



# The Politics of Crime and the Financial Crisis in Greece

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# The politics of crime and the financial crisis in Greece

## The politics of crime and the financial crisis in Greece

[Sappho Xenakis](#) [1] and [Leonidas K.Cheliotis](#) [2] 2 August 2012

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The exasperation of the domestic public has placed significant pressure on Greek politicians to put a halt to treating elite corruption with impunity. Unfortunately this has been pressure which they have proved overwhelmingly able to resist, notwithstanding the indictment of a former Minister of Defence in 2012. As a result the blame has fallen elsewhere

Econometric studies by criminologists in Britain and the United States have repeatedly shown that adverse economic conditions, from unemployment and poverty to income inequality and a sense of relative deprivation, are linked to a growth in crime, especially in property and violent offences. There exist various and often tangled explanations as to how economic factors impact upon levels and patterns of crime. Unemployment, for example, is thought to strengthen the temptation to commit offences, but also to enhance the emergence of other positive correlates of crime such as lack of education and housing. It might thus be reasonable to assume that the 'credit crunch' of the late 2000s has fuelled a significant rise in property and violent crime on either side of the Atlantic. Available empirical evidence, however, suggests that the long-term trend of falling crime rates in the cases of Britain and the US has not undergone a reversal.

The relationship between economic recession, on the one hand, and levels and patterns of crime, on the other hand, has yet to receive sufficient criminological attention in the context of non-Anglophone jurisdictions (but see also [Rodriguez and Larrauri](#) [16], this issue), even though a broader international comparative analysis would seem necessary in order to better test this relationship. This brief commentary focuses on Greece, a country that has in recent years found itself in the midst of a deep economic crisis. The Greek experience reveals that the economic downturn may be associated, in varying degrees, with a wider range of criminal behaviours than is typically acknowledged. It also illustrates that, just as politics has shaped the financial crisis itself, so too it has infused perceptions of the connection between the crisis and crime.

## Financial crisis in Greece

In 2009, the OECD reported that Greece had proved to be better insulated than many of its fellow OECD member-states from the global financial crisis that had been triggered by the US sub-prime

mortgage crisis of 2007. Within the space of a few short months, however, the revelation of Greece's own domestic financial crisis saw the country newly assessed as a major risk to the financial health of both its European counterparts and the broader international environment. Whilst all European economies were suffering from the reduction in liquidity caused by the global downturn, the emerging sovereign debt crisis of Eurozone member-states was proving to be most severely experienced in Greece. In response to Greece's admission in November 2009 that it was facing unmanageable levels of public debt, a succession of bailout packages were engineered by the Troika — the European Commission, the European Central Bank and the International Monetary Fund — each of which provided loans to Greece with the condition that the country implement a wide array of austerity measures, from spending cuts and public sector lay-offs to tax rises and the privatisation of public assets. Whilst subsequent assessments of the effectiveness of the Greek state in imposing such measures and thereby lowering the deficit have been mixed, there has been little sign of equivocation in judgments of the social impact of the measures.

Even before the crisis, Greece had persistently manifested one of the highest levels of income inequality and poverty in Europe. With the imposition of austerity came surging levels of unemployment, which rose from 6.6% in May 2008 to over 21% by March 2012. Living standards dropped, falling particularly sharply from late 2010 onwards (as evident, for example, from surveys of gross disposable household income and material deprivation). If income losses have been larger for wealthier proportions of the population in absolute terms, poorer groups have still suffered disproportionately from a significant drop of income. Relatedly, then, there has been a dramatic rise in negative health outcomes (such as elevated rates of suicide) caused by cuts to health and welfare spending and the intensification of a gamut of socio-economic pressures on families and individuals (see, e.g., Kentikelenis et al., 2011).

Despite the commonplace inclination of political, media and scholarly commentators to reflect on the relationship between this litany of harmful developments and the 'problem of crime' through the narrow prism of property and violent interpersonal offences, we suggest that the relationship between crime and financial maelstrom in contemporary Greece is more clearly and accurately addressed from a broader perspective that additionally includes consideration of corruption and organised political violence.

## **Corruption**

As the vast majority of domestic and international observers of the Greek crisis have reported, corruption has been a key factor contributing to the emergence of the country's financial crisis, organically related to over-expenditure and mismanagement of public funds. Successive scandals have illustrated, for example, the major role played by clientelist logics in determining the awarding of state contracts to civil and defence projects that are often of questionable merit (defence contracts being particularly significant for a country that has consistently spent one of the highest proportions of its GDP amongst NATO allies on defence). Clientelist forms of corruption have also lain behind the repeated provision of ad hoc exemptions and post hoc legalisation to unfair and illegal practices (such as the regular pre-election wave of legalisations granted to illegally renovated and constructed properties), and in the routine support for unnecessary and under-qualified public sector appointments.

The two political parties that alternately dominated government over the past thirty years (PASOK, on the centre-left, and New Democracy, on the centre-right) have readily resorted to the argument that all levels of society are to blame for the crisis, although emphasising the responsibility of civil servants and the general public for colluding in practices of patronage and petty corruption. This argument has done little to mollify public frustration with patterns of grand corruption in which political, media and business elites have incessantly been implicated. Such frustrations have long stood at a very high level by European comparison, but they saw intensification following the onset of the crisis, and have increasingly turned to anger. Indeed, in combination with vocal criticism from foreign observers, the exasperation of the domestic public has placed significant pressure on Greek politicians to put a halt to treating elite corruption with impunity. Unfortunately this has been pressure which they have proved overwhelmingly able to resist; notwithstanding the indictment of a former Minister of Defence in 2012, members of parliament displayed remarkable audacity when in

2011 they absolved themselves of any responsibility for the two largest cases of corruption to rock Greek political life in recent years: the Vatopedi and Siemens scandals. Both of these implicated members of PASOK and New Democracy, and concerned, respectively, a monastery land-swap arrangement, and security systems and telecommunications contracts (see further Xenakis, 2011).

To understand just why it is that mainstream politicians in Greece have remained so willing to maintain impunity towards elite corruption, given not only its role in generating the current crisis, but also the fact that public animosity has grown to such levels that politicians from PASOK and New Democracy have become unable to appear in public without risk of assault, it is necessary to acknowledge the way in which elite corruption has long functioned as a prerequisite to the maintenance of elite consent to the political status quo in the country. Moreover, an appreciation of the significance of elite corruption within Greek public life today is key to recognising the political imperatives of shifting public attention instead to the risks of property and violent crime.

## **Property and violent crime**

In the wake of the recent and ongoing financial crisis in Greece, public fears about property and violent crime appear to have risen dramatically, often in association with heightened concerns about illegal immigration into the country, as well as drug abuse and related offending. These sentiments have been fuelled in no small part by political, media and scholarly discourse that cites police-recorded crime statistics showing a significant growth in thefts, burglaries and robberies over this time span. Between 2009 and 2011, for example, the total annual volume of burglaries and thefts rose by 33%, from 72,658 to 96,925, whilst the respective volume of robberies increased by 41%, from 4,708 to 6,636. Amongst offenders known to the police, Greeks were responsible for the majority of burglaries and thefts, but non-Greeks were over-represented in proportion to their share of the general population. As far as robberies are concerned, however, non-Greeks were both the majority of known offenders and were again proportionately over-represented.

Alas, such data have helped to retrospectively justify what have been longstanding trends of disproportionately high levels of public fear of criminal victimisation, but also of public support for the harsh punishment of common offenders, especially of immigrant origin, as this has been practiced by the Greek state for decades now and has intensified more recently. Indeed, over the three decades that preceded the crisis, Greece became one of the most crime-fearing and punitive nations in Europe and beyond, even though police-recorded crime rates in the country were low by European comparison, rose only modestly, and most of this rise was due to offences of little criminological interest (e.g., traffic offences such as speeding and illegal parking) (see further Cheliotis & Xenakis, 2010, 2011).

It is plausible that levels and patterns of public fear of crime, as well as of punitiveness, still remain incommensurate to the actual levels and patterns of criminal victimisation. For instance, the occurrence of certain types of violent crime has fallen since the onset of the financial crisis, whilst the percentile rise in the occurrence of other types of violent crime is far less impressive when expressed in terms of absolute numbers and compared to the pre-crisis period. Thus, between 2009 and 2011, the total annual volume of police-recorded rapes decreased by 20%, from 214 to 172, whilst the 29% growth in the respective volume of homicides, from 143 to 184, did not exceed the peak rate experienced in recent decades. Also, the participation of Greeks in thefts and burglaries has risen much more starkly since 2009 than that of non-Greeks, whilst non-Greek participation in robberies actually shrank between 2010 and 2011.

In any case, there are multiple reasons why police-recorded crime statistics in Greece need to be treated with particular caution when used as a proxy for actual crime rates. These range from the reported ease with which the Greek police file unwarranted charges, to their systematic over-policing of immigrant communities (including so-called 'sweep' or 'cleaning' operations and a propensity to stop-search and arrest immigrant individuals to a greater degree than Greek persons), to the tendency of Greek citizens to report crimes to police authorities even when cases are frivolous and their specifics largely uncertain, just as they are more likely to report crimes when offenders are believed to be immigrants (ibid.). At least some of these pitfalls could be overcome by comparing police-recorded data against prosecutorial and judicial data for the same period, but the Ministry of

Justice has not publicised prosecutorial and judicial data since 2009; the year that it was renamed the Ministry of Justice, Transparency and Human Rights.

## **Organised political violence by sub-state groups**

Perhaps the most dramatic concern expressed by domestic and international commentators about the relationship between economic downturn and lawbreaking in Greece has related to political violence perpetrated by sub-state groups. This apprehension has not been surprising, given that less than a year before the crisis broke the country had experienced its worst social unrest for decades. There had also been a significant re-emergence of politically violent organisations since the mid-2000s. Moreover, within a year of the economic crisis erupting, an incident in which a mass protest against austerity coincided with organised political violence produced three civilian fatalities (Xenakis, 2012). The most melodramatic prognoses about the impact of the crisis in fuelling political violence have, nevertheless, not yet been realised; not, at least, from the quarters most expected: organised covert groups identified as anarchists and far-leftists that are willing to use violence in support of their political campaigning.

Following a series of arrests in 2010, during the very time frame in which the impact of the crisis was increasingly being felt by Greek society and by the youth in particular, political violence from sub-state covert groups to the far-left of the political spectrum radically diminished. Equally, by summer 2012, there had been no repeat of social disorder that matched the month-long unrest of December 2008. On the other hand, covertly organised political violence by the far-right continued the ascent it had begun over the 2000s. By the late 2000s, far-right groups were already bold enough to patrol immigrant-dense districts of Athens in platoon-like formations of around thirty to forty black-clad and capped individuals armed with sticks, and to engage in violent assaults against immigrants and their property in broad daylight (on occasion, also, to do so in front of the police).

Mirroring the reluctance of the Greek state to prosecute or monitor racist violence or racially-motivated crimes, far-right violence has commonly been neglected by political, media and scholarly commentators on political violence in Greece. It was only the success of the fascistic far-right party Chrysi Avgi ('Golden Dawn') in the general election of May 2012 and their ensuing entry to parliament which catapulted organised political violence by far-right groups into the mainstream political spotlight. Even so, a notable degree of ambivalence towards organised violence by the far-right has remained apparent in public discourse, reflecting the breadth of public support that far-right sentiments have gained over recent years. This is a development that has been sustained not only by the exacerbation of domestic socio-economic tensions over the same period, but also by the opportunism of PASOK and New Democracy to exploit xenophobia, and anti-immigrant attitudes more particularly, in their efforts to distract attention from public discontent about the role these parties have played in fomenting financial crisis and in inequitably distributing its negative ramifications upon the citizenry (ibid.).

## **Concluding remarks**

As suggested by this brief review, the relationship between crime and the financial crisis in Greece has been non-linear, irregular, and complex. Core concerns about the impact of economic upheaval upon Greek society have encompassed dimensions of lawbreaking that go beyond property and violent crime, without, however, treating them as part of the 'crime problem'.

Furthermore, there are important connections between corruption, property and violent crime, and organised political violence, with the crisis playing a central part in bringing these to the fore. Equally, the linkages between such forms of illegality have been highly politicised, and recognition of this point is vital to avoid analytical entrapment in narrow terms of reference that serve to convenience particular political constituencies.

To account specifically for the intensified preoccupation with property and violent offences in recent years in Greece, three factors are of paramount importance: first, that the financial crisis has had a role in fuelling a rise in at least some of these offences; second, that against the backdrop of the crisis, mounting experience of state impunity towards grand corruption scandals has strengthened

the need for political elites to divert public attention towards property and violent offences (particularly towards offences attributable to weak minorities); and third, that this imperative has become all the more pressing given the constraints posed by the crisis on the use of clientelism, itself another longstanding means of assuaging socio-economic strains amongst the public.

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