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The Greek Crisis as Racketeering and Organized Crime

Despina Lalaki

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The economic crisis in Greece is heading towards yet another showdown on June 17. The Greek electorate threatens to strike a serious blow against neoliberalism and its European offshoot. At the same time, these elections promise to unravel the Greek state's monopoly on the structures of violence and fear.

Sociologist Charles Tilly drew a compelling analogy between the state as the place of organised means of violence, and racketeering. He defined the racketeer "as someone who creates a threat and then charges for its reduction," in order to gain control and consolidate power. In this regard, a state and its government differ little from racketeering, to the extent that the threats against which they protect their citizens are imaginary or are consequences of their own activities.

Considering the pain, the humiliation, and the social degradation that the economic and political policies of the Greek government have inflicted upon the country the past four years, Tilly's analogy may offer us a useful tool to both describe and evaluate the current crisis and the regime of fear that the state has unleashed on the Greek public.

The Panhellenic Socialist Movement (PASOK), which is now a democratic socialist party in name only, governed Greece for almost 30 years, moving steadily from Keynesian economic policies in the 1980s to rampant neoliberalism in the 1990s. New Democracy (ND), which had dominated the political scene until PASOK's first electoral victory in 1981 and alternated in power with it ever since, professed its ideology to be "radical liberalism". Today, after three decades of cronyism, unbridled corruption and economic scandals, the ideological convergence of the two parties is complete.

Despite its initial apprehension towards the European Union, membership in the organisation enabled PASOK to implement its policies and boost the Greek economy. With the help of substantial financial inflows from the European Economic Community, PASOK was able to redistribute wealth.

Despite the growing government deficits, the emphasis remained on sustaining employment and modernising the welfare system. In the meantime, democratic socialism - enveloped in patronage and nepotism - evolved into a process for democratising corruption. Deputy Prime Minister Theodoros Pangalos's infamously vulgar statement in 2010 - "We [government and citizens] fooled away the money together" - alluded to government-bred tactics which for years secured positions for its electorate in an ever-expanding bureaucratic machine.

Under the weight of economic scandals, pressure from PASOK's "modernising wing", and the Maastricht Treaty's aim to bring about monetary convergence by 1998, the Greek government

launched an extensive programme liberalising the financial and banking sector, slashing government subsidies and pensions, deregulating the labour market and privatising more than 100 companies from 1994 to 1999.

Some of the most prominent of these businesses included AGET-Hercules, the cement company that literally built Greece after World War II; the Hellenic shipyards; Piraiki-Patraiki, a textile industry that in the 1980s was the second-largest employer after the Greek public sector; and ETVA, the Hellenic Industrial Development Bank. New Democracy, which governed briefly between 1990 and 1993, effectively championed the same policies.

The implementation of neoliberal policies, increasingly executed by an emerging new breed of technocrat politicians, was often met with strong resistance by labour unions and powerful interest groups which for years had enjoyed the state's protection. Economic scandals underscored the "restructuring" process: when AGET-Hercules was sold for a fraction of its value to a nearly bankrupt Italian industrial group, extreme violence erupted. The assassination of Michael Vranopoulos, a former chief of State Bank who had handled the sale, by the terrorist group November 17 highlighted the public's discontent.

The largely tolerant attitudes of the Greek public towards November 17, which operated from 1975 until 2002 with an anti-American, anti-capitalist agenda - it was viewed almost as a modern Robin Hood - reflected Greeks' increasing frustration with the political establishment. Most importantly, this predisposition reflected people's inability to effectively react.

The Greek state has always had a tight grip on society, and Greek society has always had a love-hate relationship with the state. Strongly dependent on the state for employment in an ever-expanding public sector, which was tied up with unions that over the years had come under the control of the government, the Greek public often vented its dissatisfaction with riots, protests and strikes, largely orchestrated by the parties of the Left. But it was unable to fundamentally challenge a system that was excluding them from decision-making processes.

But Greece's booming economy at the time - fuelled by the adoption of the euro, easy credit conditions, and substantial transfers from the EU - painted the picture of a seemingly prosperous society. In reality, a small elite was reaping vast profits from the government's neoliberal policies, while the lower and middle classes paid the hefty price, as the massive Greek stock exchange scandal of 1999-2000 highlights.

A central role of the state is that of offering protection to its citizens. "Protection," however, as Tilly suggests, echoes two contrasting tones: a comforting and an ominous one. It calls forth images of shelter against danger provided by a powerful friend, an insurance policy or a sturdy roof. It also evokes, however, the racket in which a local strong man, for instance, forces merchants to pay tribute in order to avoid damage - damage he himself threatens to deliver - or a neighbourhood mobster who claims to be a brothel's best guarantee of operation free of police interference.

The death spiral that the Greek economy entered in 2008 called for all the government protection that the public could use. Instead, the government signed up for the financial bailout packages

imposed by the so-called "troika", the European Committee, European Central Bank, and International Monetary Fund. The packages included a series of unprecedented austerity measures which brought the lower and middle classes to their knees, while leaving intact the privileges of the financial elites and their political aides.

As a result of the tremendous economic pressure, the government had started losing its tight grip on Greek society as far back as 2008. Massive protests triggered by the police killing of Alexandros Grigoropoulos, a 15-year-old student, expressed young people's increasing frustration with the prospect of a bleak future.

By the spring of 2011, a whole new movement had been galvanised. The "Indignant Citizens Movement", an offshoot of the Spanish Indignados, occupied central Athens' Syntagma Square for four months. Organised collectively and independent from any party or trade union affiliation, the movement was another indication that the government was governing without the consent of the people. Civil disobedience and organisations dedicated to collective action sprung up to deal with the pauperisation unleashed by austerity.

The backlash has been a campaign of fear, which on occasion escalates into outright terror. Instilling fear in its clientele is the primary mechanism employed by any racketeer. The violent suppression of mass protests, the detention of undocumented immigrants, and the arrest and public display on the Greek police's website of 12 prostitutes infected with HIV have had a single goal: to terrorise the Greek public and ultimately offer "protection" against the dissidents, anarchists, protesters, and immigrants. The rise of Golden Dawn, the neo-Nazi party, which won about seven per cent of the vote in parliamentary elections in May, was the direct result of these practices.

Fear is the sovereign's predicament, as 17th-century political philosopher Hobbes has shown; not a natural emotion, but one cultivated through a system of moral education conducted by state institutions and their affiliates - most prominently, in our days, by the media. When these institutions lose legitimacy, their tactics may ultimately backfire, as the May elections showed. The rise of Syriza, a coalition of anti-austerity leftist parties, ahead of the next elections on June 17 has triggered a new round of propaganda alluding to a communist takeover, loss of private property, alienation from the markets and the international community, and most importantly, to a financial Armageddon.

In defiance of this fear, an awakening of political consciousness is taking place in Greece's squares, streets, and online social networks, not merely condemning the policies of austerity and social degradation but collectively working towards new types of political resistance. It is becoming clear that only the people of Greece can deliver and ultimately save themselves from the racketeering, criminal practices of their "protectors".

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