greece since 2009, from an economic, political and institutional point of view. The first part deals more specifically with the management of the crisis; the second part analyses the characteristics and problems of the “rescue package” and especially the famous “Memorandum” signed with lenders; the third part examines the consequences of the political and social life, including the breakdown of the party system and the extension of precariousness; and the fourth part is trying to determine whether what today appears to be a turning point, both internally and on the European level, it really is.

Etat des lieux en ce mars 2014, quatre ans après la pire crise financière, économique et sociale que la Grèce ait connu et deux mois avant des élections européennes de tous les périls (et quelques espoirs): l'emprise des “trois trente terribles” (perte de GDP, chômage, entrée en pauvreté) ne se desserre pas; la situation macro-économique, surtout budgétaire, semble améliorée mais beaucoup de problèmes structurels persistent; le système politique, et surtout le système des partis, a explosé et la stabilité politique est devenue une lutte de tous les jours; la paix sociale a été maintenue mais au prix dur d'une

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désaffection généralisée vis-à-vis de la politique et de l'Europe; des réformes ont été entreprises et sont chaque jour annoncées mais ont beaucoup de mal à se concrétiser face aux difficultés parlementaires, à la résistance des corporatismes et à la confusion des citoyens; les rapports avec la "troïka" des bailleurs de fond (Commission Européenne, Banque Centrale Européenne, Fonds Monétaire International) sont définitivement envenimés et, très probablement, en train de se délier en vue d'un compromis nouveau.

Des sacrifices pour rien? Pas exactement: l'effort d'assainissement des finances publiques, malgré ses insuffisances, signifie que ce ne sera plus possible pour le pays de fonctionner sous le signe du même clientélisme aveugle et de s'endetter sans penser aux conséquences; la solidarité citoyenne, à l'intérieur du pays, a resserré les liens sociaux et démontré que la roublardise grecque continue d'être plus qu'un cliché; l'imperfection de la solidarité européenne a été démontrée et fait maintenant bouger le bateau commun, même si la navigation se fait toujours à vue; la jeune génération souffre et se responsabilise, l'exode des cerveaux, réelle et saignante, pourrait devenir une source de renouveau, puisque, au pays d'Ulysse, il n'y pas d'exode sans nostos, donc sans retour. Et 2014 se présente comme le début d'un nouveau début plutôt que comme la marche sans fin dans un tunnel dont on ne voit jamais la fin.

Un pur échec politique? Pas complètement exact, non plus: la rencontre avec la crise a été, en quelque sorte, la rencontre avec la réalité pour une Grèce qui vivait au-dessus de ses moyens par choix politique et par vice social, ainsi que pour une Union Européenne bâtie sur du sable institutionnel et assoupie par des petits pas ne menant, après un certain moment, nulle part; des certitudes ont été bousculées, des mécanismes imaginés et mis en place, des problèmes de fond confrontés (rapport entre public et privé, entre dette et croissance, entre situation micro- et macro-économique), des nouveaux choix esquissés (fédéralisme, gouvernance économique, modèle de production).

L'aventure grecque devient ainsi une sorte de paradigme, même si les choses à éviter sont indubitablement plus nombreuses que les comportements à imiter. Essayons d'en tracer les grandes lignes et de tirer les enseignements essentiels.

Structures et circonstances

Au début de la crise (2009-2010), le parti socialiste de G. Papandreou arriva au pouvoir avec un agenda de redistribution qui tranchait avec les besoins du moment (mis en lumière, même tardivement, tant par le Premier Ministre en partance que par le Gouverneur de la Banque de Grèce) et qui s'appuyait sur les maux chroniques de la vie politique grecque de l'après la dictature (surendettement, clientélisme, appareil étatique lourd et coûteux, gâchis des ressources européennes, manque de créativité et de productivité). En tergiversant pour prendre en compte la réalité des faits et pour ne pas immédiatement heurter un électorat auquel on avait promis des lendemains meilleurs, le gouvernement a laissé filer six mois avant de vraiment réagir face à la crise. Beaucoup trop de temps, surtout si l'on ajoute l'effet produit par et sur les marchés: plus on essayait de leur faire admettre que la situation pouvait être jugulée exclusivement par des aménagements internes, plus ceux-ci augmentaient la pression, et plus les indicateurs économiques empiraient. Il a été calculé que si la Grèce et son gouvernement avaient immédiatement pris des mesures adéquates ou avaient demandé dès le début la concertation et l'aide européenne (et si une Union Européenne à 27 et institutionnellement impréparée avait pu réagir aussi rapidement), l'effort d'assainissement aurait été beaucoup plus gérable. Dans les faits, cette aide a été officiellement sollicitée en mars 2010 (date du premier plan spécialement conçu pour la Grèce), acceptée par le gouvernement grec fin avril (discours de Castellorizo du Premier ministre) et l'argent du prêt (120 milliards d'euros) a commencé à renflouer les caisses de l'État en mai. Accompagné évidemment par le fameux «Mémorandum» imposant les conditions politiques du prêt.

Ces six mois d'attentisme ont été suivis par presque huit mois d'action assez résolue et frénétique: le Mémorandum est passé au Parlement presque exclusivement avec les voix de la majorité, sans éviter les premières défections; les mesures d'austérité et quelques réformes importantes ont également été votées, cette toute première période étant la plus fructueuse de ce point de vue; le Parti socialiste a même réussi la prouesse de remporter, en novembre 2010, les élections locales, en pleine période de marasme économique. La société restait comme tétanisée mais ne se manifestait pas ouvertement contre ce mode de «sauvetage», dont les conséquences profondes restaient encore mal comprises; l'opposition de droite avait choisi le rejet non seulement de la

politique gouvernementale mais du Mémorandum lui-même et n'en récoltait nullement les fruits; la gauche radicale et communiste restait numériquement et socialement faible; et la troïka posait imperturbablement et méthodiquement les lourdes pierres d'un chemin déjà tracé.

La mécanique s'est brisée avec l'accumulation de mesures d'austérité touchant de plus en plus profondément des pans entiers de la société; l'absence de résultats probants contre l'évasion fiscale, un mal endémique en Grèce, a été ressentie comme une forte injustice et un signe que rien n'avait, et ne pourrait, changer; le ralentissement des réformes, de plus en plus de membres de la majorité et du gouvernement traînant les pieds à cause de la gronde sociale montante, a sapé la crédibilité gouvernementale tant à l'intérieur du pays que vis-à-vis des prêteurs-tuteurs; un sentiment de désaffection pour l'Europe, perçue comme une source de douleur, s'est fait jour, que l'Europe a bien rendu en commençant à s'interroger de façon assez peu diplomatique sur la volonté de la Grèce et de son gouvernement de mener à bien l'effort requis et les contrats conclus. L'année 2011 sonnera le glas de la normalité relative, puisqu'au printemps commencera à enfler le mouvement diffus des «indignés» qui occupera la place publique et la une de la presse mondiale; elle scellera aussi le sort de l'ère Papandreou, qui s'achèvera en novembre dans la confusion après l'initiative du Premier ministre d'annoncer un référendum sur le maintien de la Grèce dans l'Eurozone. Surtout, cette phase tumultueuse de gestion de la crise fera la démonstration du cercle vicieux engendré par la politique menée ou imposée: l'austérité prescrite par des programmes inflexibles provoque la récession, qui est elle-même combattue par plus d'austérité, laquelle sape les ressources de l'État, ce qui amène plus de récession, plus de morosité, et moins de possibilités pour s'en sortir. La même preuve a été faite en Irlande, au Portugal, plus tard à Chypre – tous des «élèves» bien plus malléables que la Grèce.

Le gouvernement n'a pas su et n'a pas pu maintenir le cap. Même si son effort de pédagogie est resté continuellement inapproprié, il faut admettre que sa tâche était, dès le début, très ardue, car ses marges de manœuvre étaient très étroites. La troïka, et surtout ses composantes européennes, ont pêché par hésitation, puis par sous-estimation des contraintes (puisque'il est presque impossible de vouloir réformer en trois ans et en pleine récession un système ayant des racines si profondes), et enfin par trop d'attachement à une

orthodoxie économique qui s'est vite révélée inadaptée aux circonstances. Bien tardivement mais sans ambiguïté, au moment où l'on parle, la Commission Européenne et plus encore le FMI ont admis les défauts «génétiques» de leur plan de sauvetage. Mais, au moment où le sort de la Grèce se décidait, on a eu recours, pour combattre l'affaiblissement économique, à l'arme de la déchéance politique: le sort d'un pays ne dépendait plus de lui-même, mais de ses créanciers. Cela ne pouvait évidemment pas marcher, tant pour la Grèce que pour l'Europe.

Buts et déficits du «Mémorandum»

Pour un étranger il n'est pas facile d'imaginer la vie politique sous Mémorandum. Conséquence première, le programme sur lequel un parti a été élu – et, dans le cas grec, bien élu – se trouva remplacé par une sorte de charte beaucoup plus précise et beaucoup plus contraignante: le Mémorandum sert des objectifs économiques, et particulièrement budgétaires, en vue de réduire le déficit public et la dette, mais avec des moyens politiques. Il prévoit une série de mesures, calibrées dans le temps, et rend obligatoire une série de réformes, en précisant également leur date d'application. Ce vrai programme gouvernemental a été imposé sans vrai débat: ni parmi les bailleurs de fond, qui ont opté, faute de temps et d'imagination, pour un programme-type déjà expérimenté par le FMI; ni entre le gouvernement de l'époque et la troïka, le premier faisant tout son possible pour retarder l'échéance, la deuxième s'arcbutant sur ses certitudes; ni au Parlement, personne n'ayant le temps de se préparer correctement (un ministre de l'époque allant même jusqu'à rétrospectivement admettre de ne pas avoir lu les textes), le vote se faisant, pour trois séries de textes de plus de 500 pages (le Mémorandum lui-même, et deux Annexes techniques qui en spécifient les conditions) en bloc. Cette fâcheuse existence, ou peut-être nécessité, de votes cruciaux sans débat sur des articles ou des dispositions précises, a perduré, et perdure encore.

Si ce programme est très strict sur les objectifs et les délais, il laisse, en théorie, des choix au gouvernement et au Parlement quant à ses modalités d'application. Il prescrit, par exemple, une réforme fiscale, mais ne fixe pas de taux d'imposition; il requiert des coupes budgétaires d'un certain niveau, mais ne précise pas leur ampleur pour chaque ministère. Deux facteurs

objectifs ont cependant rétréci la possibilité de choix: la pression du temps et le difficile rapport avec les «inspecteurs» de la troïka, qui ont pris l'habitude, légitime mais vraiment constructive, de s'intéresser exclusivement au résultat comptable de chaque mesure et pas à son bien-fondé en vue d'un plan plus large. Il est tout aussi vrai, par ailleurs, que les trois gouvernements qui se sont succédé depuis le début de la crise et qui ont eu à gérer les Memoranda (le gouvernement de Georges Papandreou, du technocrate Loucas Papadimos et la coalition actuelle menée par le chef de la Droite Antonis Samaras) n'ont même pas essayé de faire part à la troïka de leur volonté de différenciation et d'imagination: il est toujours plus facile, surtout en temps de crise et quand toutes les mesures à prendre sont dures pour la population, de suivre des directions venant de l'extérieur et de s'abriter derrière le «on ne pouvait pas faire autrement».

Or la politique est justement l'art de faire autrement. Sans choix et sans nuance dans la politique appliquée, sans débat de fond avec possibilité de changement, la légitimité devient superficielle et la démocratie perd beaucoup de son sens. Dans l'urgence et la crise, la marge de manœuvre est de toute façon limitée, avec ou sans Mémorandum. Quand on vous prête des sommes faramineuses il ne peut y avoir d'égalité dans la négociation, surtout au sein d'une «Union» laquelle est justement basée sur le partage et le transfert de souveraineté. Mais la capitulation devant la difficulté de respecter les engagements du Mémorandum tout en les adaptant et les peaufinant, ainsi que la dichotomie politique et sociale trop tranchée et non constructive qui en découla – pro-Mémorandum, anti-Memorandum – ont occulté les vraies questions, ou plutôt la vraie question qui les englobe toutes: comment peut-on concilier état d'urgence économique et démocratie politique ? Par leur manière de faire, ou de laisser faire, les gouvernements de la crise se sont privés plus encore que la situation ne l'exigeait de moyens d'action: ils ont été déchus de l'essentiel de leur souveraineté politique. Le trait apparaît définitif, car le troisième Mémorandum, le dernier en date, approuvé à la fin de 2012, impose des conditions de tutelle encore plus strictes: des superviseurs extérieurs aux banques, des rapports hebdomadaires à la troïka, et la création d'un compte bloqué pour le paiement de la dette.

Des conséquences plus larges

A partir de 2011 le système des partis en Grèce a volé en éclats. La cassure politique et sociale est profonde: le pays est passé de l'axe nuancé droite-gauche à l'opposition frontale «pro» et «anti» Mémoire. La Nouvelle Démocratie, traditionnellement parti de l'establishment et à tendance gouvernementale, se trouvant reléguée dans l'opposition au moment de l'adoption du Mémoire, s'est dès le début positionnée contre ce choix de base en espérant ainsi profiter de l'inévitable mécontentement populaire. Cette posture est apparue éminemment stratégique et très peu spontanée, surtout à partir du moment où le «nouveau» programme du parti élaboré dans la crise ressemblait à s'y méprendre au programme dicté par la troïka et mis en pratique par le gouvernement «socialiste». Le double discours de la droite a perdu toute crédibilité après le virage effectué pendant le gouvernement Papademos (la Nouvelle Démocratie a voté en faveur du deuxième plan d'aide et de la restructuration de la dette) et surtout à l'approche des élections anticipées de 2012, quand, sous la pression des dirigeants européens et en vue d'un éventuel retour au pouvoir, le parti de droite et son chef Antonis Samaras lui-même ont abandonné toute velléité d'opposition systémique. Le PASOK ayant changé de chef mais étant plombé par une gestion très majoritairement perçue comme allant à l'encontre de ses principes les plus fondamentaux, et le Parti communiste apparaissant plus que jamais comme la relique d'une ère complètement révolue, le corps social a brusquement érigé le SYRIZA comme seule alternative et comme récepteur principal d'une gronde qui virait au désespoir. Jusqu'alors, petit parti de gauche radicale et altermondialiste, à peine entré au parlement en 2009, il était composé de plusieurs tendances allant de la presque-social-démocratie à l'activisme quasi-révolutionnaire et dirigé par un chef très jeune, inexpérimenté, superficiel et attractif, issu de la jeunesse communiste. Le discours tranchant du SYRIZA et d'Alexis Tsipras, leur farouche opposition au Mémoire et à la politique de sortie de crise menée par le PASOK et adoubee par la Nouvelle Démocratie, la fraîcheur, voire l'absence totale de notoriété, de ses cadres devenus parlementaires, ont fait la différence dans un climat délétère et ont pu occulter le manque de repères, les contradictions internes, notamment sur le maintien de la Grèce dans l'Eurozone, et le peu de sérieux émanant des actes, des gestes et des paroles. Le SYRIZA a talonné la Nouvelle Démocratie dans les élections

successives de mai et de juin 2011, et est ainsi devenu, en l'espace de deux mois, le principal parti d'opposition et le seul vecteur du changement. A l'heure où l'on parle tous les sondages placent ce parti en haut des intentions de vote, mais il n'a pas su créer le sort d'adhésion populaire sur lequel avait construit sa suprématie durable le PASOK des années 1980.

L'accession fulgurante d'un parti antisystème au cœur du système a logiquement accaparé l'attention, tant en Grèce qu'à l'étranger. Mais les faits qui révèlent le plus spectaculairement, et le plus crûment, l'implosion de l'ordre ancien et l'entrée dans une ère politique nouvelle sont l'éparpillement du vote populaire, qui a fait que les deux partis traditionnellement en tête se sont retrouvés avec à peine 50% du vote populaire, et l'entrée tonitruante du parti d'extrême droite «Aube Dorée» au Parlement. Ouvertement militariste et nationaliste, religieux et anti-européen, persécuteur des immigrés et des homosexuels, ce parti fonde sa légitimité non seulement sur l'essor du mot d'ordre «tous pourris», mais aussi sur un activisme tous azimuts sur le terrain: aide aux personnes âgées, combat contre la délinquance par les armes, préparation et distribution de nourriture, «nettoyage» (surtout ethnique) d'immeubles occupés, et destruction du stock des marchands de rue. Se substituant à la police et à l'État, bravant les usages parlementaires au sein même du Parlement, vociférant contre l'argent, «l'autre», la «dégénérescence ambiante», les «boulots abandonnés aux étrangers», tout en se déployant rapidement sur l'ensemble du territoire, l'«Aube Dorée» ne cesse de monter en puissance, des derniers sondages en 2013 la plaçant en troisième position dans les intentions de vote. Phénomène de société et surtout d'époque, idéologiquement sans aucune ambiguïté, profitant de la poussée de l'extrême droite européenne, dont il fait partie tout en préservant ses caractéristiques propres, c'est un parti-organisation qui menace ouvertement la démocratie et en tire profit. Le début de démantèlement judiciaire de l'«Aube Dorée» en 2013-2014, son leader et ses principaux lieutenants accusés de conspiration contre la démocratie et entrés en prison suite à des agressions gravissimes, ont stoppé quelque peu l'élan du parti, mais sans le mettre définitivement hors-jeu.

Le nouveau clivage autour du Mémorandum a donc anéanti un parti de pouvoir (le PASOK est passé de 44 à 13% du vote populaire et donne peu de signes de convalescence), produit la plus forte abstention jamais enregistrée à des élections nationales (35% et 37,5% respectivement en mai et en juin 2012),

primé les partis antisystème (une frange jusque-là marginale de la Nouvelle Démocratie, mais nationaliste et «anti-mémorandum», donc tout à fait dans l'air du temps, s'est scindée du parti-mère et a recueilli plus de 10%) et érigé un groupuscule de type néo-nazi en représentant officiel de la désaffection des couches populaires envers la politique en Grèce. Rude prix pour la démocratie –même si elle ne devrait pas être assimilée aux partis qui se revendiquent d'elle.

Un deuxième mouvement de fond est lié à la situation sociale. La société grecque est au bout de ses forces, mais pas de ses peines: récession, chômage, inégalités, bien qu'il s'agisse là des priorités de l'action publique, ne cessent d'accroître. Le seul fait que chauffer sa maison soit devenu un luxe pour la grande majorité des Grecs en dit long sur la situation sociale. Le désengagement relatif de l'Europe (relatif, car la tutelle quotidienne de la mise en œuvre de l'assainissement des finances publiques, et désormais également des banques, continuera) pourrait créer un réflexe néfaste de ralentissement de l'effort ou un retour aux vieilles habitudes pernicieuses (arrangements «entre amis», clientélisme, promotion de la quantité et des gains rapides aux dépens de la qualité et de la restructuration profonde). Le nationalisme et l'anti-européisme pourraient gagner du terrain lors des prochaines élections européennes, surtout si les problèmes sociaux perdurent et la sortie de la crise tarde. Rien n'est encore gagné.

Le tournant enfin présent?

L'année 2012 a été la plus dure pour la Grèce en termes de récession, de chômage, et aussi de turbulences politiques, internes et européennes; elle s'est pourtant soldée par deux évolutions positives majeures: la création d'un gouvernement résolument pro-européen de coalition entre trois partis (Nouvelle Démocratie, PASOK et «Gauche Démocratique», cette dernière ayant abandonné la coalition à la mi-2013) et la décision - tardive mais, semble-t-il, définitive - de l'Union européenne de continuer d'aider la Grèce et de tout faire pour la maintenir au sein de l'Eurozone. Ces deux faits cumulés ont conduit à l'invalidation du scénario dit du «Grexit» (de la sortie forcée de la Grèce de l'euro et probablement de l'Union) et ont généré, pour la première fois depuis la crise, un espoir réel de stabilisation de la situation, tant aux niveaux politique qu'économique. Le principal effet pratique de la nouvelle donne a été la

«libération», bien tardive mais plus que nécessaire, de la plus grande partie du plan attendu par la Grèce (environ 53 milliards d'euros), permettant non seulement la survie économique mais posant les bases d'une possible reprise. C'est donc sous les auspices d'un timide espoir que l'année 2013 a été attaquée. Espoir malgré la récession persistante, le chômage galopant et la morosité ambiante, perçu comme tel par les acteurs financiers internationaux (spectaculaire hausse de la note de la Grèce par l'agence Standard & Poor's, baisse importante des taux d'emprunt), par les partenaires européens (qui parlent désormais d'une pente ascendante) et, plus crucialement, par les forces créatrices du pays, qui transcendent le système politique.

Les trois grands défis de 2013 - la recapitalisation réussie des banques, la mise en œuvre de réformes profondes (notamment concernant la taxation, l'efficacité administrative, la justice, l'attractivité pour les investisseurs), l'amorce du rétablissement d'un peu de justice sociale - ont, tant bien que mal, progressé: le système bancaire redevient petit à petit sain aux frais du contribuable grec (via une enveloppe de 50 milliards d'euros, gérée par le Fonds spécial qui répond à la troïka), les réformes dans tous ces secteurs ont été entamées et le principe de l'arrêt des mesures d'austérité et de l'accompagnement d'une éventuelle reprise par des mesures d'aide aux couches les plus défavorisées a été entériné. Le début de l'année 2014 a été marqué par trois grands événements qui vont tous dans le sens d'une «stabilisation par le haut». Il s'agit de l'annonce et puis de l'officialisation d'un excédant budgétaire primaire (hors charges de la dette) pour la première fois depuis le but de l'ère politique moderne, en 1974; de la tenue et la bonne gestion par la Grèce de la présidence tournante de l'Union Européenne; et de l'accord arraché de haute lutte à la troïka pour le remboursement de celle qui pourrait s'avérer comme la dernière tranche d'aide «sous conditions de Mémoire», vu que, après cet accord, le mode de supervision du pays et aussi ses besoins financiers pourraient se transformer profondément. Mais il faut que la Grèce évite un nouveau Mémoire, comme a été le cas en Irlande et en Espagne et le sera probablement aussi au Portugal, et qu'un accord sur la dette à long terme puisse se concrétiser.

Ces trois événements majeurs, avec leurs conséquences tant sur le plan politique qu'au niveau symbolique (respectabilité améliorée et effort budgétaire accepté, cheminement vers un mode de supervision moins stricte et plus normal entre partenaires, possibilité de négociations politiques permettant le transfert

de la responsabilité, et de la souveraineté, politique de la troïka vers le système politique interne), peuvent laisser présager qu' un saut qualitatif est à portée de main. A quelques conditions importantes près: que l' effort d' assainissement économique et de réformes structurelles ne décélère pas; que la stabilité politique ne soit pas mise en cause (par exemple par un résultat aux élections européennes et locales de mai 2014 tel qui chamboulerait le rapport de forces actuelles); et que l' Union Européenne, une fois les élections pour le nouveau Parlement passées, comprendrait et mettrait en acte le besoin d' un changement profond dans la gestion de la crise et la marche de l' Union. Le rapport du Parlement Européen sur le fonctionnement de la troïka dans les quatre pays où elle a été impliquée, ainsi que les mea-culpa successifs du FMI tant sur les prévisions que sur les remèdes pour la crise devraient, s'ajoutant aux travaux scientifiques qui s'accumulent depuis deux ans, servir pour légitimer et faire apparaître comme urgente cette correction de trajectoire.

L'aventure n'est donc pas prête à finir. Mais, après quatre ans, la politique pourrait reprendre ses droits et l'Europe redorer un blason bien terni.

EU Asylum Policies & the Greek Presidency: An EU Opportunity

Christos Baxevanis*

Maria Papadaki**

RÉSUMÉ

La présidence grecque, entre autres, concentre ses efforts sur une approche européenne globale de sa politique de migration et de sa gestion. La politique d'asile de l'UE a été un sujet controversé depuis plus d'une décennie. Après une période d'harmonisation des politiques, l'UE a atteint une étape cruciale dans le développement d'un nouveau système commun d'asile européen. Les années 2012 et 2013 ont constitué une période déterminante dans le processus d'adoption du nouveau «paquet asile», c'est à dire, de la révision des instruments juridiques qui constituent le droit acquis de l'asile dans l'UE. Au niveau national, plusieurs États membres, comme la Grèce, ont apporté des changements majeurs à leurs systèmes d'asile en 2012 - dont certains étaient le résultat de pressions - relatifs par exemple au grand nombre de demandes et à la capacité limitée de les traiter, aux carences systémiques, ou la combinaison de ces facteurs. En Grèce, ont été établis de nouveaux organes administratifs chargés de la détermination du statut des réfugiés, de l'enregistrement des demandes de protection internationale, de la recevabilité de leur réception et des conditions d'appel. La réforme radicale du système d'asile ne va pas seulement entraîner un traitement équitable des réfugiés, mais apportera des avantages importants à la Grèce. Elle permettra de renforcer l'influence et la capacité d'Athènes à négocier au niveau de l'UE les changements dans les politiques européennes sur l'asile.

ABSTRACT

The Hellenic Presidency, among others, focuses its efforts on a European holistic approach and management of the migration policy. EU Asylum Policy has been a controversial topic for more than a decade. Following a period of policy harmonisation, the EU has reached a crucial stage in the development of a new Common European Asylum System. 2012-2013 was a defining period in the process of adopting the new 'Asylum Package', i.e., the revision of the legal instruments that comprise the EU asylum acquis. At the national level, several Member States, such as Greece, made major changes to their asylum systems in 2012, some of which

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were the result of pressures such as large numbers of applications, limited capacity to process applications, systemic deficiencies, or a combination of these and other factors. In Greece, it has been established new administrative bodies responsible for registration of applications for international protection, status determination, reception and appeal. The radical reform of the asylum system will not only entail a fair treatment of refugees, but will bring important benefits to Greece. It will reinforce the country's influence and ability to negotiate at the EU level changes in European policies.

1. Greek Presidency Priorities in the Area of Migration and Asylum

This Presidency is the fifth Hellenic Presidency of the Council since Greece joined the then European Communities in 1981. This period is a major turning point, not only for Greece itself, as it emerges from a crisis that has exacted many hard sacrifices from the Greek people, but also for the Union as a whole, as we make our final arguments in the debate on the future of our Union, ahead of the May 2014 European elections. There is very real uncertainty as to the new European social and political landscape that will result from the European elections in May. The citizens of Europe are experiencing this uncertainty on the levels of diminishing financial and job security, eroding social cohesion, rising Euroscepticism. They are experiencing it as the absence of a viable historical narrative in which they have a real voice in the Union's legislative and executive institutions; a new narrative that reasserts the values of the European social state, democracy, solidarity, a European model for competitiveness and sustainable growth. So the Hellenic Presidency will also be an institutional voice in the crucial political conversation Europe will be carrying out over the next six months.³

The Presidency focuses on the following: (A) Promoting growth, employment and cohesion, (B) Deepening the Union, especially the EMU, by introducing policies and actions to improve deficiencies in the Euro area architecture, which surfaced during the current crisis, (C) Migration, border management and mobility of Union citizens, in the context of enhancing European security, both internally and externally. This is something that concerns first and foremost the countries on Europe's external borders, like Greece; the countries in the South, the Mediterranean; countries with extensive coastlines, like Greece and Italy, or island countries like Malta and Cyprus, (D) EU Sea Policies-Horizontal Thematic.⁴

As far as the field of migration and asylum is concerned, the Hellenic Presidency focuses its efforts on a European holistic approach and management of the migration policy, with parallel actions to mitigate the consequences in the economic, social and political reality of EU Member-States, as well as enhances the policies related to migration, in the context of an EU Global Approach to Migration. According to the Greek Minister of Public Order and Citizen Protection, the Hellenic Presidency works to promote important issues such as: (i) The increase of EU funding for addressing migration flows; (ii) The improvement of policies on returns/readmissions of third country nationals with corresponding increase of EU funding; (iii) Defining the strategic objectives and setting the priorities of the EU in the field of Justice and Home Affairs for the post-Stockholm era; (iv) Updating the “EU Action Plan on tackling migration pressure – Strategic response,” placing particular emphasis on measures tackling illegal migration and combating human trafficking; (v) Fair burden-sharing and cooperation of the Member States and the EU institutions across the range of policy on asylum and migration; (vi) To this end, Greece will work, *inter alia*, on promoting cooperation with third countries (origin and transit) in all matters concerning an integrated and effective management of migration policy; (vii) The implementation of the Common European Asylum System, with particular emphasis on measures to strengthen solidarity and fair burden sharing to all those Member States who are under particular pressure due to mixed migration flows.⁵

2. The Asylum Situation in Greece

It is known that Greece is, today, a main entry point to the European Union for thousands of migrants and refugees who enter the country without legal documents in mixed migratory movements. It is assumed that for most, the intended final destination is another European country with better employment and living prospects, or with a better asylum system. Given their inability to exit Greece by legal means, many are “trapped” on Greek territory, where they remain without a legal status. This situation, in combination with the economic crisis, which the country is experiencing today, leads to an increase of marginalization and destitution for large numbers of third country nationals, while it creates social tensions, as well as a climate of growing discontent with the presence of foreigners in general. At the same time, a situation in which

many third country nationals are trapped in Greece, also provides fertile ground for racist behavior and indiscriminate violent incidents by extremist groups. The existing problems of the degradation of areas that record a high concentration of “undocumented” foreigners, jobless, homeless and destitute persons, coupled with the limited integration prospects in Greek society (in terms of law as well as in terms of practice) of third country nationals, are aggravating the problem further. They are also providing the ground for the operation of networks of human trafficking and other criminal activities.⁶

The asylum procedure was, for many years, characterized by a lack of essential procedural guarantees, including a lack of qualified interpretation during interviews, poor quality of interviews and interview records and poor quality of decisions as well as an extremely low recognition rates (of close to zero percent at the first instance), despite the composition of asylum-seekers, including many from countries of origin, facing serious human rights situations or conflict. The second instance of the asylum-procedure (which is the final administrative decision-making instance, in the event of an appeal against the first instance decision) has been through successive changes and “adventures”, until it reached the configuration and regulation of today’s Appeals Committees. Another serious problem was the delay in examining asylum-claims and in reaching a final decision, which resulted in thousands of people living in a state of uncertainty for many years. At the end of 2010, a backlog of some 47,000 asylum applications were pending examination at second instance, having accumulated over many years. While the processing and examination of these pending asylum-applications has started in early 2011 and is underway, large numbers of cases still need to be managed. The problematic functioning of the asylum system resulted in a situation in which many refugees and others in need of international protection are not able to or do not seek asylum in Greece, not having faith in the asylum-system and hope to reach another country in Europe, with better prospects of being granted protection, if identified in need of such protection. By contrast, many third country nationals who arrived in Greece for economic reasons only, make every effort to apply for asylum as the only means to legalize their stay in the country temporarily and until their claim is rejected, which may take years.⁷

3. The (New) Greek Asylum Service: a Move Forward.

Greece has been facing great pressure at its external borders for several years, while the country's infrastructure was insufficient with respect to the management of the disproportionately large mixed flows, which include persons potentially in need of international protection. In line with the National Action Plan on Asylum and Migration Management agreed between the Greek authorities and the European Commission in 2010, and after the enactment of the law 3907/2011 'Establishment of Asylum Service and First Reception Service, the transposition of the 2008/115/EC on common standards and procedures in Member States for returning illegally staying third-country nationals', Greece proceeded with the setting up and staffing of the new Asylum Service, the new Appeals Authority and the new First Reception Service. These bodies are civilian structures, under the authority of the Ministry of Public Order and Citizen Protection, staffed with trained professionals and charged with the reception and screening of applicants for international protection and the examination of their applications.⁸

The new autonomous Asylum Service, which is operated by civil servants, trained by specialists in the field with the cooperation of UNHCR and EASO, was established by law 3907/2011, and will be competent to adjudicate all applications for international protection once operational. The objective of the Asylum Service is to apply the national legislation and to abide by the country's international obligations regarding the recognition of refugee status and, more generally, granting international protection to third country nationals who have fled their country due to well-founded fear of being persecuted for the reasons specified in the 1951 Geneva Convention, or due to reasons justifying subsidiary or temporary protection. To this objective, the Asylum Service aims at: Receiving and examining applications for international protection lodged in Greece and deciding on them, at first instance, Informing the persons applying for international protection on the application procedure, as well as on their rights and obligations under it, Collecting and assessing information on the economic, social and political situation prevailing in the countries of origin of the foreign nationals and continuously monitoring the developments in these countries, in cooperation with the competent, for this purpose, other Greek or foreign authorities, especially in accordance with the relevant international agreements, Providing

third-country nationals applying for international protection, as well as the beneficiaries of international protection, with the identity and travel documents provided for by law, Processing applications for family reunification of refugees, Facilitating applicants with regard to material reception conditions, in collaboration with other competent bodies, Preparing legislative texts and administrative acts on issues of its competence and Cooperating with governmental bodies, independent authorities and nongovernmental organisations, institutions and bodies of the European Union and international organizations for more effectively fulfilling its mission. The Asylum Service shall also help design the Greek policy on international protection and shall cooperate with international organisations and the European Union institutions in the areas of its remit. The new Appeals Authority, also established by the same law and administratively supported by the Asylum Service, will examine, at second instance, appeals against negative decisions on applications for international protection.⁹

4. Towards a Common European Asylum System: from “Dublin II” to “Dublin III”.

EU Asylum Policy has been a controversial topic for more than a decade. Following a period of policy harmonisation, the EU has reached a crucial stage in the development of a new Common European Asylum System. In more details, since 1999, the EU has been working to create a Common European Asylum System (CEAS) and improve the current legislative framework. The Treaty of Amsterdam, which entered into force in 1999, granted the EU competence in asylum and immigration, and EU leaders agreed to develop a Common European Asylum System. To achieve this, the member states adopted the following measures between 2000 and 2005, which constituted the first phase of legislation: The EURODAC Regulation, establishing a fingerprint database to assist in the identification of asylum seekers (December 2000); The Dublin II Regulation, determining which Member State has jurisdiction to examine and decide an asylum application (February 2003); The Temporary Protection Directive, on minimum standards for providing temporary protection in the event of a mass influx of displaced persons (July 2001); The Reception Conditions Directive, laying down minimum standards for the reception of asylum seekers (January 2003); The Qualification

Directive, laying down minimum standards for qualification and status as either a refugee or a beneficiary of subsidiary protection (April 2004); The Asylum Procedures Directive, laying down minimum standards on procedures for the granting and withdrawing of international protection (December 2005).¹⁰ New EU rules have now been agreed, setting out common high standards and stronger co-operation to ensure that asylum seekers are treated equally in an open and fair system – wherever they apply.¹¹

The revised Asylum Procedures Directive aims at fairer, quicker and better quality asylum decisions. Asylum seekers with special needs will receive the necessary support to explain their claim and in particular there will be greater protection of unaccompanied minors and victims of torture.¹² In more details, the new Asylum Procedures Directive is much more precise. It creates a coherent system, which ensures that asylum decisions are made more efficiently and more fairly and that all Member States examine applications with a common high quality standard. It sets clearer rules on how to apply for asylum: there have to be specific arrangements, for example at borders, to make sure that everyone who wishes to request asylum can do so quickly and effectively. Procedures will be both faster and more efficient. Normally, an asylum procedure will not be longer than six months. There will be better training for decision-makers and more early help for the applicant, so that the claim can be fully examined quickly. These investments will save money overall, because asylum seekers will spend less time in state-sponsored reception systems and there will be fewer wrong decisions, so fewer costly appeals. Anyone in need of special help - for example because of their age, disability, illness, sexual orientation, or traumatic experiences will receive adequate support, including sufficient time, to explain their claim. Unaccompanied children will be appointed a qualified representative by the national authorities. Cases that are unlikely to be well-founded can be dealt with in special procedures ('accelerated' and 'border' procedures). There are clear rules on when these procedures can be applied, to avoid well-founded cases being covered. Unaccompanied children seeking asylum and victims of torture benefit from special treatment in this respect. Rules on appeals in front of courts are much clearer than previously. Currently, EU law is vague and national systems do not always guarantee enough access to courts. As a result, many cases end up in with the European Court of Human Rights in Strasbourg, which is costly and creates

legal uncertainty. The new rules fully comply with fundamental rights and should reduce pressure on the Strasbourg court. Member States will also become better equipped to deal with abusive claims, in particular with repetitive applications by the same person. Someone who does not need protection will no longer be able to prevent removal indefinitely by continuously making new asylum applications.¹³

The revised Reception Conditions Directive ensures that there are humane material reception conditions (such as housing) for asylum seekers across the EU and that the fundamental rights of the concerned persons are fully respected. It also ensures that detention is only applied as a measure of last resort.¹⁴ In more details, the new Reception Conditions Directive aims to ensure better as well as more harmonised standards of reception conditions throughout the Union. For the first time, detailed common rules have been adopted on the issue of detention of asylum seekers, ensuring that their fundamental rights are fully respected. In particular: it includes an exhaustive list of detention grounds that will help to avoid arbitrary detention practices and limits detention to as short a period of time as possible; Restricts the detention of vulnerable persons in particular minors; Includes important legal guarantees such as access to free legal assistance and information in writing when lodging an appeal against a detention order; Introduces specific reception conditions for detention facilities, such as access to fresh air and communication with lawyers, NGOs and family members. The new Directive also clarifies the obligation to conduct an individual assessment in order to identify the special reception needs of vulnerable persons. It provides particular attention to unaccompanied minors and victims of torture and ensures that vulnerable asylum seekers can also access psychological support. Finally, it includes rules on the qualifications of the representatives for unaccompanied minors. Access to employment for an asylum seeker must now be granted within a maximum period of 9 months.

The revised Qualification Directive clarifies the grounds for granting international protection and therefore will make asylum decisions more robust. It will also improve the access to rights and integration measures for beneficiaries of international protection.¹⁵ In more details, the new Qualification Directive will contribute to improve the quality of the decision-making and ensure that people fleeing persecution, wars and torture are treated fairly, in a uniform

manner. It clarifies the grounds for granting international protection and leads to more robust determinations, thus improving the efficiency of the asylum process and prevention of fraud, and ensures coherence with the European court's judgments. It approximates to a large extent the rights granted to all beneficiaries of international protection (recognised refugees and recipients of so-called "subsidiary protection") on access to employment and health care. It also extends the duration of validity of residence permits for beneficiaries of subsidiary protection. It ensures a better taking into account of the best interests of the child and of gender-related aspects in the assessment of asylum applications, as well as in the implementation of the rules on the content of international protection. It improves the access of beneficiaries of international protection to rights and integration measures. It better takes into account the specific practical difficulties faced by beneficiaries of international protection.

The revised Dublin Regulation enhances the protection of asylum seekers during the process of establishing the State responsible for examining the application, and clarifies the rules governing the relations between states. It creates a system to detect early problems in national asylum or reception systems, and address their root causes before they develop into fully fledged crises.¹⁶ In more details, the new Dublin contains sound procedures for the protection of asylum applicants and improves the system's efficiency through: An early warning, preparedness and crisis management mechanism, geared to addressing the root dysfunctional causes of national asylum systems or problems stemming from particular pressures. A series of provisions on protection of applicants, such as compulsory personal interview, guarantees for minors (including a detailed description of the factors that should lay at the basis of assessing a child's best interests) and extended possibilities of reunifying them with relatives. The possibility for appeals to suspend the execution of the transfer for the period when the appeal is judged, together with the guarantee of the right for a person to remain on the territory pending the decision of a court on the suspension of the transfer pending the appeal. An obligation to ensure legal assistance free of charge upon request. A single ground for detention in case of risk of absconding; strict limitation of the duration of detention. The possibility for asylum seekers that could in some cases be considered irregular migrants and returned under the Return Directive, to be treated under the Dublin procedure - thus giving these persons more protection than the Return Directive. An obligation to

guarantee right to appeal against transfer decision. More legal clarity of procedures between Member States - e.g. exhaustive and clearer deadlines. The entire Dublin procedure cannot last longer than 11 months to take charge of a person, or 9 months to take him/her back (except for absconding or where the person is imprisoned).

The revised EURODAC Regulation will allow law enforcement access to the EU database of the fingerprints of asylum seekers under strictly limited circumstances in order to prevent, detect or investigate the most serious crimes, such as murder and terrorism.¹⁷ In more details, the new Regulation improves the regular functioning of EURODAC. It sets new time limits for fingerprint data to be transmitted, reducing the time which elapses between the taking and sending of fingerprints to the Central Unit of EURODAC. It also ensures full compatibility with the latest asylum legislation and better addresses data protection requirements. Until now, the EURODAC database could only be used for asylum purposes. The new Regulation now allows national police forces and Europol to compare fingerprints linked to criminal investigations with those contained in EURODAC. This will take place under strictly controlled circumstances and only for the purpose of the prevention, detection and investigation of serious crimes and terrorism. Specific safeguards include a requirement to check all available criminal records databases first and limiting searches only to the most serious crimes, such as murder and terrorism. In addition, prior to making a EURODAC check, law enforcement authorities must undertake a comparison of fingerprints against the Visa Information System (where permitted). Law enforcement checks may not be made in a systematic way, but only as a last resort when all the conditions for access are fulfilled. No data received from EURODAC may be shared with third countries.

5. Concluding Remarks

Policy towards asylum seekers has been a controversial topic for more than a decade. Following a period of policy harmonisation, the EU has reached a crucial stage in the development of a new Common European Asylum System. 2012-2013 was a defining period in the process of adopting the new 'Asylum Package', i.e., the revision of the legal instruments that comprise the EU asylum *acquis*. After the adoption of the revised Qualification Directive in 2011,

political agreement was reached in 2012 on the recasts of the Dublin Regulation and the Reception Conditions Directive. Political agreement on the Asylum Procedures Directive and the EURODAC Regulation was reached in March 2013. Significant developments took also place in jurisprudence at European level from the Court of Justice of the European Union and the European Court of Human Rights with regard to the interpretation and application of the existing EU asylum *acquis*. European jurisprudence also influenced the drafting of the second generation asylum package.

At the national level, several Member States, such as Greece, made major changes to their asylum systems in 2012, some of which were the result of pressures such as large numbers of applications, limited capacity to process applications, systemic deficiencies, or a combination of these and other factors. In Greece, it has been established new administrative bodies responsible for registration of applications for international protection, status determination, reception and appeal. The rationalization of the asylum system will also mean that thousands of persons, whose claims are pending examination for years, will finally move out of the state of uncertainty, in which they have been kept for years. By providing international protection and, with it, a legal status to those in need and entitled to it, prospects for the integration of refugees in Greek society will significantly improve. This will enable persons in need of international protection to emerge from exclusion and marginalization, with beneficial effects on issues of public order and security. Rationalization [of the asylum system] will also mean that persons, having arrived in Greece for purely economic reasons, will not be resorting to the asylum system to legalize their stay in the country temporarily, since their claims will be rejected within a short period of time. This of course implies shifting the burden of those who wish to be legalized, even temporarily, from the asylum route to the migration route, therefore appealing for more flexible criteria in the migration policy for migrants who have established strong links and livelihoods in the country.

The radical reform of the asylum system will not only entail a fair treatment of refugees, but will bring important benefits to Greece. It will reinforce the country's influence and ability to negotiate at the EU level changes in European policies, including (1) a revision of the Dublin System, which provides for the examination of asylum claims by the first country of entry and, therefore, return of the asylum seeker to that country, if the person has

departed to another EU Member State, (2) solidarity in practice with states which are undergoing serious pressures of mixed migratory movements and are faced with high numbers of asylum applications, (3) the relocation within the EU of recognized refugees as well as other initiatives relating to solidarity and responsibility sharing. Only if Greece demonstrates an important improvement in observing its international obligations, including those pertaining to the protection of refugees, will it be able to negotiate, from a better position, such changes at the European level.¹⁸

NOTES

1. Deputy Prime Minister and Foreign Minister Venizelos' New Year's message as Greece assumes the Presidency of the Council of the EU, 31.12.2013, <http://gr2014.eu/news/speeches/deputy-prime-minister-and-foreign-minister-venizelos%E2%80%99-new-year%E2%80%99s-message-greece>.
2. Prime Minister Samaras' remarks at the European Council, 27.12.2013, <http://gr2014.eu/news/speeches/prime-minister-samaras%E2%80%99-remarks-european-council>.
3. Presentation of the Greek Presidency priorities in the area of migration and asylum by the Minister of Public Order and Citizen Protection in the Council of Ministers for Justice and Home Affairs, 06.12.2013, <http://gr2014.eu/news/press-releases/presentation-greek-presidency-priorities-area-migration-and-asylum-minister>.
4. Panayiotis N. Papadimitriou and Ioannis F. Papageorgiou "The New "Dubliners": Implementation of European Council Regulation 343/2003 (Dublin II) by the Greek authorities", *Journal of Refugee Studies* Vol. 18, No. 3 2005, pp. 299-318, Sylvie Da Lomba "The Right to seek Refugee Status in the European Union", *Intersentia* UK & USA, 2004, p. 137.
5. United Nations High Commissioner for Refugees-Office in Greece Contribution to the dialogue on migration and asylum, May 2012, available at: http://www.unhcr.gr/fileadmin/Greece/News/2012/positions/2012_Migration__Asylum_EN.pdf, accessed on 04.03.2014.
6. European Migration Network, *Greece, Annual Policy Report 2012*, March 2012, available at: emn.intrasoft-intl.com, European Asylum Support Office, *Annual Report on the Situation of Asylum in the European Union 2012*, pp. 44-46, available at: <http://easo.europa.eu/wp-content/uploads/EASO-Annual-Report-Final.pdf>, accessed on 04.03.2014, Tamara Jonjić and Georgia Mavrodi, *Immigration in the EU: policies and politics in times of crisis 2007-2012*, Florence, November 2012, pp. 47-85, available at: http://ec.europa.eu/ewsi/en/resources/detail.cfm?ID_ITEMS=32611, accessed on 04.03. 2014.

7. *Dublin Regulation National Report*, European network for technical cooperation on the application of the Dublin II Regulation, Greece, 30 October 2012, available at: <http://www.refworld.org/docid/514052432.html>, pp. 17-26, accessed on 04.03.2014; *Greek Action Plan on Asylum and Migration Management*, Ministry of Public Order and Citizen Protection, December 2012, available at: http://www.europarl.europa.eu/meetdocs/2009_2014/documents/libe/dv/p4_exec_summary/p4_exec_summary_en.pdf, accessed on 04.03.2014.
8. Among others, see: Olga Ferguson Sidorenko “The Common European Asylum System, Background, Current State of Affairs, Future Direction”, The Hague, 2007.
9. *Moving Further Toward a Common European Asylum System*, UNCHR, June 2013, available at: <http://www.unhcr.org/51b7348c9.html>, pp. 2-4, accessed on 04.03.2014; *A Common European Asylum System*, European Commission, Home Affairs, available at: http://ec.europa.eu/dgs/home-affairs/e-library/docs/ceas-fact-sheets/ceas_factsheet_en.pdf, pp. 3-8, accessed on 04.03.2014; Gregor Hamann, Beata Hulinova, Shama Malik, Anna Wrzesinska, “Development of the Common European Asylum System, a move forward”, 4 April 2010, available at: http://tu-dresden.de/die_tu_dresden/zentrale_einrichtungen/zis/newseceu/outcomes/papers_folder/SocSec_Asylum%20System.pdf, accessed on 04.03.2014.
10. The Asylum Procedures Directive sets out rules on the whole process of claiming asylum, including on: how to apply, how the application will be examined, what help the asylum seeker will be given, how to appeal and whether the appeal will allow the person to stay on the territory, what can be done if the applicant absconds, or how to deal with repeated applications. The previous Directive was the lowest common denominator between Member States at the time. The rules were often too vague and derogations allowed Member States to keep their own rules, even if these went below basic agreed standards. Recast Directive 2003/9/EC. Council of the European Union, Reception conditions for asylum seekers: Better and more harmonised living standards and more effective rules for fighting abuse, 14556/12, 25 October 2012, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/133193.pdf, accessed on 04.03.2014.
11. Council Directive 2005/85/EC of 1 December 2005 on minimum standards on procedures in Member States for granting and withdrawing refugee status., available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:326:0013:0034:EN:PDF>, accessed on 04.03.2014.
12. The Reception Conditions Directive deals with access to reception conditions for asylum seekers while they wait for the examination of their claim. It ensures that applicants have access to housing, food, health care and employment, as well as medical and psychological care. In the past, diverging practices among Member States could however lead to an inadequate level of material reception conditions for asylum seekers. Recast Directive 2003/9/EC. Council of the European Union, Reception conditions for asylum seekers: Better and more harmonised living standards and more effective rules for fighting abuse, 14556/12,

25 October 2012, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/133193.pdf, accessed on 04.03.2014.

13. The Qualification Directive specifies the grounds for granting international protection. Its provisions also foresee a series of rights on protection from *refoulement*, residence permits, travel documents, access to employment, access to education, social welfare, healthcare, access to accommodation, access to integration facilities, as well as specific provisions for children and vulnerable persons. The minimum standards in the previous Directive were to a certain extent vague, which maintained divergences in national asylum legislation and practices. The chances of a person to be granted international protection could vary tremendously depending on the Member State processing the asylum application. Directive 2011/95/EU of the European Parliament and of the Council of 13 December 2011 on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted, (recast), available at: <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:337:0009:0026:EN:PD>, accessed on 04.03.2014.
14. The core principle of the Dublin Regulation is that the responsibility for examining claim lies primarily with the Member State which played the greatest part in the applicant's entry or residence in the EU. The criteria for establishing responsibility run, in hierarchical order, from family considerations, to recent possession of visa or residence permit in a Member State, to whether the applicant has entered EU irregularly, or regularly. Experience of the previous system has however shown the need to better address situations of particular pressure. Recast Directive 2003/9/EC. Council of the European Union, Reception conditions for asylum seekers: Better and more harmonised living standards and more effective rules for fighting abuse, 14556/12, 25 October 2012, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/133193.pdf, accessed on 04.03.2014.
15. The EURODAC Regulation establishes an EU asylum fingerprint database. When someone applies for asylum, no matter where they are in the EU, their fingerprints are transmitted to the EURODAC central system. EURODAC has been operating since 2003 and has proved a very successful IT tool. Some updates were however required, in particular to reduce the delay of transmission by some Member States, to address data protection concerns and to help combat terrorism and serious crime. Council Regulation (EC) No 2725/2000. OJ L316, 15.12.2000.
16. United Nations High Commissioner for Refugees- Office in Greece Contribution to the dialogue on migration and asylum, May 2012, available at: http://www.unhcr.gr/fileadmin/Greece/News/2012/positions/2012_Migration___Asylum_EN.pdf, accessed on 04.03.2014.

Theoretical Problems in the Study of Cypriot Literature

Stephanos Constantinides*

RÉSUMÉ

Cet article se concentre sur les concepts qui s'appliquent dans l'étude de la littérature chypriote. L'auteur explore l'identité de la littérature chypriote qui est reliée à la discussion de l'identité chypriote. Il suggère une identité républicaine civile commune pour tous les Chypriotes qui pourrait aussi abriter la littérature grecque et turque de l'île. Il est également en faveur de l'utilisation du terme littérature chypriote pour ce qui est écrit en grec, la considérant comme faisant partie de la littérature néohellénique.

ABSTRACT

This article focuses on concepts that apply to the study of Cypriot literature. The author explores the identity of Cyprus's literary output in relation to the Cypriot identity. He suggests a common republican civil identity for all Cypriots which could embrace the island's Greek and Turkish literatures. He also argues that Cypriot literature could only be in Greek, and considers it as part of the neohellenic literature.

The Concepts

Discussions of Cypriot literature, its place, name, autonomy and specificity in the broader Greek literature remain fragmentary. There is almost a fear to tackle these problems as well as a series of others related to it, because they are not only philological, but ideological and political, because Cypriot literature has always evolved in a social context that exercised a very decisive influence on it.

There is no doubt that the study of every national literature is confronted with problems of ideological and political nature. However in the case of Cypriot

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literature these problems are more complex and difficult because they don't concern a literature that could be qualified as national, whilst even the use of the term Cypriot literature is contested. Even if the problem of the name already existed and was discussed in a certain way from the time of the British colonial era¹ it took an even more explosive dimension after independence.

At that time step by step began to be formulated the question whether the Cypriot state would dispose its own national symbols. And if among these symbols one could speak of the existence of a national Cypriot literature. It was during the same period that some people began speaking about the creation of a national Cypriot identity. For the Greeks of Cyprus such discussions were questioning the long struggles for national restitution i.e. union with the Greek motherland. That's why these efforts had been identified with the old propaganda used by the British rulers either contesting the Cypriots' Greek identity or promoting the idea of their dissimilarities from the rest of the Greeks.

Yet beyond all these questions was the problem of the strong Turkish community, which of course identified itself with Turkey. If one was to consider a national Cypriot literature, what this term would include? The Greek or the Turkish literary production, or both? Given that language is the main substratum of a national literature, it would be impossible to combine Greek and Turkish Cypriot literature to form a single national literature. This doesn't mean that their coexistence would be impossible in the context of a Cypriot state, in the context of a secular democratic society. Otherwise, a national Cypriot identity or conscience wouldn't exist. But it would be possible that a common civil identity could exist, without bringing into question the composing ethnic identities of its parts. It is understood that one cannot exclude shared cultural practices and traditions. More problematic, if not utopian, is also the idea of the existence of two "Cypriot literatures" or of one Cypriot literature having as starting point Cyprus' two "languages and literary productions"².

In any case the term Cypriot literature was regarded as one of the Greek peripheral literatures, like those of Crete, Ionian Isles, Alexandria, which have gradually eclipsed because the heavy Athenian dominance did not leave enough space for them. Nowadays Cypriot is the main peripheral literature together with that of the Greek Diaspora³, although some particular literary voices are still heard from Salonika. Of course the phenomenon of the Athenian centralist

model which barely admits the traditional cultural polycentrism of the late Ottoman Empire and the first period of the national Greek state, doesn't concern only literature but all aspects of Greek contemporary life, ranging from economics to politics and from nurture to culture. Nevertheless the concentration of everything in the national capital is not only a Greek phenomenon. We meet it also in most European countries. Only in the English speaking world, i.e. America, Australia and Canada, we meet, for reasons which are not going to be examined in this article, an important decentralization in all fields of human activity. In these countries there is a relatively strong multicentrism and their capitals are rather administrative centres than anything else.

In the case of Cypriot literature, one extreme opinion is that it does not exist independently but only as part of contemporary Greek literary production, in the same sense as those of the other Greek regions. The difference, though, lies in the fact that today we can hardly speak about a peripheral literary production in Greek territory, if we accept the general rule that a Greek writer must live, work and produce in Athens or be related with it. On the contrary, Cypriot writers, with some exceptions, live, produce and publish their work in the precise geographical space of their island. In other words Kazantzakis may be Cretan, Ritsos or Vretakos Peloponnesians, but they had not been recognised in their region of origin, but at the Athenian centre.

Thus linguistically speaking, there is a Cypriot literature as this term has been used for the Greek literature of Cyprus. It is the last peripheral literature of the Greek space with its own specificities, thematic and at a certain point its relative autonomy and particularity, as part of it has been written in the Cypriot dialect. It is natural that this literature has links with the Turkish Cypriot literature of the island. I suppose that the Turkish Cypriot literature is included in the larger context frame of Turkish literature, even if some want it to be included together with the Greek Cypriot one.

One realises that the terms used to define Cypriot literature are fluid. And they are so because the same applies to the terms related to Cypriot identity, especially those used by intellectuals, rather than in reality. For many years, from the end of the Ottoman Empire to the end of English rule, the term Greeks of Cyprus was standard. After independence the term Greek Cypriots was gradually imposed. But at the same time, the term Hellenism of Cyprus was emphasized.

Same discussions seem to exist also among the Turkish Cypriot community. Rauf Denktaş's position about the non existence of Cypriots but of Greeks and Turks of Cyprus is well known. Of course to be Greek or Turk doesn't exclude to be also Cypriot. Other people, though, in the Turkish Cypriot community promote the idea of "Cypriotism" or "Cypriotness". The idea was to create a common national Cypriot identity. It has to be noted that in the Greek side an effort has been made to promote the same idea of "Cypriotness", but it was the object of many strong reactions and remained marginal. Greeks of Cyprus, without ignoring their local specificities like in various other Greek peripheries, consider that their Greekness and national conscience deriving from it are unquestionable. Besides, it is worth mentioning, that from the beginning of independence, voices from various circles either within the island or abroad, have promoted the construction of a unified national Cypriot identity. Something that the Greeks of Cyprus have seen as a continuation of the English propaganda effort to present them as "phinikizontes," behaving like Phoenicians rather than Greeks.

Identity issues preoccupy societies that are not confronted with the same political problems as Cyprus. Societies thinking having solved it and in spite of that it appears strong in front of them⁴. This is because identity is never static. It is a strong process leading to its continuous redefinition, construction and deconstruction, especially today in the context of the globalization. That is why the study of Cypriot literature, its definitions and theoretical problems, are linked to the concept of identity. And as every identity the Cypriot one is also multileveled. Any "Cypriotness" is not different from the "Kritikotita" (local identity of Cretans) or the "Ipirotikotita" (local identity of the Epirotes). If this Cypriotness can link Greek with Turkish Cypriots without abolishing, as some want it, their Greekness or the Turkishness, so much the better. And of course all these local identities, as far as Greeks are concerned, are included in the frame of Greekness. Thus Cypriot literature is included in the broader Greek literature following the same principle applied for the literature of Alexandria, Crete, or the Ionian Islands. A question remains though, if we can speak of a Cypriot school of literature in the same sense that we speak of a school of the Ionian Islands. Some characteristics of Cypriot literature such as its thematic specificities and dialect could give it this character. It would be difficult though to consider it as a school in the sense

of some different philological, even ideological current or in the sense of some break that has been brought to the Neohellenic literature. Cypriot literature is more a geographic reality than anything else.

On the other hand the abandonment of ethnic identity would drive to a cultural alienation, given that it cannot be replaced by a hermaphrodite artificial identity with a taste of Cypriotness: an identity drawn from an ideological nursery without social background and support. Any identity is the result of a long social process, sometimes of centuries and it is not produced by recipes, as some in Cyprus believe after independence, especially when most of the time these recipes were coming from outside. From London as had been experienced during the colonial era, from Washington where the term of nation is more political and didn't have the European sociological comprehension of this definition, but also from the Athenian centre, from some people who mainly after '74, may feel guilty, because of the coup d'état and the Turkish invasion. Such people would like to get rid of this Cyprus problem. So the foreigners like it more to impose an artificial identity because this facilitates to impose also their solution to the Cyprus problem. Willing to safeguard its national identity is not a question of nationalism as some neoliberal apostles of a unidimensional globalisation advocate. It's a question of human dignity and people have the right to oppose a unidimensional conception of culture. The sense of togetherness between Greek and Turkish Cypriots, but also between other smaller communities of the island, doesn't require either the abandonment of everybody's national identity or the homogenisation of cultural diversity. This sense of togetherness requires only a common civil identity. This common civil and political identity means no exclusion of the "Other". Its construction is and will be based on the ground of the common Cypriot citizenship⁵. Common European identity will be also an important ingredient for this Cypriot civil identity.

A Comparison: The Canadian Case

Those who dream about the Cypriotness should study the case of other countries in order to understand how difficult is the production of identities or national symbols through an ideological nursery process against people's will. The case of Canada may give them an answer to many questions and would lead them to the realities of the social process which doesn't follow recipes. The

Canadian federation exists since 1867. The various Canadian governments spent millions if not billions of dollars, in order to impose the Canadian identity. In vain. During the first years of federation, Canadians of English origin were identified as British. Only Canadians of French origin were considering themselves as Canadians. Later the terms were inverted: British adopted the Canadian identity and the Francophones became French Canadians. When the numbers of French Canadians began to diminish and their main residence was limited to the province of Quebec, then French Canadians became “Quebequers”. Certainly there is a common Canadian civil identity, as there is the common Canadian citizenship. But at the same time on ethnic grounds people have a multileveled identity. Because apart from those of English and French origin we have a multitude of other ethnic groups resulting from immigration and as far as literature is concerned of course there is no Canadian national literature. Sometimes the English literature of Canada is claiming this definition of national literature. As far as French literature is concerned, given that during the last decades it is developing in Quebec, it has been proclaimed as its national literature. The Anglophone Canadian literature is threatened in its very existence as a distinctive autonomous specific literature from the American cultural influence. On the contrary Quebec’s French literature, in spite its relations with France, became completely autonomous and is defined as a national literature. I don’t know if it is possible to draw some conclusions from the Canadian experience. Of course the failure to build a Canadian national identity may foretell also the failure to create a national Cypriot identity. Nevertheless one may be inspired from the Canadian example of a common civil identity and see as very possible a common Cypriot civil identity. On the other hand the failure to create a Canadian national literature with the participation of English and French speaking Canadians, shows how unrealistic is the expectation to create a national Cypriot literature based on the Greek and Turkish language. On the contrary the autonomy of Quebec’s literature from this point of view could give arguments to those who see a similar orientation in the Cypriot literature as this term is understood to cover the literature written in Greek. But even in this case the comparisons are difficult. Quebec has a population of seven million and an economy which if it was an independent country would be ranked fortieth in the hierarchy of the world’s economy. One realises that it is a different case from that of Cyprus. Nevertheless in spite of the autonomy of its literature and its definition as a

national literature, all the writers active in Quebec tend to consider as their ultimate consecration the recognition of their work by Paris and the French salons. In short, the Parisian literary salons continue to play the same role in Quebec's literature as that of the Athenian salons do on the Cypriot one. Something that was happening in older days also with the interrelations between the English-Canadian literature and the British one is less visible today. Having said this, even if in Canada they refer to two "solitudes" English and French, the interrelation between French and English culture is vivid⁶.

The difficulties of definition of Cypriot literature derive also from the lack of comprehensive studies which would relate the Cypriot literary production with the historical, political, ideological and cultural developments on the local Cypriot level but also the Greek and international levels as well. In reality there is a lack of critical evaluation of Cypriot literary production apart from some hagiographies or public relation presentations. Some exceptions don't invalidate the rule. Because neither the rhetorical outbursts nor the superfluous talks in the presentation of some Cypriot writers either in Cyprus or in Greece, constitute an interpretation, a critique, or a philological study.

Relations with the Athenian Centre

It is natural that Cypriot writers try to be recognized by the Athenian centre. Nevertheless Greek critics rarely showed a continuous interest for Cypriot literary production. The same is valid for neohellenists, philologists and other specialists. There is a lack of systematic study and presentation of the work of Cypriot creators to the Greek public. We could say that the interest of Greek writers, critics and neohellenists for the Cypriot literary production is occasional. This was happening even in the first half of the 20th Century, it happens and in its second half and continues up to now⁷. During the post war period it appears that the Cypriot experience of Seferis who gave the collection "Kypron ou m'ethespisen" (Cyprus, where it was ordained for me... 1955) created in Athens some interest for Cypriot literature. Lefteris Papaleontiou attributes the interest of George Savvides for Cypriot literature to its relation with Seferis. George Savvides is perhaps the first Greek critic and neohellenist who after the war, basically in the '70s, made an effort to face somewhat globally Cypriot literary production. Nevertheless these studies were in their major part selective. Even the increased number of tributes of Greek reviews to Cypriot literature "take,

according to Papaleontiou, a festive character and are written in the heat of the moment, on the occasion of an important political event or anniversary, but also on the basis of personal contacts. Thus often the texts published are not the most representative or the most important of Cypriot literary production. Or there is a lack of a real critical evaluation".⁸ We could say that the participation in these special editions is depending on interpersonal relations and even, to use a term from politics, on clientelistic relations. The same is valid, beyond the special tributes and for the presence in Greek publications of some Cypriot writers, not after a critical evaluation but more on the basis of public relations that they maintain with some circles in Athens.

What is characteristic of the limited, if non-existent interest of Greek critics – if there are nowadays such critics, – or specialists, neohellenists and historians, is the fact that there is a complete absence of reference to Cypriot writers in the histories of the neohellenic contemporary Greek literature. The limited presence of some names in the last edition of the history of Mario Vitti doesn't change this reality.

Apart from the older Cypriot writers who lived in Athens or Alexandria (Loukis Akritas, Tefkros Anthias, Emiliou Hourmouziou, Nikos Nikolaidis, etc.) and who somewhat have been noticed by the Athenian centre, if one would look to see who of the Cypriot writers have won some recognition in Greece, he would hardly find others than Costas Montis and Kyriakos Charalambides. The first was noted somewhat mainly at the end of his life, because of George Savvides. The second built himself from very early a network of interpersonal relations which permitted his promotion, in contrast with others who stayed unknown because they didn't have this opportunity or they didn't want to work in the same systematic way for their promotion.

This finally proves the limited Greek interest in the study and critical evaluation of Cypriot literary production, apart some conventional and occasional presentation related most of the time to political events. Also the occasional presentation of certain Cypriot writers is done mostly on the grounds of public relations than on any other evaluation of their work. These presentations are generally anodyne, conventional, colourless and odourless. They avoid the obstacle of serious critical evaluation in order to satisfy everybody. The Cypriot writers contribute also to this phenomenon by accepting a superfluous promotion and even they go after it. They are satisfied

and even search through public relations a little “recognition” instead of claiming the real study and critical evaluation of their work. Often it is a behaviour of “poor relatives”. One could argue that Cyprus doesn’t have writers who have provoked a rupture within the Greek contemporary literature analogous to those of Cavafis, Kazantzakis, Seferis, Ritsos, or Elytis. Nevertheless Vassilis Michaelides or Costas Montis, closer to us, and perhaps some other poets, could stand next to big names of the neohellenic Greek contemporary poetry. Also contemporary poets such as Pantelis Michanikos or Costas Vassiliou, but also others, could stand next to some of the best Greek poets of the so called generation of the ’70s. The question is why they are absent from anthologies, studies, histories of literature, and from school manuals. The same could be advanced and for some prose writers such as Georges Ph.Pierides, or Ivi Meleagrou and others. It is characteristic that Georges Savvides has admitted himself that till 1973 he had never heard the name of Costas Montis⁹.

Of course if Cypriot literature remains in the margins the responsibility doesn’t only lay on the Athenian centre. Equally responsible are the Cypriot writers themselves who look spasmodically for its favour, some of them even using the clientelistic way instead of trying to be presented by serious publications, or perhaps to create publishing houses which will promote Cypriot books in the Greek market¹⁰. Cypriot philologists are also responsible because they didn’t show interest to study, interpret and evaluate the work of Cypriot writers. In other words, there could be created a pole of a systematic study and promotion of Cypriot literature in Cyprus. The aim would be to present this work in a critically evaluated way at the larger Greek public. A Cypriot pole in the space of neohellenic literature could help to put into evidence a polycentrism and favour Greek voices of the regions neglected by the Athenian centre. Naturally the question is if they could put aside the clientelistic relation and conventionality which kill creativity and help to promote mediocrity. There even exists the “inferiority” complex from which suffer many Greek Cypriot creators as well as the complexes of “superiority” afflicting their Greek-Helladites (the ones residing in Greece) counterparts.

Conclusion

It is certain that in discussing all these subjects we move into a fluid and slippery landscape. Aphorisms are always dangerous, as well as definitive

conclusions. It is well known that what we believe today is based on scientific documentation that tomorrow may be challenged and inverted. Also, we should not ignore the dynamics of the political situation in the island and the ideological currents deriving from it. From another point of view “scientificity” is never neutral.

With these reservations, we would advance some early conclusions:

1. As far as the term Cypriot literature is concerned, it is scientifically correct. It adds nothing and subtracts nothing from its Greekness, nor cuts it from neohellenic literature. Furthermore it doesn't add more Cypriotness to it from what it carries with its specific characteristics. This literature as a peripheral one disposes of a relative autonomy.
2. The relations with the Athenian centre remain superficial. As it happens with the literature of the Diaspora there is a limited if not inexistent interest for it and for everything done beyond the Athenian ramparts. But it's a fact that the Cypriot writers try in general to obtain artificial applause and provisional recognition rather than the real appreciation of their work. The same thing is going also on in the narrow Cypriot space where usually are held equilibriums in the distribution “of applauses” and “prizes”.
3. Finally the subject of identities which troubles all the contemporary societies in the context of a neoliberal globalising economy is even more painful in a country partly under occupation. Something which is necessarily reflected on the theoretical discussions concerning Cypriot literature. Without a strongly built national identity, cultural alienation waits in the corner. The coexistence, though with the Turkish Cypriots imposes also the parallel common republican political identity. This republican identity could shelter and interrelate the Greek and Turkish literatures of the island without cutting them from their corresponding ethnic trunk.

NOTES

1. For this subject see Lefteris Papaleontiou “Greek reception of Cypriot literature during the after war years”, *Porphyras*, Octobre, December 2002. See also Stephanos Constantinides, «Some Rather Heretical Thoughts on Cypriot Literature» *Etudes helléniques /Hellenic Studies*, Vol. 13, no 1, Spring 2005, as well as the article of Lefkios Zafeiriou in the present volume.

2. Matthias Kappler in his article in the present volume and Mehmet Yaşın, “On Cypriot literature and indeterminable identities”, *Syghrona Themata* [Current Matters] 68-70 (July 1998-March. 1999) 321.
3. In the special volume of the academic revue: *Etudes helléniques/Hellenic Studies*, a tribute to the literature of the diaspora (under the direction of Stephanos Constantinides, Kathryn Radford and Thalia Tassou) the term used is “Literatures of the periphery”, vol. 13, no.1, Spring 2000.
4. Stephanos Constantinides, *Preface* to Michalis Damanakis, *Identities and Education in the Diaspora*, (in Greek), Athens, Gutenberg, 2007.
5. Another way to destroy the identity of Cypriots – Greeks, Turks, or whatever other origin – is to accept the colonisation of the island by the settlers from Turkey. Something that apparently doesn’t trouble some neoliberal intellectuals on grounds of “non-exclusion”. These people on grounds of their “antinationalist” obsessions are ready to accept colonisation and expropriation of Cypriots and to legitimate Turkish neocolonial expansionism.
6. Craig Brown (sous la direction), *Histoire générale du Canada*, Montréal, Éditions Boréal, 1990.
7. Lefteris Papaleontiou, “Greek receptions of the Cypriot literature during the after world war years”, *op. cit.*
8. Papaleontiou, *op.cit.* p. 423.
9. Papaleontiou, *op.cit.* p. 434.
10. An effort to create a publishing house in Athens has been done by the intellectual Tassos Psaropoulos of Cypriot origin, during the 60s, whose aim was to publish important works of neohellenic literature as well as of Cypriot. It was the publishers Alvin Redman Hellas in cooperation with the English publishing house of the same name. At that time there have been published in Athens some books of Cypriot writers, among them the well known anthology of Cypriot poetry (under the direction) of the Cypriot poets Costas Montis and Andreas Christofidis. In a note in this anthology signed by Tassos Psaropoulos reference is made that this anthology of Cypriot poetry and an analogous anthology of Cypriot prose will be republished from time to time updated. Reference is made also to the formation of a committee for this purpose with the participation of Costas Varnalis, Andreas Karantonis, Michalis Peranthis, Lili Iakovidis, and from Cyprus of Costas Montis and Andreas Christofidis as supervisors. It was also mentioned that Athina Tarsoulis would be responsible for the section of the folk songs. The publishers activities were atrophied after the imposition of the dictatorship in Greece. Psaropoulos is also known for his literary work, mainly for his novel *O Dimios* (The public executioner), published by his own publishing house at that time.

The Achieved Body

(An Outlook on the Poetry of Vassilis Michaelides)

Costas Vassileiou*

RÉSUMÉ

Le poète Kostas Vassiliou, qui au cours des dernières années écrit de façon plus systématique de la poésie en dialecte chypriote, essaie de mettre en valeur les meilleurs moments de la poésie de Vassilis Michaelidis. Avec des images poétiques il essaie de mettre en évidence les neuf meilleurs poèmes du poète, écrits presque entièrement en dialecte chypriote, et n'hésite pas de placer à côté des poèmes les plus reconnus le poème intitulé «Amoloïtos» (l'indiscret) ou le satirique «Romios» (Le Grec).

ABSTRACT

The poet Kostas Vasileiou, who has more systematically written poetry in the Cypriot dialect in recent years, tries to highlight the best moments of Vassilis Michaelidis's poetry, namely his nine best poems, written entirely in the Cypriot dialect, and doesn't hesitate to place next to the best known ones the poem entitled «Amoloïtos» (The Unspoken) and the satirical «Romios» (The Greek).

If someone asked me to choose the nine best poems by Vassilis Michaelides, I would tell them that this would not be right as we should accept a poet, as well as any man or woman, in their entirety with their virtues and faults. After all, the best elements cannot be conceived without the worst and vice versa.

However, if one insisted on the nine best (and later we will see about the rest), I would have no trouble suggesting the following in chronological order:

1. «Mia epistoli is kypriakin dialektion» [A letter in the Cypriot dialect] (1881, March)
2. «I Kypros pros tous legontas oti den einai elliniki» [Cyprus to those who say it is not Greek] (1881, June)

* Philologist, poet

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3. «Amoloitos» [The Unspoken] (1880-1884)
4. «Anerada» [The Nereid] (1893)
5. «I Ennati Iouliou 1821» [The 9th July 1821] (1893-1895)
6. «Chiotissa» [Woman of Chios] (1893-1895)
7. «Romios kai Tzion Poullis, Tzionis kai Kakoullis» [The Greek and Tzion Poullis, Tzionis and Kakoullis] (1903)
8. «Constantinos (1914)
9. «To oroman tou Romiou» [The Greek's dream] (1917)

I would merely ask them, why choose nine and not ten to round it up; and they would reply, first that no number is more “rounded-up” than nine, either multiplied by three or added up (3x3 or 3+3+3) and secondly that we only need nine in order to assemble the collected body of his poetry. Let us now begin from the limbs.

For the feet we need two robust poems, equal and identical, to make up a pair that can safely carry the weight of a human body. I can think of nothing more appropriate than “Constantinos” and “The Greek's dream”, two of his latest poems which in their maturity and robustness leaning on the perfection of popular songs, reveal a man who knows where he set off from, the course he is about to cover and where he will end up; a man who walks the ground well grounded – on the language, the sensitivities, the yearning and the dreams of his people.

*Constantinos woke up late at night,
and saw the destitute land, his mother in tears.
“Where am I, mother?” he said, “Where is our church?”
“Where are our houses, our ancestral possessions?”
“They took them, my son, the graceless Tatars
And who braver than you can claim it back?
The whole world is waiting, looking at you
Your fast horse is already saddled.
With God's help put on your uniform,
Cross yourself thrice and tighten your sword”. (“Constantinos”)*

For the hands we need to choose another pair, and the only remaining pair is the “Letter” and “Cyprus”, two of his youth poems written in the same year and the same frame of mind (even though one is satirical and the other

patriotic). They are equally lengthy, loose in their structure and therefore flexible and versatile, suggesting two immense, tireless hands, agile and dexterous, able to create both an icon and an ecclesiastical wood-craft with the same ease, embrace either a log or a body, lift a boulder, prune either a tree or the sky; a “devilish” poet, aptly characterized by his friend St. Hourmouzos “who while walking the earth, lets his mind stroll high up in the skies” (*Salpingx*, 14.3.1884).

*As I was saying, this earth compared to everything else
is like, how can I put it, a grain of sand.
Amidst the sky it resembles a spark,
going round and round to bring us the year and the month.
On her back she holds us with her magnetism
and so we travel with her to the skies
In her whole journey she spins faster and faster
just like the yarn in the spinning wheel.
Round and round she goes and if ever she halts
who knows where the hell she'll throw us.
All of us, tall and short, poor and wealthy,
beggars and lords, rich and glorious
kings and ministers, if that day ever comes,
we'll all be reduced to kites in the wind. (“A letter in the Cypriot dialect”)*

For the chest, the central torso in general, no poem is more appropriate than the “Ninth July”, the most virile and manliest amongst his poems that provides a wide bosom, solid and warm. Here, not only Cyprus but the tortured Greek race or *Romiosiny* may safely lay its head and receive a tender caress on the hair in the comforting sound of these words: “let no harm come to you”.

*“The race of the Greeks was born when the world was born;
No one has ever been able to root it up?
God shelters it from the heights: it cannot die.
Not till the whole world ends will the Greek race vanish!”¹*

The “Woman of Chios”, the most malleable poem by Vassilis Michaelides boasts an ethereal, almost fleshless language, transparent style and a well-rounded metric system that allow the poem to take off and fly in the sphere of music and pure poetic energy. For all these reasons we cannot but place it in the position of the face. Just as in the human body the face requires its

Creator's greatest pliable dexterity in order to assemble all the elements (eyes, lips, cheeks etc) that reflect the personality of a human being, thus "The Woman of Chios" is the mirror of Vassilis Michaelides' poetic personality.

*The old beggar-woman left the house
And the Bey came in with a Turkish woman,
A black-eyed girl with a pale, gaunt face
And a body like a cypress tree.
When he saw his own beloved mistress
Down on her knees and with tear-filled eyes,
He said: "What is it, my Gioulsapa?"
You're crying again my Morning-rose.
In all the time that you have been with me,
You've never shown a drop of gaiety.*

For the end, we kept the three poems that correspond to the three more pertinent body parts that define, contain and regulate a psychosomatic personality: the sex or "nature" (instinct), the heart (emotions) and the head (reason) – the platonic chariot with the two horses and the charioteer who directs them (the pathos, the thymos, the logos).

In the place of the sex I would definitely plant "The Unspoken", not least with the ostentatious intention to show the size of his poetry but in a simple, natural and effortless manner pertinent to an ancient statue –covertly, too. I would adopt the same manly coyness with which, while describing the most spicy issue, the sexual act, the poet avoids all "harsh" words and artistically replaces them with other poetically articulated ones (i.e. unspoken, saddlebag, cave).

*If it weren't for me, how would you ever see this life?
Only I know what I've been through for you to live.
I would wake and get up like an angry lion
walking about bareheaded, carrying my saddlebag
caring none for verdict neither kingdom
but only shoved my face and spat inside the cave;
a cave with its mouth covered up in hair
and I would leave my saddlebag hanging on the outside.*

The place of the heart – the throne hall and the throne itself rightfully belongs to the "Nereid". Not only the woman that sealed and broke the poet's heart but the "Nereid" as a poem of incomparable beauty and crimson, tightly-

knit vigor (like a rose or a pomegranate) that releases the poet from his passions, rejuvenates him and activates the erotic root that feeds his human and poetic attitude:

*Later we came to a mountain
That reached, like Paradise,
Straight up to heaven.
On its heights we wept
Together, and laughed
In the pungent musk.*

*“If you are brave”, she said,
“And this life is to your liking,
Stay here alone with me” –
And she burst into laughter.
All at once I felt that my heart
Was about to break.*

*She spoke and she vanished,
Lost from my sight
Like a passing wind.
Then my heart cracked
And my mind stood still; since then
I have turned to stone”.*

Last, in the place of the head, *reductio ad absurdum* there is no other option but “Romios”. Let us not rush into talking about hydrocephaly in a Praxitelian body even though this poem is the lengthiest (641 verses) and the most “fluid” one – the most voluble, the most inartistic, the one most attacked by the critics. In contrast, written during his peak period (1893-1903) when he also wrote his greatest dialectal poems, “Romios” is so revolutionary in terms of its meaning and composition that even today, a hundred years later, we are having trouble grasping it. First because it shows a muscular mind that does not rest on its laurels but keeps on speculating and renewing, seeking new ways of expression in line with the new realities, his own or his country’s – a filtering mind. Secondly because, as the title suggests (“Romios”), it is a Greek mind that rises from the things to the idea: the result may be an immense fresco of the English rule – a “world of Cyprus” (just as the “Ninth July” and

the “Woman of Chios” are frescos of the Turkish rule) but it eventually becomes condensed in a Gospel, an Arc of the Greek race:

*God will provide! Countless villains conquered our land.
None of them stayed then, and none of them will stay now-
These too will come and go.*

And finally because as an artistic composition of antithetical elements (i.e. the Panhellenic vernacular and the Cypriot dialect, satirical versus dramatic tone, theatrical versus poetic genre), through an inspired and innovative architectural structure, this is the most daring experiment ever to appear in the modern Cypriot Poetry. Its national and poetic value can only be measured against classical pieces i.e. a Homeric rhapsody, a Platonic Dialogue, a Roman *kontakion* (short prayer).

*Suddenly they see
two ladies of high standing approaching.
well-dressed, young
as beautiful as angels...
Then they asked Kakoullis: “Please, tell us,
are we talking to an Italian or a Greek?”
And while their flaming look sets the poor man afire,
“To a Greek!” he responds.
“We’re sorry! From a distance we thought,
I that you’re a Greek and she that you’re Italian,
so there goes our secret.
I won the bet and I am very happy indeed.
Please tell us, which is your birthplace?
“I come from Cyprus, born in Limassol.
Myself too, ladies, when first I saw you
I thought that you were nymphs who escaped from Parnassus”.
“You are so flattering!”
“I speak the honest truth, you have to believe me!”*

Not bad, I would say, we’ve managed the nine best. But let us not forget my early promise: “...and later we will see about the rest”. I was referring to poems written in the local idiom such as *Tokoglyphia* [Usury], *Tyrinades* [Fasting Period], *O geros tis Parekklesias* [The Old Man of Parekklesia] and some epigrammatic ones: *En’angaliaso ton Theon* [I will embrace God], *Thee mou tziai*

na pethana... [God, I wish I died] that may not reach the elevated standing of the nine chosen but remain nonetheless smaller fragments of the same diamond rock. These, they would say, we would put in his pockets, like nuts, for him to treat children. How about the multitude of his poems written in the Panhellenic language? Poems like *To cigaron* [The cigarette], *To thavma tou Agiou Georgiou* [The miracle of Saint George], *Spoudaia Anakalypsis* [Great Discovery], *Ta proxenia tis Aphroditis* [Aphrodite's Matchmaking] and *O Diavolos* [The Devil] (as a whole and in many of its parts) cannot be easily erased. These, he would say, we shall put in his goatskin bag, for him to offer people in fairs.

NOTES

1. Translator's Note: The excerpts from the poems "Ninth July", "Woman of Chios" and "Nereid" are taken from a translation by Athan Anagnostopoulos, adapted by Kinereth Gensler and Ruth Whitman. *Poems of Cyprus* to the form in which they appear within this essay (Nicosia: The Printing Office of the Republic of Cyprus, 1970). The rest of the excerpts are translated by Despina Pirketti for the purposes of this essay.

Theatre in Cyprus (19th Century – 1959)

Yiannis Katsouris*

RÉSUMÉ

L'écriture théâtrale à Chypre pendant la période de l'occupation britannique demeure plutôt limitée. Pendant les mêmes années, augmentent de façon progressive les représentations théâtrales qui sont présentées autant par des groupes d'amateurs que par des troupes professionnelles provenant de la Grèce ou d'autres pays. Le répertoire des représentations présente une grande variété, et inclut des comédies, des comédies musicales, des tragédies néoclassiques, des drames historiques et patriotiques d'auteurs originaires de la Grèce, de Chypre et de l'espace international.

ABSTRACT

The author of this article focuses on the term "Cypriot literature" and points out its prevalence on other terms used from time to time. He argues in favour of the term Cypriot literature because such terms as Greek literature of Cyprus and modern Greek literature of Cyprus make up a redundant and dangerous grammatological terminology that could exclude or eliminate the "Cypriot" dimension from various expressions of Cypriot life.

Modern theatrical activity in Cyprus may be traced back to the mid-19th century.

Of course, the existence of ancient amphitheatres (Salamina, Kourion, Soloi etc), as well as information that came to us from the antiquity with regards to theatrical activity, playwrights, actors' guilds etc, verify that the dramatic art had a history of many centuries in Cyprus which, however, was often disrupted for long periods of time by conquests and other tragedies that time and again befell the island.

* Writer

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We shall begin our account from the last two or three decades of the 19th century, as our oldest evidence dates back from that period. First however we shall look into a number of historical events that had an explicit or implicit effect on the development of theatre in Cyprus.

The first important event that in fact took place unbeknown to Cypriots was the passing of their country from the Ottoman Empire to Great Britain in 1878, be it at first in the form of rented territory! The study of historical events over the eighty or so years of British rule indicates that the new conqueror was no better than the one before. Nonetheless, as the British were not an oriental force and despite the obstacles they often raised, they allowed a somewhat more contemporary and European social life to develop on the island.

This had an explicit and positive effect on the flourishing of the arts, even though the British took no measure whatsoever in this direction.

The second important event was the setting up of the first printing office on the island in 1878 (first year of British rule), donated by the Cypriots of Egypt.

Books that up until then were being published in Smyrna, Alexandria, Venice, Athens etc, began coming out in Cyprus, but at first mostly weekly one-page or two-page newspapers would be printed. It is precisely these newspapers that provide us today with a unique source of information on the intellectual, artistic and social life of Cypriots that was obviously limited during the first years of the British rule. Newspapers also allow us to observe the course of theatre and theatrical movement in Cyprus which after all could not have gone unnoticed by the Press in the small urban zones of the 19th century.

Naturally, dispersed information on theatrical activity by amateur or Greek companies that visited the island is available from other sources even before 1878.¹

Also, before moving on we need to refer to Cyprus' geographical position which during the 19th and early 20th century, in particular until the 1922 Catastrophe of Asia Minor, had played a significant role in the development of theatre.

Cyprus was located in the center of a sea route that united the Hellenism of Smyrna and the wider Asia Minor with their counterparts in Egypt (Alexandria and Cairo) and on the west coast of Asia (Yafa, Haifa etc.). Therefore, troupes setting out from Athens heading toward Constantinople

and Smyrna or directly from Smyrna for the wealthy Greek communities of Egypt could easily make a stop in Cypriot cities such as Larnaka, Limassol and Nicosia. Obviously, after 1922, Asia Minor was removed from their itinerary. With aviation advancements after World War II, the itinerary of Greek troupes consisted mainly of Athens-Constantinople (unto the mid 1950s when the city was still inhabited by Greeks) – Cyprus – Egypt.

In the first years of the British rule and during World War I, theatrical movement was mainly supported by:

- (a) amateur groups, usually made up of students or Secondary Education graduates and
- (b) Greek troupes that arrived on the island in the manner described above.

Local groups usually performed patriotic or other populist or melodramatic plays, always in a didactic mood and with altruistic objectives, as all returns were dedicated to charitable causes – as if young amateurs were forbidden to declare that they acted for the joy of creativity or even for their own pleasure.

In addition to this, it should be noted that these were ephemeral groups, made up exclusively of men; in fact, they would usually break up with the end of a play's streak of performances. Bright exceptions to this were the Limassol "Aris" Theatrical Company in the 1880s,² Larnaka "Sophocles"³ in 1909-1910 and the Nicosia groups of "Agapi tou Laou" [Love of People] and "Proodeftikos Syllogos" [Progressive Guild], also in the first decade of the 20th century.⁴

It should be clarified, however, that many of these theatrical groups, for instance the Nicosia "Agapi tou Laou" were in the service of political movements rather than theatre itself; therefore, their groups gained in popularity over the first ten years of the 20th century, when Cyprus was divided by the notorious "Archbishopric question".

In those years, mainly in the 19th century, Greek companies were small, often family troupes touring the wider Eastern Mediterranean area. Yet, since the early 20th century Cyprus also hosted a few fine Greek companies with significant actors and contemporary plays. These companies were headed by actors such as Aimilios Veakis, Edmondo First, Rozalia Nika, Christina Kalogerikou, Pericles Gavrielides, Evangelia Paraskevopoulou etc. who staged plays that had been successfully received on the European stage.⁵

In the late 19th century and until 1914, a Greek actor, Xenophon Esaias

played a significant role in the management of troupes visiting Cyprus. In fact, for a long period of time after 1900 Esaias took up residence on the island.

Apart from bringing his own troupes to the island, Esaias managed many other troupes, directed the Cypriots' amateur stage, starring with them too, and even published theatrical pieces applying the system of subscribers' pre-registration. In all, Esaias undertook quite a notable theatrical activity for his time.

There is no Cypriot counterpart for Xenophon Esaias, during the same period. It should be noted however, that Aristeidis Zenon (1882-1919) was the first Cypriot actor to perform in Greece in his student years (as an "initiate" in K. Christomanos New Skini [New Stage] and a cooperator of Y. Mystriotis in the early 20th century staging of tragedies in ancient Greek).

In Cyprus, he became involved in amateur theatre (staging "Oedipus Rex", staging and playing in "Antigone") and active in the wider intellectual life, especially in Limassol, until his untimely death in 1919.⁶

During the interwar years (1918-1940), local theatrical activity was intensified, owing to:

- (a) amateur groups set up mainly in Limassol (ETHEL, Aischylos-Arion, EOL, THON etc.) and also in Larnaka (EPL, AMOL), that usually staged *revue* shows (musical variety theatre). In its Cypriot version, revue entertainment was a courtesy of the Markides brothers from Paphos and their three "Paphian Revues" (1918-1922) that were obviously imitations of Greek shows, especially with regards to sketches drawing on the Balkan Wars and World War I.
- (b) workers syndicates appearing in Cyprus in the 1920s as well as other guilds (i.e. "Panergatikos" in Nicosia) that used the theatre and its social messages for their own purposes, often staging populist, melodramatic plays highlighting albeit naively the exploitation of the poor from the rich and
- (c) Secondary Education schools that used to promote ancient Greek tragedy, which after all was part of their curriculum.

Around the end of this period (1938) the first Revue Company appears in Nicosia, the Mousiki Skini Lefkosias [Nicosia Musical Scene] which would lead up to the heyday of professional musical theatre during the World War II years.

At the same time, Greek companies increase their visits to Cyprus, following the same itinerary as in the previous period – excluding obviously, Smyrna

and other Asia Minor coastline cities after the 1922 catastrophe.

In any event, the Asia Minor catastrophe and the consequent poverty that weighed heavily upon Greece with hundreds of thousands of refugees urged Greek troupes to seek employment in Cyprus and of course Egypt.

The result was an influx of fine Greek companies – of M. Kotopoule, V. Argyropoulou, Alikis and Costa Mousouri, Yannis Apostolides, Th. Naizer and K. Raftopoulou as well as smaller troupes that toured Cypriot towns and villages for months on end.

Actors Angelos Vazas and his wife Marika were members of one such troupe. The couple played a huge role in the development of local theatre, just as X. Esaias did during the first period. Angelos and Marika Vazas took up permanent residency in Cyprus and became both impresarios and directors of Cypriot companies from 1931 until the end of World War II.⁷

Within this period, Cyprus got to see everything that was performed in Athens. Everything! From ancient Greek theatre (i.e. Oedipus Rex by Veakis) to contemporary European theatre, social theatre, the French boulevard, German low comedy etc. and plays by Greek playwrights such as Xenopoulos, Melas, Synodinos and musicians like Th. Sakellarides and N. Hadjiapostolou with their operettas.⁸

The Third Period, spanning from 1940 – 1959 is in fact divided in three sub-periods: the World War II years (1940-1945); the challenging postwar years (1945-1955); and the years of the struggle against the British rule (1955-1959).

As expected, the course of theatre on the island was entirely dependent on each period's dramatic events.

Therefore, during World War II, Greek theatre vanished completely as companies could not travel outside Greece because of the war. This meant that some room opened up for Cypriot theatre, which saw a rapid development mainly through local revue shows and the European and Greek operetta. War stress and living conditions were so gruesome that they could not but incite the need for a pleasant and light theatrical life.

Numerous professional companies were then set up in Cyprus, i.e. the "Lyrikon" [Lyrical], "Neon Lyrikon" [New Lyrical], "Enosis Kallitehnon Lefkosias" [Nicosia Artists Union], "Orpheas" etc. Soon after, local writers of revue shows made their debut (i.e. Costas Montis, Y. Stephanides, Y. Anthias

etc.) with a group of talented actors performing unto the 1960s-1970s (N. Pantelides, Ph. Karaviotis, P. Philippides and shortly afterwards A. Moustras, E. Gavrielides who went on to become an acclaimed director, Phl. Demetriou etc.).

The scenery changed dramatically in the first postwar years. The Civil War and inescapable poverty that befell Greece because of the German occupation led Greek theatre to job-hunting among Greeks living outside the Greek territory. The big exodus of Greek companies followed, tracing the familiar Constantinople-Cyprus-Egypt itinerary, now by plane.

It was then that Cyprus saw the greater actors of Hellenism performing with their companies. M. Kotopoule, V. Manolidou, M. Aroni, D. Horn, Y. Papas, Katerina, E. Hadjiargyri, E. Lambeti, the Kalouta sisters, comedians P. Kyriakos, V. Avlonites, V. Logothetides, M. Photopoulos, S. Stavrides endowed the island with a rich and contemporary repertoire of European and Greek plays staging unforgettable theatre nights.⁹

Inevitably, the frequent visits of Greek companies between 1945-1955 had a negative effect on local troupes that despite their heroic efforts had not been able to withstand competition. “Promitheas” (1945-1946), the first prosaic theatre in Cyprus is one of the victims of this predicament. Consequently, local theatre is on the decline without always managing to survive and when it does, it is usually sustained by low comedy acts of little acclaim.

Still, in the period between 1940-1955 one genre flourishes: the theatre of syndicates or better said trade-unionist theatre as well as plays staged by guilds and cultural or other associations. Within these years, the genre takes off to unprecedented heights. In fact, one would have trouble locating a rural community that did not stage one, two or more performances annually.

In the last sub-period, namely the years of the struggle for liberation from the British rule, theatrical activity could not have evolved in earnest. In dreadful conditions that include prohibitions and curfews, theatre is barely kept alive, mostly thanks to the “Kyrpiako Teatro” of N. Pantelides and the “Enomenoi Kalliternes” [United Artists] of V. Kafkarides in the late 1950s. In contrast, guild theatre keeps up its activities albeit not to the extent of previous years.

Throughout the period under examination (19th century – 1960), Cypriot playwrighting does not have much to show in terms of auspicious highlights.¹⁰ During the 19th century, classicist pieces of low acclaim were written in the

“katharevousa” [the “purified” Greek] imitating Greek playwrights (Vernardakis, Antoniadis, who in their turn replicate classic European writers i.e. Shakespeare). Yet, some of these plays were being successfully received on stage over a long period of time mostly because they referred to Cypriot historic events in a patriotic mood (i.e. “Kypros kai oi Naitai” [Cyprus and the Templar Knights] by Y. Sivitanides and the notorious “Kucuk Mehmet” by Th. Constantinides.

In the early 20th century a run of one-act comedies or brief dramas was published, indicating that something had changed in playwriting. From the 1920s onwards, dialectal ethnographies made their appearance (Galanos, Liasides, Akathkiotis) alongside plays written in the Modern Greek vernacular.

In the same period (1920s onwards) theatre in the Modern Greek vernacular can boast a few highlights, i.e. “Dikigoros” [Lawyer] by E. Zenonos (1923), “Demoprasia” [Auction] by Tefkros Anthias (1935), “Apogonos” [Offspring] by D. Demetriades (1950), “Omiroi” [Hostages] by Loukis Akritas (1956) and probably a few more. In any event, as the years go by, the Cypriot stage will become more welcoming to Cypriot ethnographies (A. Rodinis, M. Kyriakides) that survived over a period when in other parts of Hellenism they would have been considered entirely obsolete.

NOTES

1. Yiannis Katsouris, *To teatro stin Kypro* [Theatre in Cyprus], Volume A, 1860-1939. Nicosia, 2005: p. 19. For the Greek troupes, see also: Theodoros Hadjipantazis, *Apo tou Neilou mehri tou Dounaveos* [From the Nile to the Danube] Herakleion, Crete, 2002: p. 2026 and Yiannis Katsouris, *To teatro stin Kypro*, Volume A, p. 31.
2. Yiannis Katsouris, *Ellinikon Theatron “Aris” Lemesou (1880-1881)* [Limassol “Aris” Greek Theatre], Nicosia 1990. Over a five-month span, “Aris” staged nine plays.
3. Over an eight-month span, “Sophocles” staged ten plays. See I.Ch. Hadjioannou, *O erasitehnikos dramatikos syllogos Larnakas o Sophocles* [Larnaka’s “Sophocles” amateur dramatic guild] Panhellenic Album of National Centenary 1821-1920, I hrysi vivlos tou Ellinismou [The Golden Bible of Hellenism] Volume D, Athens, 1927: p. 67.
4. For theatrical activity in Nicosia during the first decade of the 20th century, see Yiannis Katsouris, *To teatro stin Kypro*, A. 1800-1939. Nicosia, 2005: p. 89.

5. Apart from populist melodramas of the time (“Dyo orphanai” [Two orphans], “Rakosyllekti ton Parision” [Ragman of Paris], “Pistis, Elpis, kai Eleos” [Faith, Hope and Mercy] etc.) plays by D’Ennery and his associates are staged; by Dumas, father and son, Giacometti, Sardou, Bernstein, Bataille, Hugo and even Shakespeare (i.e. “Othello”, “The taming of the shrew”); Molière (i.e. “The Bourgeois Gentleman”), Ibsen (“Ghosts”, “A Doll’s House”) etc. Of course, within the said period the “komeidyllion” and dramatic idylls are in their heyday (“Tyhi tis Maroullas” [Maroulla’s Predicament], “Lyra tou gero Nikola” [Old Nicola’s lyre], “Agapitikos tis voskopoulas” [The Shepherdess’ Lover] and many more) as well as populist patriotic plays (“Choros tou Zalongou” [Dance of Zalongo], “Sklava” [Enslaved Woman], “Athanasios Diakos” etc) and other (i.e. “Melas”).
6. Yiannis Katsouris, *To teatro stin Kypro*, Volume A, 1860-1939, Nicosia 2005: 98. For the relation between Zenonos and Y. Mystriotis and his effort see Yiannis Sideris, *To Archaio Teatro stin Elliniki Skini 1817-1932* [Ancient Theatre in the Greek Stage], 1936, p. 2003.
7. Antis Pernaris, “*O Angelos Vazas kai I Kypros*” [Angelos Vazas and Cyprus], *Pnevmatiki Kypros*, XV, 171 (December 1974): 69-70. For more information see Yiannis Katsouris, *To teatro stin Kypro*, Volume B, 1940-1959, Nicosia 2005.
8. I.e. “Apahides ton Athinon” [Thugs of Athens], “Vaftistikos” [Godchild], “Halima”, “Christina”, “Mpoemiki Agapi” [Bohemian Love] etc.
9. Among contemporary playwrights, Eugene O’Neil (“Mourning becomes Electra”), Bernard Shaw (“Mrs Warren’s Profession”), Somerset Maugham (“Sacred Flame”), Jacques Anouilh (The waltz of the toreadors), Jean Paul Sartre (“Dirty hands”), Arthur Miller (“All my sons”), Tennessee Williams (“The Glass Menagerie”), Sheriff (“Journey’s End”) etc. are repeatedly put on stage. Nevertheless, many plays of older times are also performed.
Among Greek playwrights, D. Psathas, Sakellarios-Giannakopoulos, Y. Rousos, St. Photiades, P. Kayias and of course Gr. Xenopoulos, D. Mpogris, Sp. Melas and the then young I. Kampanellis are staged, as well as ancient Greek drama (“Agamemnon”, “Oedipus Rex”, “Persians”).
10. For a complete catalogue of Cypriot plays see Yiannis Katsouris, *To teatro stin Kypro*, Volume B, 1940-1959, Nicosia 2005: 248-260.

Cypriot Writers of the Diaspora

Maria Herodotou*

RÉSUMÉ

Dans cet article un effort est fait de présenter les auteurs chypriotes grecs de la période après la Seconde Guerre Mondiale qui résident dans les plus grands centres de la diaspora grecque (ou qui y ont vécu pour un certain nombre d'années), comme la Grande Bretagne, l'Australie, le Canada et les États-Unis, où ils produisent leur œuvre littéraire. Mon but est de fournir aux chercheurs ou aux lecteurs intéressés un guide sur la vie de ces auteurs et leur œuvre, aussi bien que de faire reconnaître leur contribution à leur mère patrie et leur nouveau pays. Les auteurs sont présentés par ordre alphabétique. Cette présentation n'est pas complète, comme beaucoup de facteurs ont limité l'étendue de ma recherche. J'espère que celle-ci sera mieux étoffée plus tard.

ABSTRACT

In this paper an attempt is being made to present Greek Cypriot writers of the post-World War II era, who reside in major centres of the Greek Diaspora (or who lived there for a number of years), such as Great Britain, Australia, Canada and the USA, where they have produced their literature. My aim is to provide interested researchers or readers a guide to these writers and their work, as well as to acknowledge their contribution to both their homeland and their new country. The writers are presented alphabetically. This presentation is not complete, as many factors have limited the scope of my research. I hope that it will be expanded at a later stage.

The movement of people from country to country either as colonists or as migrants (for various reasons) is an ancient phenomenon. The experience of migration is marked in Cyprus, which throughout its history has experienced invasions, occupations and political crises that have resulted in difficult social and economical situations for its people. In this paper, I will focus on the literary production of Cypriot writers who migrated to other countries in the post war period¹ and mainly after the Turkish invasion of 1974, which

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constitutes an important turning point in contemporary Cypriot migration. Many Greek Cypriots became refugees and were forced to migrate to countries such as England, Australia, Canada, the USA, Greece, etc. Cypriots, who migrated after 1974, were better educated in comparison with those who migrated during previous eras. Furthermore, the receiving countries were developed countries providing them with more educational and social opportunities. In this paper I will not be concerned with those Cypriots who settled and created literary (and other forms of intellectual) work in Greece or with isolated cases of writers in different countries. Writers who created their work in Greece did not experience the cultural and language conflict that the writers experienced in other countries. Rather, its main focus is on contemporary migration to Great Britain, Australia, Canada and USA, which have the greater concentration of Cypriot migrants. We will also include writers of Cypriot descent who were born, raised and created their work in the Diaspora, whose work exhibits their preoccupation with Cyprus and the Cypriot identity.

An important and controversial issue is the incorporation of these writers into a literary corpus. For example, for many years it was debated whether the literature created by Greek writers in Australia should have been considered a part of Australian or Greek literature. The literature of Cyprus itself and the meaning of the term “Cypriot Literature” was a contentious issue. Many views and suggestions were expressed regarding this topic. This issue, however, will not be discussed in this particular paper. My aim is to present (albeit incompletely) the literary works by Cypriots and of Cypriot descent writers from the countries mentioned above.

The Cypriot writers of the Diaspora constitute a subgroup of the Greek literature of the Diaspora. Most of them (as previously mentioned) migrated in more recent years in comparison with those who migrated from Greece. We must also take into consideration that most of these writers grew up on the island and received basic or advanced education either in Cyprus, Greece, or other countries and hence their first language is Greek. This is an important factor for the creation of literature and the use of language. In decades to follow, however, literature will be written in English.

The tumultuous political situation on the island and the dramatic events of 1974, which directly or indirectly caused their migration -and in many cases

their refugee status- formed the main subject matter of their work. Although their thematic scope was gradually expanded, topics relating to Cyprus, as well as topics about preserving the Greek-Cypriot identity, the cultural conflict they experienced, or their nostalgia about their birthplace remain very important in their literary production.²

The greater part of this production consists of poetry. In comparison, prose works are limited in number. There is an evident preference towards short stories or short prose narratives, narrative poems, plays, *chronographimata*, short plays in the Cypriot dialect, and children's literature. Lengthy and complex works such as novels or novellas are very limited³.

I will now endeavour to present Cypriot writers who have created literature in major Greek centres of the Diaspora (*paroikies*). This presentation is not complete, as many factors have limited the scope of my research. Firstly, many of these writers published their work at their own expense or have it published by small publishing companies and thus distribution and accessibility of these works are very difficult. Secondly, many of the works produced in earlier years are not easily found. My aim is to provide to interested researchers or readers a guide to these writers and their work. This presentation is also an acknowledgement of their contribution to both their homeland as well as to their country of settlement. The writers are presented alphabetically.

GREAT BRITAIN

Kypros Alasios (Nicosia 1944-) His real name is Dimitri Symeou. He went to England to study after graduating from the Pancyprian Gymnasium and settled in London. He has published one poetry collection titled *Ypostasi* (1971), short stories and plays.

Sophocles Andreadis (Gialousa 1921), who migrated to England in 1938 and settled in Manchester, wrote poetry motivated by nostalgia about his homeland.

Tefkros Anthias: One of the most significant and prolific writers, who lived abroad, is without a doubt Tefkros Anthias. Some may argue that it is difficult to classify him as a writer of the Diaspora as he was constantly on the move. However, because he lived in London for more than fifteen years⁴, where he died, I am including him as well. He was born in Kontea in 1903 with the real

name Andreas Pavlou. He studied at the Lyceum of Commerce and the Theological School of Larnaca and after his graduation he worked as a schoolteacher in both Cyprus and Greece where he lived for seven years. In 1930 he returned to Cyprus and worked as a journalist in different newspapers [*Proti, Eleftheria, Neos Democrates, Charavgi*]. During his stay in Cyprus he became actively involved in the socialist movement. In London he also worked as a journalist and a correspondent for *Charavgi* and editor of the community newspaper *To Vima*.

His socialist ideology influenced his writing in which he projects social and political issues and themes on: social inequalities, social outcasts, people who are looked down on, the homeless and vagrants, etc. These themes reflect a social realism that is found in the work of many writers of the time like, for example, the work of Kostas Varnalis. Anthias wrote poetry, plays, prose, children's plays, folk poems, *chronographimata*, and literary criticism. He was also the editor of various journals. He usually signed his works using pseudonyms. He published more than thirty-three poetry collections⁵, prose and plays. I am not going to expand on a detailed report or evaluation of Tefkros Anthias's work on which there is a rich bibliography⁶.

Antonis Eliakis was born in Anafotia in 1930. When he graduated from the Commercial Lyceum of Larnaca, he went to England for further studies where he settled permanently. He published poems, treatises, and short stories, as well as essays on theatre and painting, in journals and other media publications in both Greece and Cyprus. His poetry is groundbreaking for its time. His collection of poetry is titled *Gothic Windows* (Famagusta 1958) and his narrative story *White Flowers Worth Twenty Pounds. Diary Entries (Λογία Αξίας Είκοσι Λιρών. Εγγραφές Ημερολογίου)* [Limassol, Kyprogeneia Publ. 1999]. The main theme of his narrative story, which he formulated as diary entries, is the death of a young man from AIDS. It is a dramatic story without being melodramatic. The writer succeeds in subordinating the personal to the art of narration. This work was awarded the prize for best novel by the Cyprus Ministry of Education and Culture. Some of his poems in both languages (Greek and English) were included in anthologies.

Pantelis Kakolis was born in Liopetri in 1933 and studied for a short period of time at the Lyceum of Famagusta. In Cyprus he worked as a farmer until his migration to England in 1956 (first to Blackpool and then permanently to

Manchester). He has been writing poetry since 1964. His poems were published in newspapers of the Greek Community of England and in magazines in Cyprus. He mainly writes following the *poiitariki* tradition but has also produced poetry using the conventional style. Some of the main themes of his poetry are the juxtaposing of meanings of life and death, as well as love and social issues. He uses his poetry to protest against social institutions and customs. He also wrote poems expressing his feelings about Cyprus and his migration. Cyprus remains a nostalgic place where he wants to end his life, not willing for a death in England. He also wrote lyrical poems with the apparent influence of Greek mythology.⁷ He published the following collections of poetry: *Τα Φύλλα της καρδιάς μου*, Nicosia 1978 (*My Heart's Leaves*), *Το Αλφα τζαι το Βήτα*, Nicosia 1979 (*The A and B*), and the bilingual collections *Κομμάτιν που τον Κόσμον μου*, Nicosia 1984 (*Part of my World*) and *Στην Μέση δκνο Πολιτισμών* (*Between two Cultures*) translated by the poet himself with the help of his friend David J. Melling.

Giannis Katsis was born in Kalopanagiotis in 1919 and settled in London in 1954. He writes poetry following the *poiitariki* tradition as well as conventional poetry, which has been published in the newspaper *Democrat* (Cyprus), *Vima* and *Parikiaki Charavgi* (London). Cyprus and its history are central themes of his poetry.

Chambis Konteatis (Kontea 1918-London 1986) settled in London in 1974 and was actively involved in the affairs of the Cypriot Community in London. His poetry is both *poiitariki* and conventional. He published two poetry collections titled *Worries of my Father* (*Έννοιες του Τζηπού μου*) and *Echoes* (*Antilaloi*).

Zacharias Kosta born in Kontea in 1925 worked as a farmer and as an interpreter for the army, before studying English literature in England. He then studied Medicine in France. He published the poetry collection *Redemption* (*Αύτρωση*).

Christakis Kotsiamanis (Morphou 1950) After finishing high school in his town, Christakis Kotsiamanis went to study in London where he graduated in 1975. He settled in London. He began writing poetry and chronographimata and started publishing them in journals and newspapers in Cyprus. Since settling in London he has been writing poetry in both Greek and English.

Kostas Lavithis was born in Nicosia in 1914 where he received his secondary education at English School. He worked as a radio journalist and then went to Great Britain for a number of years before returning to Cyprus. He published poetry and short stories in *Kypriaka Grammata* and literary criticism in *Philologiki Paphos*. In his work he uses satire and irony to a great extent. He also wrote *chronographimata* and *humorous stories*.⁸

Julia Lara (real name Eleni Papaioannou) was born in Kellaki. In 1926 she migrated to Egypt and in 1962 to Leeds, England. She published poetry, short stories and *chronographimata* in Greek newspapers and journals in Cyprus, Egypt, Greece and London. She published the following collections of poetry: *Νυχτολούλουδα* (1959), *Πολύ και Λίγο* (1968), *Εμπειρίες* (1972) and *Λιθοδομή* 1975. Short stories: *Από το Βυθό* (1981).

A selection of her work was published in 1984 in a volume titled *Συγκομιδή*.

Andreas Lazarou was born in 1940 in Nata in Paphos and lives in London where he has been working as a teacher. He has written a School Reader titled *Learning to read easily*, in addition to poetry. His Poems focus on Cyprus and the pain felt by its people due to the Turkish invasion.

Stavros Lillitos (1919-1971) was born in Gialousa and migrated to England in 1936 where he studied English literature (in Essex) and later medieval English literature in London. He worked in business and was elected president of the Cyprian Community of London. He wrote short stories and poems, which were published in the journal *Spotlight*, and also plays. His play *The old suitcase* (Η παλιά βαλίτσα) was presented on Cyprus Television. His plays *Down the Carob Trees* (Κάτω στις τερασιές) and *the Migrant* (ο Μετανάστης) were written in the Cypriot dialect.

Lia Apostolide-Pavlou was born in Nicosia, studied at the Pancyprian Gymnasium and then Music and Classical Dance in Athens. She worked as a teacher. She migrated to London where she lives. She published poetry and music criticism in journals and newspapers. Poetry collections: *Μονόλογοι*, *Ηλιοτρόπιο*, *Ηλιοτρόπιο 2*.

Pantelitsa Kokkinou Tims was born in Ammochostos. Her family migrated to England when she was very young and later worked in Liverpool at the Greek Embassy (1963-1975). Since 1976, she has been living in Manchester where she has been working as an interpreter at the “Alexandra” hospital.

Panagiotis Vasileiou was born in Davlos in 1946. After graduating from the A' Gymnasium of Famagusta, he studied Physics in London where he settled. He has written mostly poetry.

Other poets who have written in Greek are: Efthymia Christodoulou (born in Ayios Elias, Karpasia in 1923, migrated to Manchester in 1974), **Anthos Chrysos** (was born in Goudi, Paphos in 1930, studied Philologia in Athens and settled in England. He wrote poetry and Drama), **Kyriacos Erakleous**, **Sergios Florides** (Lapithos 1903-London 1988), **Lisa Georgiou** (born in London in 1966, studied English Literature and writes in both languages), **Lyssandros Ioannou**, **Xenia Gerolemidou**, **Giannis Kamenos** (born in Anafotia 1916, migrated to London and has written poetry using the Cypriot dialect), **Efie Mita** (born in Xero in 1949. Poetry collection *Εικόνες*, 1984), **Andreas Nichola**, **Lenin Evanthis Nikolaides**, **Evipridis Ornitharis** (who was born in 1963 in Kato Akourdalia, Paphos and has been living in London since 1977), **Roulla Pampou** (published the poetry collection *Step/Vema*), **Vasilis Panagi** (born in Syghari in 1947, migrated to London in 1975 and has been working as a correspondent for the newspaper *Charavgi* and as an actor in theatre and movies), **Stas Parashkos** (Anafotia 1933, studied Art-painting in England), **Nedi Tofali** (Evrychou 1946, settled in London in 1963), **Antri Voukanari** (was born in Famagusta. When she was three years old her family migrated to London. She holds a BA in Geography, Psychology and Sociology. She writes poetry mostly in English. She has also written children's poetry).⁹

The following poets write in English:

Rozanna Achilleos was born in London in 1951 where she studied classical dance. She lived for a few years in Cyprus after she finished her studies but returned to London in 1978).

Louset Kobbatzis was born and grew up in England, wrote poetry and plays. Her poetry collection is titled *The Realization of Skipped Time*.

Robert Arnold Papaleontiou born in Liverpool in 1959, studied English literature at the University of Cambridge and worked as a teacher in Manchester. He published poetry in English. His collections are titled: *People Within* (1974) and *The Fred* (1989).

AUSTRALIA¹⁰

Emilio Fintikides was born in Famagusta in 1965. After the Turkish invasion he took refuge in Nicosia with his family where he finished his secondary education. In 1986 after completing his military service, he went to the USA. In 1989 he migrated to Australia and settled in Adelaide. He studied Social Sciences. He writes poetry and prose. In his poetry he uses irony extensively to convey the unreasonable facts of life and society. His memory of Cyprus acts in an oppositional way i.e., a wound and simultaneously a salvation, pain and hope.

Andria Garivaldis was born in Zodia in 1958 and attended the B' Gymnasium in Morphou until 1974 when she was forced to leave after the Turkish invasion. She continued her studies at the Pancyprrian Gymnasium. She migrated to Melbourne in 1975 where she studied Computer Technology and then she obtained her Diploma in Translation and Interpreting. She also holds a BA in Greek and English Literature. She did postgraduate studies on the Greek literature of the Diaspora. She worked at state schools in Victoria and at Greek Community Schools. She has been writing literature since her high-school years. She has published a great number of poems in Greek journals in Melbourne such as *Antipodes* and *Logos*. She has published the poetry collections *Ανάλευση* in a collective volume with collections by three other poets of Melbourne, which has the indicative title *Tetralogia* (Nautilus Publications, 1996)¹¹ and the collection *Κνημένα* (Nautilus Publications, 2001). She has received many awards in various literary competitions. Her second collection received the prize for best children's literature in Nicosia. Many of her poems were included in anthologies in Australia, Greece, Cyprus, and America¹². The themes of her work are usually centered around the consequences of the tragedy of Cyprus, the migrant experience, and the pursuit of the individual for a better life.

In many of her poems Andria Garivaldis focuses on her homeland, Cyprus, and its present situation; A tragic situation, which the poet identifies with its pain, which she projects from different perspectives (the invasion, prisoners of war, the missing, and the partition). Garivaldis uses her art to awaken the consciousness of her readers, to preserve the memory of those events, as well as to maintain a sense of duty in her readers mind to continue the struggle for the vindication of the island and its people. She does not accept for a fact

that in a Greek place, where the Greek tradition is deeply rooted, there is not a Greek “soul” left. At the same time she recreates the beauty of the island in general and the beauty of her birthplace (Zodia) in particular, in a nostalgic way. She constantly returns in spirit to that place with a romantic mood. On the contrary, her new country is mostly absent, creating in this way an intentional void. It remains a foreign land (*Xenitia*). It is a place where the dream and the reality are in constant conflict.

In another group of her poems she deals with various topics such as peace, love, loneliness, existence, death, as well as topics about poetics. She experiments with different poetic forms such as rhyming versus, strict poetic tempo, and freestyle. Her poems are lyrical and elegiac in tone.

Mihalis Pais was born in Lysi in 1945 where he was living until 1974. After the Turkish invasion he became a refugee and lived in Cyprus for approximately two years until 1976, when he migrated to Melbourne. He is interested in Science, Philosophy and Cosmology. He is an amateur astronomer. He published many poems in Greek journals in Melbourne such as *Antipodes* and *Logos*. His first Poetry collection was published in *Anthologia* a collective publication of six poets. He then published in bilingual editions (Greek-English) the poetry collections *From the Diary of the Century/ Από το Ημερολόγιο των Αιώνων*, Melbourne 1987 (translated in English by Iakovos Gavriel) and the *Adventures of the Sun/ Οι Περιπέτειες του Ήλιου*, Mount Copper Press Publications, 1990 (translated in English by Pavlos Andronikos). A new poetry collection is ready for publication and he is also working on another poetic synthesis.

The Turkish invasion of Cyprus became the starting point for Pais' literary production. In his earlier poems he expresses his sorrow and despair about the loss suffered as well as his anger about what he believed was a betrayal. Gradually, his emotions are controlled by art with significant verses. The personal and subjective aspect of his poetry is replaced by universal meanings and ideas, which are expressed with metaphorical and elliptical images. There is also the agony about the success of his efforts as a poet.

Babis Rakis was born in Alexandria to Cypriot parents. He finished the *Averofeion* Gymnasium in 1950 and soon after he began collaborating with the Greek newspaper of Alexandria *Tachydromos*. The political crisis in Egypt forced his family to return to Cyprus and to settle permanently in Nicosia. Rakis worked as a journalist for Cyprian newspapers and started writing short

stories. After the Turkish invasion of 1974 his family became refugees and were forced to migrate to Australia (in 1975). They settled in Sydney where he began to work again as a journalist for the Greek newspapers *Panellenios Kerykas*, *Nea Patrída* and the magazine *Hellenis* of Sydney. He then worked at the multicultural Radio SBS (Special Broadcasting Services) for about ten years until his retirement in 1995. Since his retirement he has been working for the newspaper *Hellenikos Kerykas* writing the page “Paroikiakoi palmoi”, which includes interviews, reporting, social and cultural issues pertaining to the Greek community.

In Cyprus Babis Rakis published short stories in various magazines, as well as the collection of short stories titled *The Young ones/ Oi Néoi* (Nicosia 1959), drawing his inspiration from the anti-colonial struggle of the Cypriots against the British. The same year he published the travelogue *Old and New China* (Nicosia, 1959). In Australia he has been writing notable short stories most of which have been published in magazines. In his writing he employs social realism to deal with topics such as the uprooting and refugee status of many Cypriots in Australia and their inability to adapt to their new country, aspects of the life and feelings of Greek migrants in Australia, their new way of life and their nostalgia for the past. His use of language convey the meanings in a lucid way.

Erma Vasiliou was born in Limassol in 1947, and migrated with her family at a very young age to the former Belgian Congo where they lived until 1974. She studied at the bilingual primary school of Bunia (Greek French), and was also taught the local language, Flemish. She continued her secondary education at the bilingual Greek-French School of Saint Joseph in Athens. She migrated to Australia in 1987 and settled in Melbourne. She worked for a short period of time as a journalist for the newspaper *Greek Herald* in Sydney and the state radio station, SBS (Special Broadcasting Services). She studied Linguistics and conducted research on the medieval Cypriot dialect.

Erma Vasiliou is a prolific writer with significant literary work (which is mostly poetry), prose and narrative poems. She has also published treatises, essays, and literary translations (Baudelaire, L. Brett and Balzac). She is currently translating the medieval historical document written by Estienne de Lusignian titled “Description de Toute L’ Isle de Chypre” from medieval French into Greek and into English, while simultaneously compiling the first

grammar and syntax book of Medieval Greek Cypriot dialect. She has been awarded many prizes by many organizations. She also writes poetry in French. The focus of her work is Greek identity (including the Greek language), her personal need to be identified with Hellenism or to be part of a homeland, the position of women and others. Most importantly she is particularly interested in themes such as poetics, and finding means of expression (i.e., symbolism) which become the means by which she defends her individuality¹³. She holds a special place in the literature of the Greek Diaspora. Her writing (poetry and prose) is impressive, demanding and complex and her use of the Greek language exceptional. Vasiliou is successful in utilizing the pouch («μάρπουος») to use her own symbol, that is, a place where someone exists, develops and matures emotionally outside the main body. She has published the following literary work: Poetry: *H Θέαλλη (The Storm)*, Owl Publishing 1993, *Εώρακα (I have seen)*, Collections Books 1996, *H Αγγελιοφόρος Α' (The Messenger A')*, EKEME 2003 (six poetry books in one volume), *H Αγγελιοφόρος Β' (The Messenger B')* EKEME 2005 (six poetry books in one volume).¹⁴ Prose: *Καλένδες (Calends)*, Collections Books 1995, *Κλέλια (Clelia)*, EKEME 2000 (novel).

Other writers in Australia who have produced literary works are: **Pavlos Andronikos** who has written modernist poetry, music and literary translations, **Maro Gemeta** (has written, poetry and short narratives and short play-some of which in the Cypriot dialect/ κυπριακά σκετς), **Maro Nikolaou**, **Tefkros Panagiotou**. These writers have been publishing their work in magazines.

CANADA

Stephanos Constantinides was born in Pentalia, Paphos. He graduated from Athens and Paris Universities where he studied philology. He also holds a PhD in Political Sciences from Sorbonne. He has been living in Montreal since 1976. He lectured in Political Sciences at Quebec University in Montreal, Laval University and University of Montreal. He is the Director of the Centre for Hellenic Studies and Research Canada-KEEK and the editor of the scientific bilingual journal (English-French), *Etudes helléniques/ Hellenic Studies*. Professor Constantinides published extensively in the fields of Sociology and Political Sciences. Constantinides is also a writer of significant poetry in which he expresses his anxiety on political and social issues. He transforms politics into poetry. He combines the ideal and the ordinary, and using irony he undermines

the ideal to emphasize the prevalence of the ordinary. There is an evident sarcasm (including self-sarcasm) pertaining to the migrant and his futile attempts to maintain his identity or to create a new one. He exploits different forms of writing, modernistic in style, with impressive results. He has published four poetry collections, short stories, literary criticism and essays. He has also many poems ready for publication. His poetry was translated in French and English.

Poetry Collections: *Εναλία Κύπρος: ο θάνατος του Ονήσιλλου στα 1989 μ.χ.* (1990), *Anthumes* (1984), *Παρακαλείσθε μην πύετε εντός του λειψορείου* (1979), *Επένδυση στο χρόνο ενός ονείρου και κάποιων μαρτυριών* (1969), *Προκρούστη του Εναρέτου* (2008), Short Stories Collections: *Ο γυρισμός του Αρχιερέα* (1980), *Η επιστροφή του Αρχιερέα* (2012).

Savas Patsalides was born in Kyrenia in 1950. After completing his secondary education and his national service in the Cyprus army he went to Thessaloniki where he received his BA from the *Aristoteleion* University and continued postgraduate Studies. He then went to Canada for further postgraduate studies and received an MA from McGill and a PhD from Montreal Universities. He did his postgraduate studies in the fields of American prose writing and theatre/ drama. He has written and published extensively in these fields. Currently, S. Patsalides is a Professor of theatre at the *Aristoteleion* University in Thessaloniki and a theatre critic. He is considered as one of the most important theorists of post-modern theatre in Greece. He has written poetry, which was published in journals and newspapers of North America and the collection of poetry titled *Photoskiaseis (Φωτοσκιάσεις)*. In his poetry he tries to formalize his agony as a poet who is constantly trying to investigate his own existence as well as to balance reality and the imagination.

Pavlos Leontiou Ioannou lives in Toronto. He was born in the village Assia in Mesaoria in 1946 but soon after he was born his family moved to Nicosia. He started writing poetry from a very young age. His first poems were published in the magazine *Ephivos* of the Pancyprian Gymnasium of Kykkos. He was a regular contributor to the literary magazine *Kypriaka Chronika*. While in Cyprus he was very active in terms of his contribution to the cultural life of Cyprus. He was a founding member of the literary magazine *Krikos* and of the *Kypriakon Logotechnikon Omilo Neon (KLON)*. For a number of years he was the literary co-editor (with Kostas Olympios) of the newspaper *Telegram*. He worked as a nurse at the psychiatric hospital in Nicosia and in 1969 he went

to Canada to study Psychology. When he completed his studies in Social Services and Individual Psychology, he wanted to return to Cyprus. However, the 1974 coup d'état and the Turkish invasion of Cyprus prevented him from returning. Since then he has been living in Toronto. He is the Director of the Special Services of the Toronto Social Services Division. He has also been playing an active role in the activities of the Greek and Cyprus Organizations/Communities of Canada.

Pavlos Leontiou Ioannou has been writing poetry in Greek. He published the following poetry collections: *Επιμαρτυρία*, Nicosia 1968, *Καταμαρτυρία*, Toronto 1978, *Πάμε με τ' Αλακάτι*, MAM Publications, Nicosia 2002 and *Οι Οραματισμοί της Πρωμοσύνης*, Nicosia 2004. Since 2005, however, he has been writing in English in an effort to be included in the Canadian literary tradition and has become a member of the Ontario Poetry Society. He has been publishing his work in the Society's literary magazine *Verse Afire*.

Cyprus as a place, culture and history is the focus of his poetry. It becomes part of the very existence of the individual. In his collection with the revealing title *Οραματισμοί της Πρωμοσύνης*, in a Homeric way gives us in twenty-four "rhapsodies" a synthesis of his vision of the history of Cyprus and his development as a poet. He owes this development/creation to his birthplace and its history. In his poetry there is an evident Elytian influence. There is a conflict between good and the evil, light and darkness, justice and injustice. Powerful images create surrealistic yet easily understood poetry due to the underlying diachronic history of the island, which has a connecting effect. His poetic language is enriched with Cyprian dialectic elements, which reinforce the identity and the projection of his existential agony.

In his poetry in English he is preoccupied with contemporary man and social problems, alienation, emptiness and loneliness. War and its consequences is a central theme in these poems formalized with daunting and cruel images. There is also the theme of the aimless man, who has no more weapons left to fight and a feeling of hopelessness and surrender to the cruel fact that Greece and Cyprus remain a vision, an ideal that cannot be reached, a place where man wants to escape and find refuge to no avail. Ultimately the only escape is poetry itself.

Popi Sotiriou was born in Nicosia in 1950 and migrated to Canada in 1969. She published a poetry collection titled *Προορισμένα*. Her writing is modern

with extensive use of symbolism and metaphor. It is also enriched with the use of images and scenes from Cypriot history. These images from the distant past reappear in her memory and hence the reader loses their sense of time.

Thalia Tassou was born in Kalopanagiotis, Cyprus and completed her Studies in Sociology and in French philology and education in Paris. In 1976 she went to Canada where she settled. She worked as a teacher at colleges and Greek Community schools in Montreal and then she studied law. She now practices law. She has been writing poetry and short stories for a number of years. Her work has been published in various literary magazines such as *Nea Esperia* (New York) and has been included in *Anthologies*.

Cyprus and the inevitable changes that time has caused, is a central theme in her work as well as the political situation of the island which is expressed in a direct or indirect way. In her writing there is a feeling of nostalgia about the place and the people who she left behind and have now become a distant memory. She compares her life 'then' and her life 'now' from the perspective of her migrant experience. She comes to the bitter conclusion that a death has occurred, in a metaphorical way. In her short stories and in her poems nostalgia and memory bring together past and present, Cyprus and Montreal. There is also the topic of the position of women and the unfulfilled expectations of the new country and the inability to adapt. There is a dramatic questioning about whether what has been achieved in the new country is worth the sacrifices that the individual has made. There is a search for a way out, a tendency to escape. Her writing is clear, prosaic, and very dramatic.

USA

Polys Kyriacou was born in Nicosia in 1957, graduated from the *Panteion* University in Athens and migrated to USA (New York) in 1982 where he is still residing. He completed his postgraduate studies (Graphic and Communication Design) at Pratt Institute in Brooklyn. He was the Director for the Arts of the Greek American newspaper *Proini* for a short period of time. Since 1986 has been a Graphic Designer/ Art Director. He is an active member of the Cyprian Federation of America and has served in various positions. He is a member of the Radio "Cosmos FM" Management Committee and the producer of the Greek programs: "We have to say" and "A World of Greek Song". He was member of many organising committees for political

and cultural activities (concerts, music festivals, etc.) of the Greek Community of the USA. He writes poetry and song lyrics. He published poems in Greek journals in Greece and Cyprus and has also written music and lyrics, several of which have received prizes in competitions. Music for his own song lyrics was written by acclaimed composers (P. Thalassinos, F. Pliatsikas, G. Andreou, L. Pliatsikas, Al Di Meola, S. Gadelli et al.). He has published the poetry collections: *Schimata* (A' prize for a new writer-Cyprus Ministry of Education, 1977) and *Metaschimatismoi* (1979).

Loukia Marouletti was born in Egypt to Greek-Cypriot parents in 1930 and died in 2005 in New York. During World War II her family left Egypt and went to Cyprus and lived in Famagusta until the 1974 Turkish invasion of the island. Becoming a refugee she moved to London for a short period of time and then decided to migrate to USA. She settled in Astoria, New York, where she spent the rest of her life. Her contribution to the cultural life of the Greek community, as well as her contribution to the promotion of the Cypriot culture in USA has been vast. She was the cofounder of the Cyprian cultural organization *CYPRECO* and *AKTINA* Productions Inc. The latter was co-founded by her daughter who then produced TV and Radio programs. *Aktina* is the sponsor of the bilingual radio program and the English language television program *Aktina TV*. She co-hosted the radio program "Cyprus Horizons", a highly rated folk arts show.

Loukia Marouletti was a translator and a prolific writer. She translated the works of Greek poets, Greek-Cypriot folk poetry, mythology and ancient Greek plays into English. She established annual theatrical productions of ancient Greek plays in New York, which she translated herself and for which she designed the costumes. Her productions were so successful that she was nominated for several awards by the organization *Spotlight on Theatre*. Marouletti was a prolific writer. She published the following works:

Plays: *Days of Wrath/Μέρες Οργής* (which includes two plays: "Ένα Τριαντάφυλλο για την Ιωάννα", "Η Λουκία του Αυγόρου"), *The Diner/ Η Ντάινα*

Novellas: *AR RI ANDHE, Ariadne/ Της Αριάδνης, He Marikkou/ Η Μαρικκού* (unpublished).

Poetry (bilingual editions): *The year Being 1990.../ Εν Έτει 1990... , Παιάνες και Θρήνοι, Έρωσ Ανίκατε*

Chroniko: *The Echo of my Footsteps/ Η Ηχώ των Βημάτων μου*

Anthologies: *Anthology of Cypriot Poetry* (translated into English), *Cypriot Folk Poetry* (translated into English), *Once upon a time* (Cypriot folk tales translated into English)

Translations: *The Diary of Lt. Donisthorpe Donne/ Το Ημερολόγιο του Υπολοχαγού Donisthorpe Donne* (into Greek)

Translation of plays into Greek: Tennessee Williams, *The Glass Menagerie*, Tennessee Williams *Summer and Smoke*, Tennessee William, *A Streetcar Named Desire*, Harold Pinter, *The Caretaker*, Terrence Rattigan, *The Winslow Boy*, Eugene O'Neill, *Before Breakfast*, Samuel Beckett, *Waiting for Godot*, Jean Zenet, *The Maids*, Pirandello, *The Man with a Flower in his Mouth*, John Steinbeck, *Burning Bright*, Bertoldt Breht, *The Caucasian Circle*

Translation of plays into English (and adaptation): Euripides *Bachae*, *Ιφιγένεια Εν Αυλίδι*

Sophocles, *Οιδίπους Τύραννος*

In Press: *Καστελλότισσα. Ενθύμημα, Νοέμβριος 2001*

Petros Petrides was born in Nicosia in 1961. He has been living in New York where he studied production of TV and radio programs in New Jersey. Since 1988 he has been the producer and presenter of the program “Our Cyprus”, the first such program on American TV. He was also the founder and director of the Theatrical Group of the same program. Petrides has staged various plays with national and cultural content in New York and other States, and furthermore produced plays with Cypriot ethnography content.

Petros Petrides is also a photographer. The subjects of his photographs are scenes of every day life of the Cypriots in America, social activities and historical moments of Cyprus. The artist wants to promote the history of Cyprus as well as the struggle of its people for freedom. He also expresses the love of the Cypriots who live abroad for their mother country and their efforts/ agony to maintain their heritage and culture.

He is also a poet. He has published the poetry collections *Επιστροφή* and *Νύχτες της Σιωπής*. The central theme of his poetry is also the culture, the history and the struggle of Cypriots for freedom. The Turkish invasion, the missing, the agony about the fate of the island are projected in a lyrical and emotional

way. Furthermore, he depicts life in a modern developed city like New York with its multifaceted aspects and dangers such as the isolation and alienation of modern man. His writing is direct and sensitive without complex poetic images.

Acknowledgement

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I would also like to thank all writers who gave me their biographical notes, their work, interviews and other materials.

Thanks also to my colleague Dr Despina Michael for proof-reading the paper.

NOTES

1. Undoubtedly the interwar period has been a very important period for the Greek Cypriot letters as well as the Cyprus ethnic aspirations. Many Cypriot writers created major literary works in other countries such as Egypt (G. Alithersis, Th. Pierides, M. Roussia, G. Pierides), France (Valdaserides) and Greece (L. Akritas, P. Krinaios, B. Zenon, et al.).
2. I have focused on the theme of cultural identity in the literary works of Greek-Cypriot writers in Australia in another paper (Herodotou, 1999: pp 235-251).
3. Notable novels have been written by Yola Damianou-Papadopoulou, who was born in Nicosia and grew up in Congo. Since 1969 she has been living in Nigeria. She has published, among other works, the collection of short stories, *Μπατούρε* and the novel *The Whispering of the Forest*, Nicosia 1992 (*Ο Ψιθυροσ του Δάσους*), which is the story of a woman and her family who lived in Congo and experienced the political uprising of the rebels.
4. He first went to England in 1948 and lived in London until 1953. He then went to Cyprus and returned to London in 1957 where he lived until his death in 1968.
5. For a full list of his published works see Ph. Stavridis, L. Papaleontiou and S. Pavlou (2001: 102-108), Ch. Andreou, *Anthology of Cypriot Literature* (Poetry, Vol B', pp 377-378) and K. Ioannides (1986: 153-158).

6. For full bibliography on T. Anthias, see Ph. Stavrides, L. Papaleontiou and S. Pavlou (2001: 102-108).
7. See samples of his poetry in demotic Greek in Pavlou-Apostolide (1990: 28-30).
8. For a full list of his literary work see Ph. Stavrides, L. Papaleontiou and S. Pavlou (2001: 210) and K. Ioannides (1986: 287).
9. See samples of their work in Pavlou-Apostolide L. (1990). Ms Pavlou-Apostolide's Anthology has been a valuable source for writers who reside in England.
10. Here we will refer to the work of the writers in Australia who migrated after 1974. Writers of earlier years are presented in the paper written by Professor George Kanarakis in this special issue.
11. The other three collections which are included in this volume are: *Σκυφτές Ανεμώνες* by Soula Mousoura-Tsoukala, *Ψηφίδες* by Giannis Liaskos και *Απορροές* by Giannis Katsaras.
12. Anthology *Re-telling the Tale/ Με δικά μας λόγια*, Μελβούρνη: Owl Publishing 1994, by Nickas H. & Dounis, K. (eds); Aik. Georgoudakis, *Ποιήτριες Ελληνικής Καταγωγής στη Βόρεια Αμερική, Αυστραλία και Γερμανία: Ακροβατώντας ανάμεσα σε δυο πατρίδες*, Θεσσαλονίκη: University Studio Press 2002; *Ανθολόγιο της Διασποράς*, Ρέθυμνο: Πανεπιστήμιο Κρήτης, Ε.ΔΙΑ.Μ.ΜΕ 2004; *Ξενιτειά* (Ανθολογία), Βιβλιοθήκη Κυπριακής Διασποράς, Αρ. 1», Λευκωσία: Εκδόσεις Γραφείου Προεδρικού Επιτρόπου 2003; Εφημερίδα *Η Ζώδια* (Εκφραστικό Όργανο του Συλλόγου Αποφοίτων Ανωτέρων Σχολών Ζώδιας), Κύπρος; *Poetic Voices of America*, Sparrowgrass Poetry Forum, Inc. Sistersville, 1997.
13. For example, she is interested in finding her roots (in *Kornelia Treppa*), in the trial of the symbols of her writing, in the subject of tolerance (in *Brunswick Street*), the acceptance of life where every negative element is transformed into a positive (in *Megalos Ayiasmos*), the revolution of love in life (in *Ta erotica Onomata tis Parastasis*), the survival of the individual among many adverse circumstances in order for someone to feel special (*Planitis via ena Katiko*), the role of harmony (*Anthos Armonias*), the primitive past and the attraction of the positive elements through memory (*He porta tis thalassou*) the preservation of youthfulness and innocence (*Prasino Stahi*).
14. Η Αγγελιοφόρος Α' (The Messenger A') includes the collections: *Πλανήτης για ένα κάτοικο*, *Τα ερωτικά ονόματα της επανάστασης*, *Σύμβολα Χαρίτων*, *Ωδές Αδύτων*, *Ωδές Υδάτων*, *Η μάρσιπος*.
Η Αγγελιοφόρος Β' (The Messenger B') includes the collections: *Άνθος αρμονίας*, *Τα ποιητικά αίτια του έμυλον*, *Η τοξοβόλος*, *Η πόρτα της θαλάσσου*, *Χρονογραφία*, *Πράσινο στάχυ*.

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Poètes Chypriotes/ Cypriot Poets

Thalia Tassou

Mrs. Katina

Mrs Katina
And her naughty
Children
Two huge
Parrots
One thin
And English-speaking
Swearing
The other
Puckish
And religious
Like her
Chanting in Greek
Lord have mercy on us

She made me a gift of
Incense from Mount Athos
Brought by Father Ephraim
to Panagitsa
The small church of Virgin Mary
Where every year
He hears the confessions
Of the Greek
Montreal Women

He offered me coffee
And Cretan rusks
From Picadilly pastry

She works as a saleswoman
At Alaska Leather
At home

She burns incense all day
And has the photo of
Father Ephraim hanging
On the wall

I left with
A garlic recipe
That heals
All diseases
And a branch of a plant
That brings good luck

Mrs Katina
- Ancient Cycladic figurine -
Was out of breath while climbing
The stairs
She called me to read
The electric meter
That she is closing at Spring
And opening at Winter
Her grandchild
That she keeps some days
Is chilling
Her son married
To a french woman,
Divorced,
Keeps a bar
On Saint Laurence Street

Among her furniture
A sewing machine
And huge plants
In metal pots.
Between them
And the plant
That brings
Good luck.

Chronologies

Chypre: 1er novembre 2013- 30 avril 2014

11 novembre: Déclaration du Premier ministre turc R. Erdogan: « Il n'y a pas de pays qui s'appelle Chypre. Il y a une administration chypriote-grecque, qui a été admise dans l'Union européenne pour des raisons politiques et non parce qu'elle était conforme aux normes européennes ».

12 novembre: Chypre récupère 173 icônes volées dans les églises de la zone occupée et qui se trouvaient en Allemagne.

15 novembre: Mort à 94 ans de l'ancien président de la République Glafcos Cléridés (1993-2003) fondateur du parti de la droite *Disy* (Rassemblement démocratique).

21 décembre: Le ministre des Affaires étrangères Ioannis Kassoulidès invite les Chypriotes turcs de la zone occupée à voter le 25 mai 2014 à l'élection du Parlement européen. Des bureaux de vote seront aménagés à leur intention sur la ligne de démarcation. Selon ce ministre vu le nombre des Chypriotes turcs possédant une carte d'identité de la République de Chypre, ceux-ci pourraient obtenir 2 des 6 sièges de ce pays au Parlement européen.

23 décembre: Selon les statistiques de Chypre le chômage au 3^{ème} trimestre 2013 dans ce pays a été de 16,22% (38,5% pour les jeunes de 15 à 24 ans).

10 janvier: Le Conseil des Ministres donne partiellement satisfaction à la Russie, qui demandait l'utilisation par son armée de l'air de la base aérienne *Andréas Papandréou* à Paphos. Seuls des avions de transport de cette armée pourront y atterrir pour des raisons humanitaires ou en cas d'urgence.

15 janvier: Signature à Londres d'un accord prévoyant l'exploitation par les Chypriotes grecs de terres agricoles situées sur le territoire des bases britanniques à Chypre.

11 février: Déclaration conjointe du président Nicos Anastasiades et du chef de la Communauté chypriote turque Dervis Eroglu à l'occasion de la reprise des négociations intercommunautaires en vue de la réunification de Chypre.

4 mars: Le Parlement adopte par 30 voix contre 26 une loi sur la privatisation des principaux services publics. Le 27 février les députés avaient rejeté ce texte. L'adoption de cette loi remaniée, qui a prévu des garanties aux salariés des

Compagnies d'électricité, des Télécoms, et de l'Autorité des ports, a permis le versement à Chypre d'une tranche de 236 millions d'euros par le FMI et l'UE.

12 mars: Remaniement ministériel à la suite de la décision du parti *Diko* (Centre démocratique) de retirer ses 4 ministres du gouvernement.

22 mars: Décès du ministre de la Défense Tassos Mitsopoulos, remplacé, le 3 avril, par Christophoros Phokaïdés.

1er avril: Selon la Commission européenne le coût du travail a diminué à Chypre en 2013 de 5,4%.

27 avril: Jean-Claude Juncker, candidat à la présidence de la Commission européenne au nom du *Parti populaire européen* déclare que, s'il est élu, il veillera à ce que la solution du problème de Chypre, qui sera trouvée, soit compatible avec l'acquis communautaire et les principes de l'Union européenne.

Grèce: 1er novembre 2013- 30 avril 2014

1er novembre: Assassinat à Neo Heraklion dans la banlieue d'Athènes de 2 militants du parti néo-nazi *Aube Dorée* devant les locaux de ce parti.

6 novembre: Grève générale - la 4^{ème} de l'année - contre l'austérité, relativement peu suivie.

7 novembre: Evacuation par la police des locaux de la télévision publique occupés par certains de ses employés depuis sa fermeture par le gouvernement en juin.

22 novembre: Rencontre à Berlin du Premier ministre Antonis Samaras avec la Chancelière Angela Merkel, qui l'encourage à poursuivre sa politique d'austérité.

24 novembre: Paul Thomsen, chef de la mission du FMI à Athènes déclare «Le redressement en Grèce est fragile et ne pourra pas être mené à bien si le gouvernement ne poursuit pas sur la voie de l'ajustement budgétaire et de la réforme structurelle».

30 novembre: L'Agence Moody's relève de 2 crans la note de la Grèce à *Caa3* en récompense de l'amélioration de l'état de ses dépenses publiques.

13 décembre: Rencontre à Athènes du Ministre turc des Affaires étrangères Ahmet Davutoglu avec son homologue grec et le Premier ministre A. Samaras.

21 décembre: Le Parlement vote un nouvel impôt foncier élargi aux terres

agricoles et terrains non construits, qui permettra d'obtenir 2,65 milliards d'euros supplémentaires par rapport à 2013. C'est moins que les 2,9 milliards escomptés par le FMI mais le ministre des finances indique que les finances publiques obtiendront par ailleurs 300 millions d'euros. Le député Vyron Polydoros, ayant refusé de voter cet impôt est exclu du parti de la *Nouvelle Démocratie*; la majorité gouvernementale au Parlement se réduit à 153 sur 300 sièges.

30 décembre: Dans son allocution de vœux pour la nouvelle année, le Premier ministre indique qu'en 2014 la Grèce sortira des plans d'aide financière du FMI et de l'Union européenne. L'ambassade d'Allemagne en Grèce fait l'objet de tirs à la kalachnikov.

1er janvier: La Grèce assume la présidence tournante de l'Union européenne pour le premier semestre 2014. Les sujets de son programme d'action: la croissance, l'emploi, le chômage des jeunes, l'immigration illégale, la protection des frontières, l'achèvement de la gouvernance économique et l'union bancaire.

11 janvier: Trois députés d'*Aube Dorée* sont placés en détention provisoire pour participation à une organisation criminelle.

3 février: Alexis Tsipras, président de *Syriza* (parti de la Gauche radicale) et candidat à la présidence de la Commission européenne, au nom de la *Gauche européenne*, en visite à Paris déclare: « L'Union européenne a besoin d'une réorientation radicale de sa politique. Pour les peuples d'Europe un grand renversement pacifique est nécessaire ».

19 février: La Banque centrale de Grèce annonce un excédent de 1,2 milliard d'euros pour 2013 de la balance des comptes courants, qui avait accusé un déficit de 4,6 milliards en 2012. Cet excédent est dû à une diminution des importations de 4,6% et à une augmentation des exportations de 2,3%.

4 mars: Fondation d'un nouveau parti politique *To Potami* (la Rivière) par le journaliste Stavros Theodorakis, dont les membres sont issus de la société civile, avec des thématiques de gauche sur les questions sociales et libéral sur le plan économique.

18 mars: A. Samaras, en accord avec la Troïka (FMI, BCE, Commission européenne), promet de redistribuer 500 millions d'euros aux plus démunis; cette somme sera prélevée sur l'excédent primaire budgétaire de 1,5 milliard d'euros réalisé en 2013.

3 avril: Photis Kaïmenakis, juge à la Cour de cassation, a été nommé Secrétaire général du gouvernement en remplacement de Panayiotis Baltakos, qui avait démissionné à la suite de la diffusion sur internet d'un dialogue avec le député Elias Kasidiaris, député d'*Aube Dorée*.

9 avril: Première grève générale de l'année 2014. La Grèce s'est engagée envers la Troïka à licencier 11 500 fonctionnaires d'ici à la fin de 2014.

10 avril: Explosion d'une bombe à Athènes devant la Banque de Grèce. La Grèce revient sur les marchés financiers en empruntant avec succès 2,5 milliards d'euros sur 5 ans au taux de 4,95%.

30 avril: Levée de l'immunité parlementaire de 4 députés d'*Aube dorée* par 216 voix contre 16 et 8 abstentions.

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