



The Hidden Structure Of The Greek Debt Crisis

BY GEOFFREY CLARFIELD PUBLISHED SEPTEMBER 17, 2015

"It's human; we all put self interest first." ¹

The Greek debt crisis has been reported as a public drama, somewhat akin to an ancient Greek play, but without a clear end in sight. It is now traumatically complicated by an influx of thousands of Muslim migrants who, if given asylum, would be reluctant to assimilate into the predominantly Greek Orthodox society and religion of the Greek majority. ²

On the one side are the (apparently) altruistic, rational, system oriented politicians, bureaucrats and financial wizards from Western Europe, dressed in conservative suits and ties, who are responsible for an expanded and integrated European Union, based on free markets, the Euro as currency and democratic principles.

On the other side are, Greek politicians, many of them confirmed Marxists, wearing short-sleeved shirts and leather jackets. These external symbols and styles can best be read by anthropologists familiar with the Greeks, who have some idea of what is going on under the surface of both the Greek and the "European" side. These sartorial indicators reflect a profound difference in a world view between the two sides that is goes back centuries, and that has ancient roots.

An economy starts with nature. Until the rise of manufacturing (first clearly documented among the specialized, ancient Athenian pottery ateliers that sent out pottery and got raw materials from around the Mediterranean, around 2500 BC) most survival depended on making a living from the use of natural resources.

Although economists call this subsistence, we have evidence of trade in such luxury items as lapis lazuli during prehistoric times in Europe and Asia. Nevertheless, within this set up people lived off the land. The land provided them with drinking water, with timber and stone to make their homes, with wild honey and wild animals to eat, and about 7,000 years ago, with agricultural produce which quickly gave us a world wide population explosion and the kind of dramatic inequality which Greek leftists to this day decry.

Economists believe that a real, as opposed to a subsistence economy, begins when people start to trade. So, if one village is able to grow an abundance of figs and olives, they can dry the figs and produce olive oil in exchange for basic foods such as grains or meat and then luxury items, such as gold, brass or fine fabrics. This has been going on for at least three thousand years, since the Bronze Age; whose chieftain-based life style is immortalized in those ancient Greek classics the Iliad and

Odyssey, where chiefs sacrifice hecatombs of sheep to supply meat for their clients and fellow chiefs. ³

The pan Mediterranean trade in commodities gave way to the invention of money about 2,400 years ago in Asia Minor. Suddenly, metals could be traded against goods and services and as a result, ancient historians remind us that even during the Roman Empire, there were periods of inflation when the coin of the realm was watered down, trust declined and people returned to barter, as was the case in Western Europe during the early middle ages, when the only trusted coinage was the Byzantine dinar.

But then came Spain and the trading empires of the Dutch and British, followed by the industrial revolution. The stock market then fused with the monetary system and became linked to the relative merits of national currencies, which have been traded and continue to be traded, during the last 200 years. ⁴

Greece was outside of this modern economic system until the mid 19th century, when they gained their independence after having successfully rebelled against the Ottoman Empire. The Greek experience of modernity has been traumatic and dramatic, Greece having never quite integrated itself into the wider European economy. Since the depression of the 1930s, most Greeks have sympathized with the radical left. The most important thing to understand is that although they fought the Nazis during WWII, an apparent majority of Greeks by then had become Marxists and Communists. This led to a civil war in 1948 when with the intervention of the British, the Royalists won out over the Communists, and which culminated in a military dictatorship during the 1960s. Greece has always been the most reluctant member of the European community. ⁵

Their worldview is partially vindicated by watching 10-15 mega rich families who dominate the multinational but Greek owned, shipping companies and commercial empires, such as those of the late Aristotle Onassis, and who largely avoid paying their fair share of taxes. ⁶

So how did Greece join the Euro anyways? They did so because both the EU accountants and the Greeks cooked the books. By making Greece's economy look better than it was, the Greeks gained access to massive amounts of EU credit, and the EU gained another member in its relentless drive for bureaucratic expansion. Knowing full well that much of this credit was German money, Greeks felt, in their heart of hearts, that this was a form of war reparations from the Germans, who had caused enormous suffering there during the brutal Nazi occupation of WWII.

Until the Greeks won their independence from Turkey in the 19th century, they did not think of themselves as heirs to the ancient Greeks. They thought and still think of themselves as the descendants of the Christian Roman Byzantine Empire. They see themselves as being a culture that "civilized" their barbarian neighbours, the Slavs; the Bulgarians, the Serbians and Russians. They gave them their religion, their architecture, their rituals and even today, Greeks think of themselves as the ultimate founders of the Russian Orthodox Church.

And so, when one looks at contemporary Greek politics and politicians, one must take care not to project on to them the values and assumptions of citizens of English speaking democracies. Greek democracy is different. It is a combination of adopted 19th century Western European institutions, superimposed onto a Mediterranean system of extended clans that function in hierarchies of patron client relations, many of which start with the Prime Minister and end up in the households of

the remotest mountain villages of the country. It is almost as if everyone in Greece is related to one another or feuding with one another. It is a country of families, not “autonomous” individuals.

From the traditional Greek point of view, Western Europeans are parvenus, lacking the truly Byzantine sophistication that Greeks have and have had, since they got rid of their pagan idols, 1500 years ago. They still see themselves as the heirs of Byzantium and like deluded former world conquerors, they believe that the money they owe to the ‘primitives’ of Western Europe is not a real debt. On the contrary, they believe that the money they were loaned is actually a “tribute” from a weaker to a stronger culture. And so, we must conclude that when Greece entered the Euro zone, if it cooked its books and underestimated its debt, it did so knowingly, as a form of revenge or payback. And clearly in the EU, everyone looked the other way.

This behavior is an expression of a deep cultural dynamic which outsiders call the Greek way of doing things. Every Greek worth his or her salt knows what this is. And, it was the greatest friend the Greeks ever had, who shared this way of doing things for the first time with the public in his books published after WWII. I refer to the late great English freedom fighter (who worked with the Cretan resistance against the Nazis during WWII), and travel writer, Patrick Leigh Fermor. ⁷

If Patrick Leigh Fermor were alive today he would point out in an op ed like this one that the modern Europeans are driven by ancient Greek ideals, whereas the modern Greeks are driven by what we would call medieval or Byzantine ideals. Greeks call the first world view Hellenic and the second one Romiosyne. A person who lives by the code of this second worldview, is called a ‘Romios’ in modern Greek. The Greek novelist Kazantzakis, author of the novel, **Zorba the Greek**, knew all about this, for his character Zorba, is the archetypal “Romios.” (Think of the educated school teacher as the “Hellenic” “European” contrast to Zorba. When you do this, the book and the film make perfect cultural sense, for the novel is about the conflict between Greek traditionalism and modernity). ⁸

According to Fermor, the Romios thinks of Greece as being outside of Europe, whereas the Hellene sees Greece as a fundamental part of Europe. The Hellene sees Europe as a region of related countries, sharing a common culture and destiny, whereas the Romios sees Europe as the land of the Crusaders, the aliens, the Franks, Catholic invaders who devastated Constantinople on their way to fight Muslims in the Holy Land. The Hellene believes in settlement by negotiation and law, whereas the Romios believes in bargaining.

The Hellene believes in the common destiny of all Europeans inspired by classical Athens. The Romios believes in the “sacred indestructability” of the Romios worldview, and only trusts fellow Orthodox Christian entities such as Russia, as opposed to Catholic and Protestant, Europe and America. The Hellene believes in trust, based on the widest social contract possible, in this case the EU. The Romios believes only in personal gain, local and class interests. The Romios barely conceives of Greece as a country, despite his or her nationalism. At the same time, instead of a decent self-confidence based on experience, every Romios imagines himself or herself as Prime Minister, based on personal charisma and/or a loyal following. The Romios prefers revolution, whereas Hellenes prefer gradual change and rule of law. The Romios prefers quick wits to philosophic doubt, and personal loyalty to his or her political chief, expecting favours in return. Rule of law counts for little.

Fermor’s list of contrasts between the modern European (Hellene) and the medieval Greek (Romios) number 64 in all. Perhaps the most telling contrast is that the Romios has an “outward disapproval, but secret sympathy, in the distant past, for

brigandage and piracy; survivals of a lively and anarchic life," whereas the Hellene sees these as "stumbling blocks to government and the functioning of a European state."

And so, these two contrasting worldviews, go a far way to explain the roller coaster ride of negotiations that Greece has recently had and continues to have with the EU. All Greek-speaking people know about this, and can recognize it in action, but since modern Greece is still a culture of "honour and shame," this dichotomy is not publicly shared with outsiders, especially "Europeans" and "Anglo Saxons." You have to read Fermor to learn about the code that explains so much of the drama that permeates this ongoing financial negotiation between Greece and its creditors. Because of the survival of the *Romiosyne* nature of Greek society, culture and psychology we have not and will not hear the end of this conflict. It is truly a clash of civilizations.

Before we simplistically suggest that Western Europe is all about light and the rule of law, and the greatest good for the greatest number, we must remember that the EU has also been racked by scandal.

As the New York Times reported on April 24, 2014,

A series of prominent scandals in recent years have included the resignation of a European commissioner in the face of suspicions he knew about attempted bribery to soften anti-tobacco legislation, and the prosecution of lawmakers for agreeing to large payments in exchange for proposing amendments at the European Parliament.⁹

This is just the tip of the iceberg of EU corruption and bad governance. Perhaps then, what we are really seeing is a collision between the Greeks, representing a beachhead of Byzantine Christian culture in Western Europe, resisting the imperial reach of a thinly disguised, secularly reconstituted Holy Roman Empire, that prefers the ordered corruption of Brussels to the chaotic corruption of Athens.

But all of this may be soon eclipsed, as Greeks face the immediate challenge of hundreds of thousands of unwanted and unwelcome Muslim migrants, who belong to a civilization that modern Greeks first fought against when they gained independence from the Ottomans in the mid 19th century. The Greek crisis may now truly become a European crisis.

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