

Article

Universities and the Crisis in Greece: Neo-liberalism in practice?

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As it is well established, ideas and policies that were labeled neo-liberal were firstly explicitly adopted by the governments of M. Thatcher in the UK in 1979, and Ronald Reagan's in the USA, a year later. Neo-liberal ideas claim their origins in the liberal doctrines of classical political economy (in some of the views expressed by Adam Smith, for instance), and, more recently, in the philosopher Friedrich August von Hayek, and certain economists such as the Chicago-based Milton Friedman. Neo-liberalism in governance set out a clearly political discourse and policy set, as Stuart Hall and other have analyzed by expounding on the "authoritarian populism" of one neo-liberal variant, i.e. that of Thatcherism (Hall 1980a, 1980b, Hall and Jacques 1983). Overall, neo-liberalism sees the applications of its doctrines as attempts to reverse what it perceived as the unfreedom and excesses of social-democratic statism. The fact of the matter is that while when applied it has mixed results, it nevertheless has been quite successful in the course of the last 45 years in spreading its influence, and it has come to dominate the scenery not only in its Anglo-Saxon heartland, but globally too.

This is not the place to expound on how neo-liberal ideas expanded in waves and took hold globally (about which see, Steiger and Roy 2010). Nevertheless, it is worth keeping in mind the role played by the economic profession in promoting the "D-L-P" formula, i.e. "Deregulation of the economy, Liberalization of trade and industry, and Privatization of state-owned enterprises" (*ibid.*). It performed neo-

liberalism globally, directly and by constituting neo-liberal ideas as the norm via various major international organizations, e.g. the IMF, the OECD, and the World Bank. Once this started happening, the various political elites were all too willing to follow suit and use/promote such ideas.

Of course, neoliberalism is not a unitary idea. Rather it is a set of loosely allied ideas, each of diverse origins and trajectory. They do converge, however, in agreeing that the best way to achieve economic progress is to allow market forces to reign. The claim is that individualized, market-based competition is superior to other ways of organization (Mudge 2008).

Now, the relatedness of neoliberal ideas, construed here as ideology (Huaco 1971), to particular societies, their varied circumstances and contours directly relate with the type and intensity of adoption of such ideas by local political elites and their interaction to particular socio-cultural contexts, as well as the impact of broader influences. When such a complexity is considered it will be realized that each instance of neo-liberalism in action relates to a largely unique and distinct framework and amalgam of influences and determinations, which is amenable to patterning as has been demonstrated by Michael Mann (Mann 2010). In fact Mann, before the full scale of the present crisis unfolded, showed that there are six identifiable macro-regions as distinct regimes of inequality globally and that the impact of neoliberalism upon them is quite variable. Put

differently, this indicates the existence of a variety of modes of adaptation to neo-liberalism globally. In fact, he argues that, “Levels of inequality, and the influence of neo-liberalism over them, vary very greatly across the world. Crises of public expenditures on welfare have occurred but often have little to do with neo-liberal programs. Structural adjustment and free trade neo-liberal programs failed to achieve their goals and were losing some of their attraction well before the major financial crisis of 2008-2009” (Mann 2010, p. 3 of original paper).

In a similar vein, Fourcade-Gourinchas and Babb will argue and indeed demonstrate that patterns of state-society relations, institutionalized as they are, differ a lot between countries, determining the ways in which neoliberal transitions were carried out. It is noteworthy that this was so regardless of the country-level of economic development (Fourcade-Gourinchas and Babb 2002). In this sense we may speak of distinct modes of engagement of networks of social relations, local and broader, concrete or ideational, i.e. of embeddedness to use Granovetter’s (1985) terminology, with neo-liberalism, or of distinct modes of neo-liberalism’s engagement to particular socio-economic formations. The assumption here is that because there is such divergence, although as it was insinuated it is a patterned one, much that passes as neo-liberalism attack here (in this place/country/society), may not necessarily be so there (in another place/country/society).

In other words, one needs to see neo-liberalism’s inroads in relation to the particular circumstances, context, and set arrangements that predate the advent of neo-liberalism in a country or co-existed with it. If this is indeed so then one would have to substantially qualify claims about the specific adverse effects neo-liberalism might have had on the university, and I refer here to the university in Greece.

Among the influences exerted on a European-wide level are also those that stem from the idea of a Europe of knowledge, which on the one hand has led to attempts and measures to advance such an idea, while, on the other, it has been linked to the idea of a “knowledge society”, with the “knowledge economy” forming, as it were, its backbone. You will recall that at European Council held in Lisbon in March 2000, it was declared and decided that “the way forward” for Europe (i.e.

the EU) was to become, by the year 2010, “the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion” – the Lisbon Strategy (Lisbon European Council 2000). This was pursued for the purpose of attaining a higher degree of competitiveness in a world in which other competitors, at the time primarily the US and Japan, were particularly strong. Of course, this was a strategy much in line and heavily influenced by neo-liberal ideas.

In a similar vein, and despite the availability of clear indications that the strategy was failing, the European University Association publish in 2007 its own “Lisbon Declaration”, expressing its vision for the post-2010 situation. In there the earlier set Lisbon strategy goals were followed and expounded upon. Among other issues, the employability aim was raised and underlined (EUA 2007: 3). My point is that there have been concerted and systematic efforts, and specific measures taken, to streamline the diverse European countries in establishing, upgrading and enhancing the employability of their work forces, and that universities – at least their union – have been a partner in that endeavor. The influence of the EU quasi-state upon national states should not, in other words, be overlooked; undoubtedly there have been attempts to move all education throughout Europe alongside the abovementioned directions.

Now, I turn to the domestic situation. For reasons that go beyond our present purposes, governments in Greece and the social forces that supported them were quite open to the inroads of neo-liberalism. However, they were more ambivalent towards issues that pertaining to education, with higher education generally remaining public. Still, private universities did and do exist, technically since the late-40s. Such institutions mushroomed in the late 1980s and after, although the inroads of private universities/colleges were contained by the non-recognition of degrees these awarded – usually through arrangements with UK and French (state) universities! In most recent years (about four years ago), however, this has changed under EU pressure. Such institutions now award degrees that the state recognizes they recognized (indirectly), but these are of low status, not comparable to state ones.

Greek universities : some basic features

There are 23 universities in Greece. They are state-owned and regulated, and autonomous (in academic matters). They are, however, entirely dependent upon state financing for whatever they do. First degree takes a minimum of 4 years – Bologna is resisted! At the same time the country “boasts” world (per capita) levels of student migration, most of which is directed towards EU countries; primarily the UK.

The opening up of higher education and the multiplication of the universities, was in line with the many countries that adopted the human capital logic of OECD sponsored socio-economic development. It has been a gradual process that has started in the early 1960s, but intensified during the 1970s and after. Still, the establishment of universities had another dimension, unrelated *per se* to a human capital development logic. It was a response to popular demand for education, which in Greece drew on memories (invented or real) of ancient splendor, as well as more recent experiences of survival and upward mobility in adverse times (e.g. the Phanariots during Ottoman rule), the forging of the Greek nation itself (e.g. Koraes in late 18th century France), or the authority and esteem the scientific status bestows to its holders. These have been fused with people’s imagery that considered and considers university-level education as an all-important path towards non-manual work, itself considered an anathema, according to social elevation.

The financing of this growth has been achieved by partly drawing from the state budget, but also from foreign, mostly EU funding. Indeed, there is no university in Greece which does not display the mandatory boards that mention the EU’s role in constructing buildings, equipping them with virtually all necessities, and even paying for salaries too, albeit for a limited and set period. Indeed, many departments, faculties and universities could only be established with a 75% EU contribution and on top of it a 25% national contribution; the country’s three departments of sociology have been largely set up because of such financing!

The university entry examination system, as it has been developed over the years, has been particularly hard on students who have to pass very competitive entry examinations. This is

especially true in the highly rated medical and engineering departments and schools, in which the entrance mark is often set at 18,5 or 19 points out of 20. No doubt, those that enter Greek universities are good and even very good students, but the entrance system leaves out many talented youths. What happens after four, five or more years of study is another matter.

In actual practice, once one is admitted, it is hard not to obtain a degree in a Greek university. Students have the mandatory right to take examinations a number of times so as to make sure they pass a course – at the end of the semester in which it has been taught and again in the September examination period. Thereafter, in the case of some courses, they have the right to be examined in a third examination period. The possibility of repeating the same examinations goes hand in glove with the widespread practice of allowing students to take an inordinate large number of courses per semester, particularly so in the last year of studies. The end result is that students who register for two and sometimes three overlapping in time courses just cannot attend them. As class attendance is in most cases not obligatory, the whole system cannot but find refuge in repeating examinations as the major assessment tool. This is also the result of a curriculum that, in practice, is often restricted to what may be included in one or two textbooks (often dated) and to student class participation which, by definition, is impossible to monitor – especially in classes in which the material is delivered in lecture-form to large audiences.

The situation is further exacerbated by vociferous calls by some left-wing student groups to resist work “intensification”, which in this sorry state of affairs is, to my mind, a euphemism for resisting studying “a lot”! The dominant more middle-of-the-road student groups, themselves open front organizations of the major political parties, add their voices, less vociferously it is true, in this politically inspired attempt to work/study less.

Student block vote. Until two years ago student party political groups were in a position to manipulate university affairs by using their block vote in the elections of department chairs, deans and rectors as bargaining chip. In fact, under that system which has been done away by a new law established only two years ago, students commanded an unprecedentedly world-high percentage of votes in university

bodies of 35%; this was often employed as block-vote – an outcome of an openly political and clientistic rationality in the law aiming to control universities by political parties. This meant that student political organizations played a key role in who was elected to these posts and heavily influenced the policies that were pursued, e.g. the repetition of examinations, the largely non-compulsory attendance in classes, the number of courses students are allowed to take per semester, who enters post-graduate studies, among other issues, and who gets elected/appointed in the university.

In addition, there have been instances of rampant familism as in the infamous Christinakis family case, at the Dept. of Theology, U. of Athens!

Last but not least, the officially unrecognized, yet widespread cheating practices, only further demeaning university education. Hence, by graduation the most able students, often lured by party politics, have become aspiring public sector employees of indifferent conscience, on the lookout for the most advantageous, and definitely politically connected, opportunities to settle into the various state bureaucracies.

The fact that there has been a new law cannot erase from memory collusion, ploys and micro-political games with the above-mentioned practice. In these, the Left and not only the Right, excelled. There was definitely a statism dominating in the universities; a non-functional one too! Definitely, this still poisons relations in the universities in a variety of ways. Changes brought about by the new law are several, important and often unsettling, with new antagonisms emerging, e.g. the School vs. the Department, the Council vs. The Senate, and so on.

The crisis : what it is

The crisis is an absolutely key issue to the understanding of developments in Greece, and in its higher education.

A crisis, both notionally as well as experimentally, is usually conceived as an exception, a “peak”, a turning point, a perhaps catastrophic accident, or an anomaly of an otherwise ongoing, regular and concrete phenomenon or set of phenomena.

When it is employed in a more directly sociological way, the idea of *crisis* (or

contradiction) refers, as J. Habermas points out, to the clash between systems integration and social integration. The current crisis has been seen as marked by the domination of neo-liberalism and the development of financialization, which has been one of its most celebrated outgrowths. More concretely, a solid prerequisite – an outcome itself of financialization – has been the tremendous expansion of credit, particularly since the late 1990s. Greece too, as a country, took advantage of this. It borrowed with low interest, but most heavily, to finance welfare, infrastructures, education, and for other purposes too.

For a complex set of reasons, the Greece became incapable to continue its lending. The crisis that emerged assumed the form of a sovereign debt crisis, threatened the common currency, the euro, and drove the country to bankruptcy in 2009-2010. This outcome was *derailed* from actually occurring by means of two huge bail-outs, plus a so-called hair-cutting of various obligations. As the crisis unfolded, it run in parallel with a depression of the economy, which it only deepened and extended – now is in its seventh year!

Neo-liberalism is definitely present in the recipe being followed on how to come out from the crisis, which exacerbates the problem of unemployment, including youth unemployment, currently at 28% and 65%, respectively.

Cuts in budget and salaries occurred, reflecting the need to roll over state expenditures. Were cuts necessary? This is a most highly contentious issue! Yet, it is only more than reasonable that in such circumstances of quasi-bankruptcy, the state expenses had to be rolled over. Hence a series of restraining measures that affected all aspects of the public sector, and the universities too, were to follow and they have been! In relation to universities, it meant the heavy curtailment of state subsidies to them, which up to now has been the only source of their financing, and the cuts in salaries (that were horizontal, took place in two installments, totaling a rough 35%) and the heightened increases in taxation.¹ These in

¹ An indication of this is given by Greece's prime position among the OECD countries in terms of family tax burden, which is set at 44, 5% for 2013, followed by France at 41.6% and Belgium at 41%. By contrast, the lowest levels

themselves produced vulnerabilities in the smooth running of the universities and in a sense hit harder those students that used the welfare functions available in them. However, it is reasonable to say that in themselves there were taken measures that were largely unaffected by neo-liberalism – since their aim, subtle or expressed, was *not* to bring in the market as the first or ultimate regulator. Instead, it was/is just to save on state expenses and increase the state's income in extraordinary conditions. On the other hand, such measures for the most part were integrated in the agreements made with the borrowers, i.e. the bail out-agreements inscribed in the “Memorandum”.

Nowadays

With respect to universities, new appointments do not currently occur since the 1 to 10 rule is applied with respect to all hirings in the public sector. In addition, university teachers' salaries that were frozen for six years before the eruption of the crisis have now, i.e. over the last four years, plunged due to cuts (two such reductions have been effected) by an approx. 34-36%.² At the same time, mandatory hours of teaching have been increased by about 30%. These, no doubt, are disenheartening developments for university teaching staff who feel quite squeezed and battered too! Also, there have been and continue to take place severe cuts in the universities' budgets, that exceed the 50% of the pre-crisis budgets. (The University of Crete has 6 million euro of standard inelastic expenses but this year it is scheduled to receive 3,3 million – resignation of vice-dean!)

The claim has been that the tremendous challenges and problems that universities in Greece currently face can be attributed to the adoption of a neo-liberal outlook by successive governments in control of the central state. I

are recorded for New Zealand at 2.4%, Ireland at 6.8% and Chile at 7%; the OECD countries average stands at 26.4% (Klossas 2014).

² Another example of the consequences of the under-financing of higher education is the failure, for more than a year now (despite announcements that “the problem has been resolved”), to pay electronic journal subscription with the result that access to them has been blocked, which is not very good for research or even teaching.

think that this claim makes some sense only in very overall terms.

Neo-liberalism with respect to knowledge, particularly here knowledge generated by universities, implies that new, as well as more mature, knowledge may become a marketed commodity. Is this the case with Greek universities? Are they organized to produce research and graduates-bearers of knowledge as marketable commodities? And are graduates trained and streamlined to orient themselves to use the knowledge they have obtained as commodities.

My shorthand answer is a simultaneous “yes” and “no”, but I will qualify this by noting that this has rather little to do with the current wave of neo-liberalism! On the one hand, it pre-existed, and it is not particularly efficient, on the other!³

This situation with respect to the universities has pretty little to do with any perceived needs of capital accumulation. In fact, it arguably goes against it, or in any event it does not facilitate it. Yet it seemingly persists without triggering explosions. One most interesting and relevant reason for this is that university-level education is not, apparently, in alignment with the country's economy, which is marked by small and very small (micro) business enterprises, mostly in the services that are more labor- than capital-intensive. In fact, there is a structural inability of the local labor market to absorb highly skilled professionals (Labrianidis 2014, Labrianidis and Vogiatzis 2013), which during the crisis years has been a contributing factor in the unfolding of an elite emigration from Greece to several western countries, mostly within the EU.

Following such a line of reasoning, I argue that there have been neo-liberal inroads in the

³ *Fact*: there has been a consistent call the present government of the day, mostly by its senior partner, to recognize private universities. Then, once this has been done, they proceed to cater the establishment of new ones. Yet, with one exception, the education offered there is by definition substandard! At the same time opening up the sector to private interests is an EU issue with which one supposedly has to meet; part of the *acquis communautaire*! In effect, neo-liberal policies do not cash in, even if initially successfully.

country, at the political and economic levels, both before and after the eruption of the on-going crisis in late 2009. But while on paper the advent of neo-liberalism has been somewhat significant in overall terms; in actual practice it has been quite limited. In effect, much of the condemnation of the current situation in Greek universities as the outcome of neo-liberal impositions on the latter is erroneous; it is just barking on the wrong tree, and to take the analogy further, the cat is nesting in another tree!

Of course, the all-powerful Greek Ministry of Education, by means of changes in the legislature and control of university financing, upon which the latter utterly depend, imposes successive sets of changes and rules, which not infrequently triggers responses that disorganize the smooth running of university education. Add to this the threat of imposed reorganization, processes of external evaluation and various *diktats* that are not outcomes of the sovereign debt crisis the country is facing, but of mere vulgar hierarchical commandism in the running of everyday affairs. These however, by some figment of imagination have been called the “deconstruction and catastrophe of the public university”; to my understanding they are not! According to the latter line of reasoning, reforms effected from above, i.e. initiated by the Ministry of Education, are perceived to form elements of hideous plots that aim to lower defenses and deliver public universities and their output, i.e. students, research outcomes, academic staff, as well as clerical staff, to the whims of capitalist market forces. The latter are supposed to be only too happy to exploit them for their own purposes, which are perceived to be private and against society at large. Is this a true representation of ongoing processes? Personally I feel that it is and that these, as already indicated, for the most part are unrelated to neo-liberalism. Notwithstanding this, I will accept the existence of Ministry of Education-orchestrated creeping proposals that appear to direct towards training rather than education, and modular flexibility, which may be seen to entail a modicum of neo-liberal themes. Still, my main claim and point is that, although not innocent, neo-liberalism is *not particularly* to be blamed for the current sorry state of affairs of

universities in Greece.

Could something good come out of this mess? The on-going crisis might have positive outcomes only if it would lead to a solution of the financial deficits (much doubted, say by Paul Krugman), which would involve a major upgrading of the real economy. Undoubtedly, to achieve that interested parties, and the universities too, have to be released from their breast-feeding and dependence on clientelism and partyocracy, although to become mature one must also want it. Theoretically speaking awakened intellectuals may assume their critical role – a possibility however that would require an improbable cultural revolution!

To conclude, I will remind the topic of this presentation, which is “Universities and the Crisis in Greece: Neo-liberalism in practice?” As a general direction of policy, ideas and practices that are neo-liberal in character have been instrumental in creating the overall conditions of crisis and near-bankruptcy. But this cannot absolve the political elites of the country from conducting social and economic policy, hiring a lot more people than needed, creating infrastructures, etc. for the basic reason of catering for their political clientele. Clientelism, with the particular content and forms it assumed in Greece and, of course, other contingent factors are at the heart of the process of bringing the country down. Once this occurred, the worsening of the situation in the universities occurred as part of the deals with the borrowers that bailed out the country to cut down on public spending, pure and simple. It is true that some effort has been made to introduce market competition, but these attempts fade in comparison with the urgency of the situation and the severity of economizing measures. At the same time, the utterly ineffective bureaucracies, marked by commandism in their style of operation, remain intact. And yet, in the name of fighting against imaginary threats, in “resisting” neo-liberalism, measures that could safeguard the survival of universities are halted! Thus, my feeling is that we all sail, whether we like it or not, towards unchartered waters!

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