



MODERN
GREECE

WHAT EVERYONE NEEDS TO KNOW®

STATHIS N. KALYVAS

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Maybe sometimes—the wrong way is the right way? You can take the wrong path and it still comes out where you want to be? Or, spin it another way, sometimes you can do everything wrong and it still turns out to be right?

Donna Tartt, *The Goldfinch*

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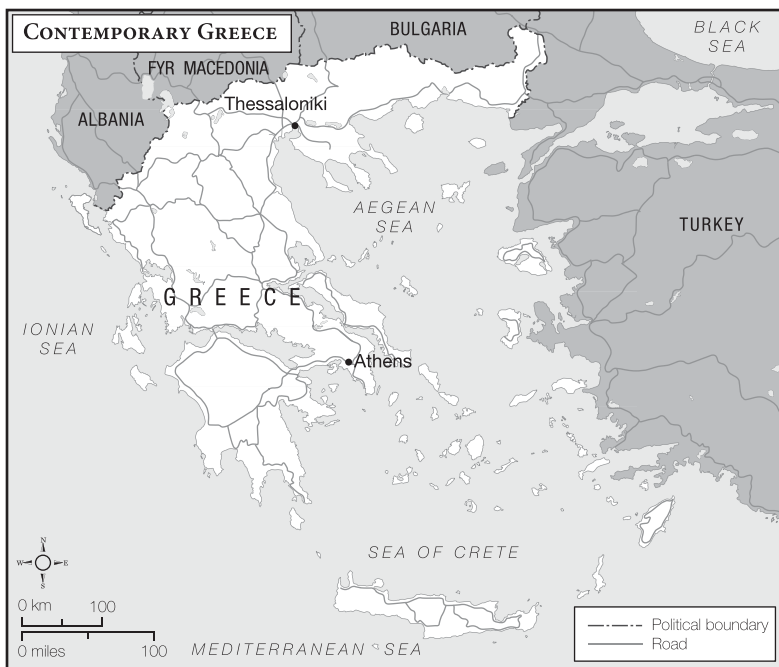
I did not set out to write a history book, much less a comprehensive and detailed one. What I have sought to do instead is produce an essay of historical interpretation. Being Greek, I have been fascinated and puzzled in equal measure by Greece's historical trajectory. I sought to understand where Greece came from, why it evolved the way it did, and how its story speaks to broader themes. Obviously, interpretations require facts, and so this book includes an overview of Greece's modern history, yet always with an eye toward showcasing key processes and drawing general insights, while avoiding too many details, dates, and proper names.

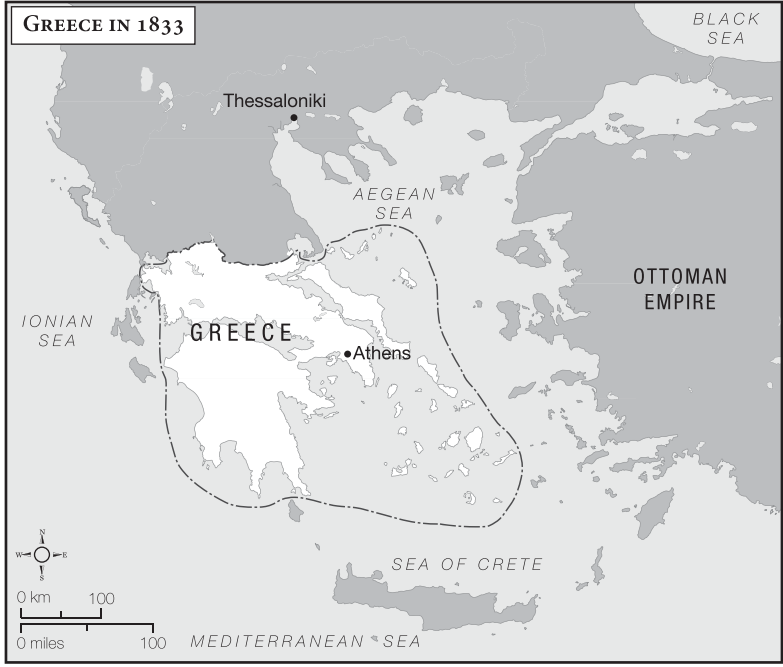
I must confess that I did not imagine I would be writing such a book. But the crisis that hit Greece in 2009, which brought with it a very real possibility of implosion, overshadowed everything else. I wanted to understand why, hence the crisis occupies a significant part of this book. However, this is not a book about the crisis, but one that asks how the crisis fits into Greek history—and how the past helps make sense of the present—and vice-versa.

I am grateful to Oxford University Press's editor Dave McBride for suggesting the idea and for his patience as I was struggling with material that proved more complex than I had expected in the first place. Many people helped me in the course of this endeavor, in ways both direct and indirect,

through countless conversations and exchanges. They are too many to name, and I am grateful to all. I wish to single out Dimitris Pipinis for his able research assistance and Alexis Patelis, Manolis Galenianos, Bill Gianopulos, and Angelos Papadimitriou for a close reading of early versions and excellent comments. The Hellenic Studies Program at Yale provided constant motivation. Last, I also wish to acknowledge the opportunity to write a biweekly column in the Greek daily *Kathimerini*, the result of Alexis Papahelas's persuasion skills. Every second Sunday since 2009 I have had the chance, along with an unforgiving deadline, of reflecting, honing, writing, and "test-driving" in a demanding public arena some of the ideas that ended up in this book. My work is all the better for this.

As always, I am deeply indebted to my loved ones for their patience, encouragement, and all the beautiful things they bring to my life.







MODERN GREECE

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I

WHAT IS GREECE?

What is this book about?

This is an attempt to make sense of the modern history of Greece. Using the term “modern Greece” is common practice in English, implying a sharp contrast between a contemporary society and its ancient antecedent, often called simply “Greece.” Greeks, however, do not use this term, calling instead their country by its ancient name *Hellas* and themselves *Hellenes*. As we will see, these contrasting designations of the country and its inhabitants imply important matters of identity and history.

As a Greek, I have always heeded the adage of the historian and author of *Imagining the Balkans* Maria Todorova and have loved Greece without a need to be either proud or ashamed of it. Hence, I have tried to combine an outsider’s detached, dispassionate gaze with an insider’s insight. As a comparative political scientist, I am also hardwired to search for angles and dimensions that connect the specific to the general. Therefore, this is also a story about broad themes such as nationalism, state building, civil war, autocracy and democracy, polarization, populist politics, and, above all else, the process of modernization.¹

The book’s central theme argues that Greece is an unlikely trailblazer, a very early “late modernizer,” whose history

foreshadowed key trends in world politics. Greece launched ambitious projects of state building, democratization, and economic development that augured those of many developing nations. Its experience brings into sharp focus the challenges of transplanting Western institutions in non-Western lands and offers a condensed preview of the trials and tribulations of the developing world's quest to achieve modernity, a term alluding to practices and institutions whose adoption is associated with the success of Western Europe in achieving political predominance and economic prosperity.

But Greece is not just a trailblazer. Despite many flaws, its pursuit of modernity has been largely successful. Writing in 1978, William H. McNeill observed, "If satisfaction of human wants and aspirations is taken as the criterion, then the development of Greece across the last thirty years must be viewed as an extraordinary success story. Things that seemed impossible in 1945 have in fact come true for millions of individual Greeks." He went on to conclude, "The metamorphosis of human life that has been taking place is without historic parallel in Greece's past. It has affected the entire population within a single generation."²

To describe Greece as a success is bound to raise eyebrows, particularly in the current context. In fact, Greek history is characterized by a stark contradiction. On the one hand, its history is full of major, almost epic, disasters, of which the 2009 crisis is only the latest one. On the other, this is a country that has also succeeded in gaining entry into the exclusive club of the world's most prosperous democracies. Despite the current crisis, it remains the most prosperous country in its region, and its inhabitants continue to enjoy an enviable quality of life by global standards. Unlike most late modernizers, Greece is a successful one.

In endeavoring to resolve this contradiction between failure and success, I have identified a key recurring pattern in the course of Greek history, namely a succession of peculiar boom and bust cycles. These cycles begin with highly ambitious projects

and produce in turn disastrous failures, extensive foreign bail-outs, and ultimately positive outcomes. Obviously, I am aware of the intrinsic tendency to see patterns where none may exist. Yet, I argue, the evidence is compelling, as I hope this book will demonstrate.

Why Greece now?

In 2010 Greece found that it was no longer able to borrow from financial markets in order to service its huge debt, triggering a global financial crisis. Suddenly, the country commanded the type of outsize attention that was traditionally reserved, at least in more academic quarters, to its ancient counterpart. This time around, most analysts and observers had no interest in Greece's ancient legacy, although they still felt compelled to draw on it in order to come up with half-clever puns, an art perfected by the *Economist* in headlines on its covers: "The Greek Run," "Europe's Achilles' Heel," or the hackneyed "Acropolis Now!"

This tongue-in-cheek approach may have been dubious, but the alarm was very real. Details of the crisis that hit Greece read like a collection of horrible world records. At a cost of over €270 billion, Greece was the recipient of the most expensive financial rescue of a country ever, as well as the largest adjustment program implemented by the International Monetary Fund (IMF) in its entire history. This program, known officially as the "Memorandum of Economic and Financial Policies" (MEFP), was one of the least successful IMF programs in terms of the relationship between its projections and results. In fact, only the bottom one percent of all IMF programs has performed as badly. Moreover, the Greek crisis led to the largest fiscal adjustment and the largest debt write-down in modern history, as well as the first one implemented by a European country since the end of World War II. Greece's crisis threatened to destroy the common European currency and forced the European Union to undertake a painful ongoing reform of its core institutions. "When the history of the eurozone crisis

is written," the *Financial Times* pointed out, "the period from late 2011 through 2012 will be remembered as the months that forever changed the European project."³

To be sure, Greece was only part of a much broader crisis. Ireland, Portugal, and Cyprus had to be rescued as well. Spain came very close to a similar fate, while Italy and France were threatened by rising interest rates and declining credit ratings. In other words, a large slice of Europe was directly affected in ways that challenged fundamental, established economic and political certainties. The crisis impacted the Eurozone (the eighteen-member European Monetary Union) and threatened the foundations of the European Union. And this was not just a European matter; the emergency was triggered by the 2008 US subprime crisis and subsequent recession, and in turn shook the entire global financial edifice.

Still, Greece was hardly a sideshow. It was the first country to be hit and the one that was probably hit the hardest. Suddenly, political and economic developments there made the world tremble. "This is the epicenter of the world financial crisis," a *Wall Street Journal* reporter told me in Athens during the spring of 2010. He was right. Greece's experience helps bring into sharp focus dynamics and features that are at once specifically its own and also more broadly shared.

Journalists, pundits, and scholars often explain the present by selectively looking into the past. It is tempting to cherry-pick from Greece's history in order to find the causes of its present predicament—and most observers were indeed tempted. Alternatively, and perhaps more productively, it is possible to embed Greece's present into its past in order to make sense of a country that, though saddled with the adjective "modern," found modernity to be an arduous, and sometimes elusive process, yet always an overarching obsession.

This was not the first time that Greece found itself in the midst of a disaster with significant international ramifications. As in the past, this crisis was not a natural disaster befalling an unsuspecting country. Rather, it was the end result of a

self-conscious decision to embark on a very ambitious project that eventually overtaxed the country's capacity. In the past, when the dust cleared, Greece almost always found that its net benefit from such ventures exceeded the cost. As a result, each cycle led Greece closer to its goal of becoming a modern European nation. To understand how this happened, we must go back to ancient history.

What is the weight of ancient Greece on the present?

As in most countries, there is a strong temptation among Greeks to stress the uniqueness of their country. The distinctive weight of ancient Greece has reinforced the tendency to assert the superior character of their country and identity. However, the contrast between this tendency toward self-aggrandizement and the shortcomings of reality has stoked a sense of insecurity and a feeling of persecution.⁴

Greece is often regarded as the cradle of Western civilization, the universally admired source of some of the greatest intellectual and artistic achievements of humanity. No wonder, then, that its symbolic weight in the world is so disproportionate to its actual size and influence. But take away this ancient legacy and what is left? Not much, it is often argued besides an allegedly corrupt and mismanaged country that somehow sneaked into the rarified world of Western Europe where it arguably never belonged.

Former president of France Valéry Giscard d'Estaing, generally seen as a good friend of Greece, captured much of the prevailing perception when he remarked in September 2012, "To be perfectly frank, it was a mistake to accept Greece. Greece simply wasn't ready. Greece is basically an Oriental country." The ambiguous location of Greece on the West/non-West spectrum is part of an old trope, one that emerged with its bid for independence at the dawn of the nineteenth century and never abated since. For example, an observer in 1911 described Greeks as "racially and geographically European . . . but also

not Western . . . Oriental in a hundred ways," but with "an Orientalism that is not Asiatic, a bridge between the East and the West." Likewise, a traveler reported in 1893, "Within the last thirty years the advancement of the people and development of the resources of the country have been so rapid that we may reasonably feel confident that the Greek nation will become an important factor in Eastern civilization." Seen from a contemporary vantage point, not only is modern Greece definitively unrelated to ancient Greece, it may well be its antithesis.⁵

Even those willing to avoid this sort of orientalist judgment seem unable to find something positive within the long series of unmitigated disasters. Peter Aspden of the *Financial Times* described modern Greek history as a chain of misfortunes; and Roger Cohen of the *New York Times* painted a picture of Greece's "awful past century," replete with economic calamities, military coups, dictatorships, wars, occupations, and civil strife. Greece underperformed, this perspective suggests, simply because it always had. It just could not be expected to do better.⁶

But is this really the case? Although the disasters that befell Greece are all real, the perception of a perennially underperforming country incapable of surpassing itself is much less accurate. Most likely, this perception is an artifact emerging from the contrast between an idealized ancient Greece and its real modern version.

What have Greeks thought about themselves?

Contrasting ancient glory and modern underperformance has always been a common way to interpret Greece for Greeks and non-Greeks alike. It may be impossible to measure up to ancient Greek civilization; nonetheless, when it comes to Greece, the past is never very far from the present. Whether we look at geography and landscape or alphabet and spoken language, the startling signs of continuity between a remote

past and the present are both manifest and tantalizing. No wonder then that ancient Greece looms so large in modern Greek minds.

At the core of modern Greek identity lies a powerful belief in the seamless continuity of Greek civilization from antiquity to the present. This belief was central in the ideological ferment that led to the war of independence and the emergence of the modern Greek nation. It was developed and refined during the nineteenth century by Konstantinos Paparrigopoulos in his monumental history of Greece, which linked ancient and modern Greece by moving the Byzantine Empire away from Edward Gibbon's "declining Rome" narrative and recasting it as a full-fledged part of Greek civilization. This crucial intellectual move allowed a blend of two contradictory heritages: pagan antiquity and Orthodox Christianity. Public mass education propagated this belief, which became the core of Greek identity.

Meanwhile, awareness of the distance between the achievements of ancient and modern Greece has bred considerable insecurity among Greeks, contributing to the formation of a persistently defensive posture, particularly when the link between the two is challenged. This was the case most notably when the Austrian writer Jakob Phillip Fallmerayer argued in his 1830 book *Geschichte der Halbinsel Morea während des Mittelalters* (*History of the Morea Peninsula during the Middle Age*), that the inhabitants of modern Greece were not the heirs of ancient Greece but instead were racially descended from Slavic populations who settled there during the sixth and seventh centuries A.D.

Greek identity may be based on a belief in seamless historical continuity between antiquity and present, but the exact meaning of this continuity has been a matter of persistent dispute. The British writer Patrick Leigh Fermor, an astute observer of Greece who spent most of his life there, called it the "Helleno-Romaic" dilemma, pitting the archetypal categories of Hellenes and Romioi against each other. These categories stand in for a cosmopolitan, Western-leaning, modern

worldview on the one hand, and an Orthodox, Eastern-leaning, traditionalist sensibility on the other. This enduring antagonism has lurked below the surface, rarely fully articulated or explicitly politicized, but nevertheless essential for understanding Greek politics and society.⁷

Identities are not static. Greek identity has evolved in response to political and social developments. Up until the 1920s, it was built around the pursuit of irredentism and the idea that the Greek state should succeed the Ottoman Empire as a regional superpower combining Ancient Greece's symbolic reach with Byzantium's Orthodox legacy. When this dream was dashed, the country turned inwards and so was its sense of itself, until the 1950s when a feeling of optimism emerged, driven by economic development. Following the collapse of the military regime in 1974, a populist narrative succeeded it, infusing orthodox traditionalism with long-suppressed leftist rhetoric, and grafting the concept of the people onto that of the nation. Initially, this narrative had emerged in the 1940s but receded after the end of the Greek Civil War. In the following decades it was preserved and developed by Greek intellectuals. In an essay published in France in 1953, the historian Nikos Svoronos argued, "the deepest meaning of Modern Greek history can be condensed in an ancient people's painful effort to constitute itself into a modern nation, acquire a consciousness of its special character, and gain its rightful position in the modern world." He also claimed that a distinctive and central part of Greek identity was the Greek people's natural predisposition to resist constant foreign encroachment, a proposition that bestowed a heroic glow on the intrinsic Greek insecurity. What matters, however, is less the veracity of this claim and more the fact that it was incorporated into Greek identity when post-civil war certitudes collapsed along with the authoritarian regime in 1974. This narrative encouraged the spread of the belief that Greece's failures were caused by foreign meddling and that it was enough to remove it in order for the country to achieve greatness.⁸