

## THE ATTITUDES OF THE GREEK PUBLIC OPINION ON THE FINANCIAL CRISIS

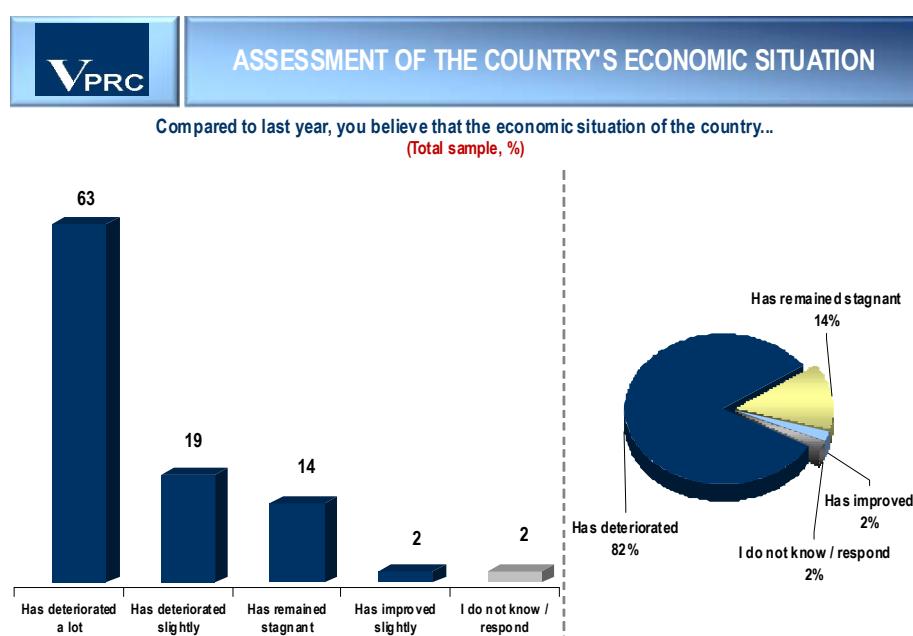
This report demonstrates in which ways the public opinion comprehends the actual financial crisis.

It focuses on four basic questions: a) the extent of the financial crisis, b) the causes of the financial crisis, c) the politics exercised to handle the financial crisis and d) the consequences of the financial crisis in the Greek and, more widely, in the European political system.

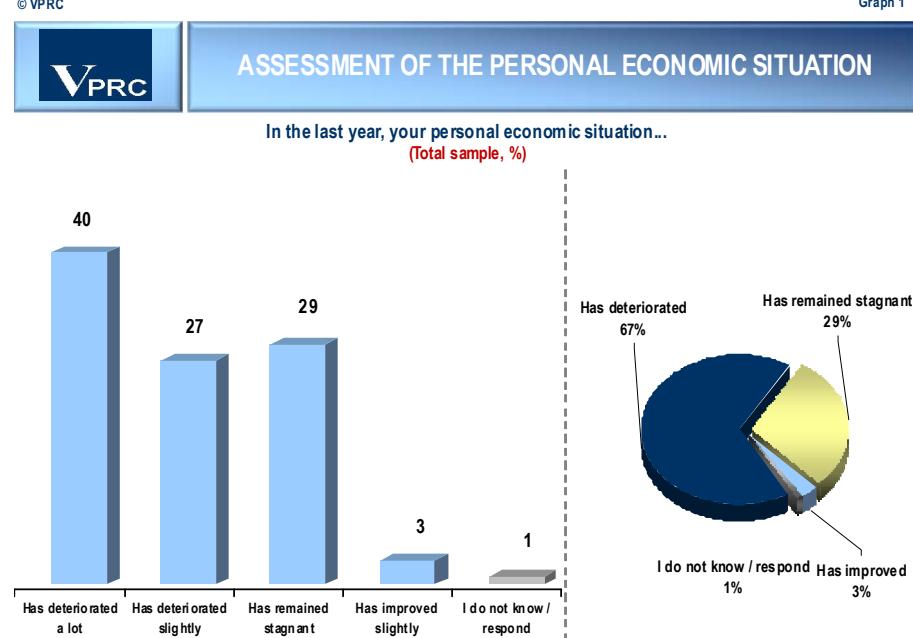
I use the data derived from the most recent survey in public opinion regarding the financial crisis (VPRC, 3-4 May 2010), but also derived from other surveys of vote and political behavior conducted by the same Institute.

### 1. The extent of the financial crisis

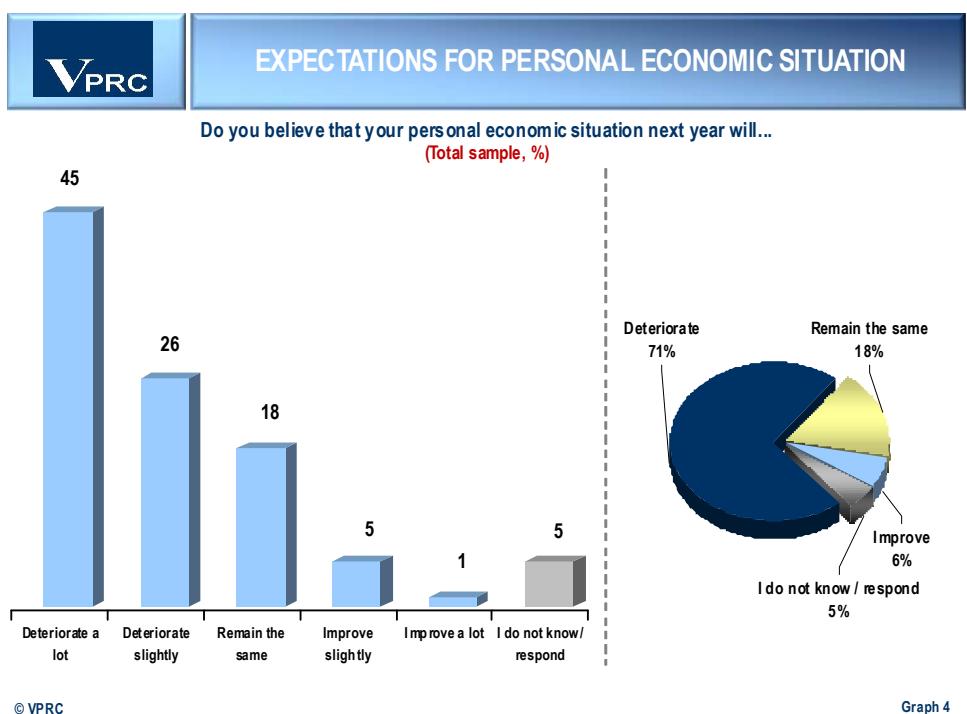
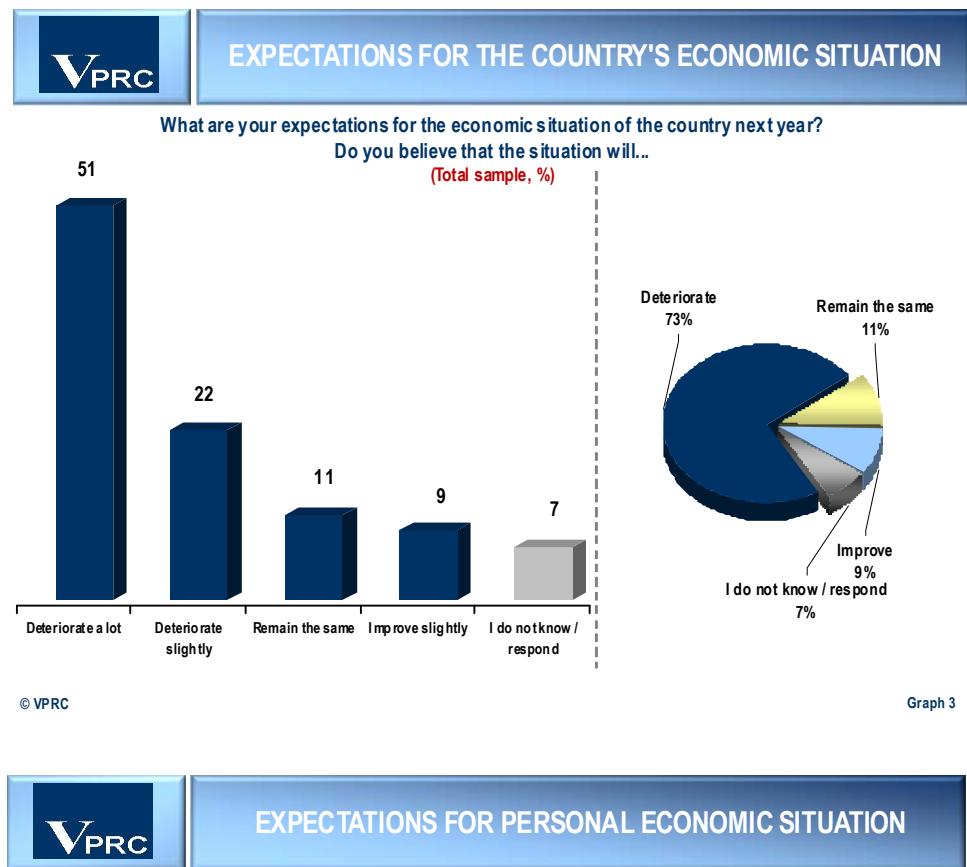
The Greek public opinion estimates that the course of the financial situation of the country in the last year has been largely deteriorated. The relevant indicator comes up to 82% of the citizens.



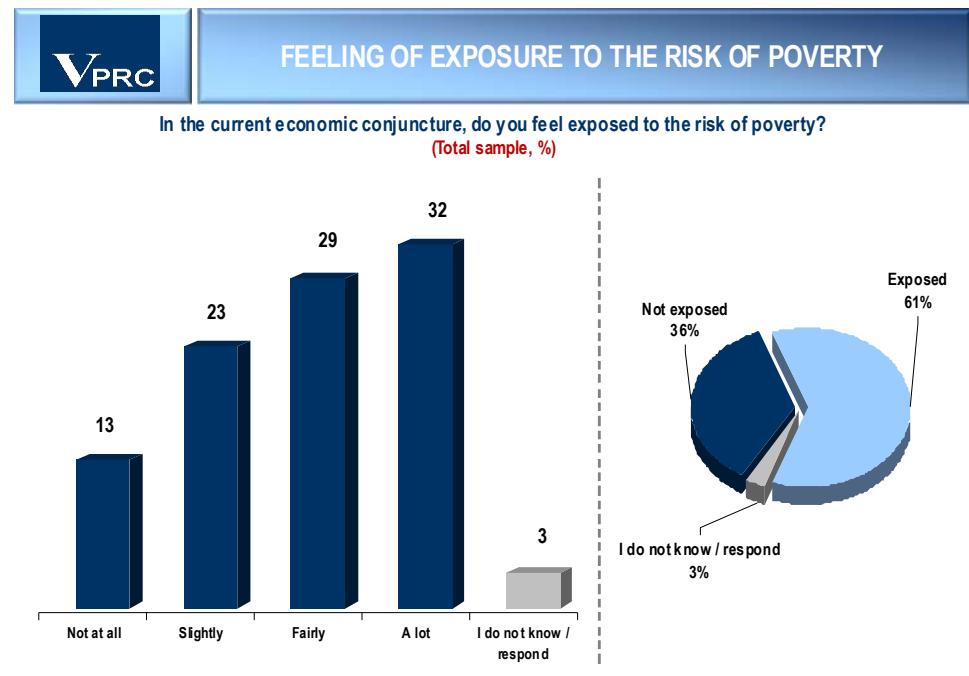
At the same time, the course of the personal financial situation in the last year has moved towards the deterioration (67%), while 29% considers that there has been a financial stability.



The expectations for the year coming have also been negative. 73% of the citizens think that the financial situation of the country will get worse, while an equivalent percentage of 71% think that the financial situation of their household will get worse. Only 6% think that financial situation will improve.

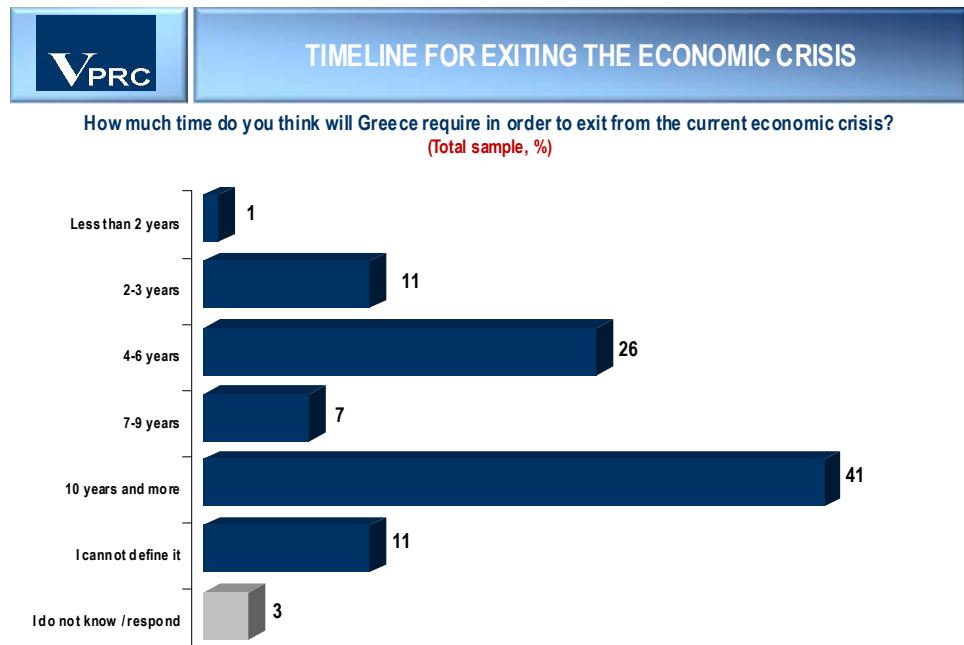


61% of the citizens think that they run the risk of poverty, while 32% of them think that they run a great risk. Let us precise, that the year 2009 has been closed with the poverty indicator being at 17%, a percentage that among the pensioners of the private sector can reach 29%, among the unemployed it goes up to 39% and among the farmers up to 22% approximately.



Graph 5

It is very interesting also to observe that on the top of the pessimism about the financial crisis and the personal financial issues, it is added the estimation that the actual financial crisis will be prolonged. 41% think that it will take ten and more years, and 26% that it will take between 4-6 years.

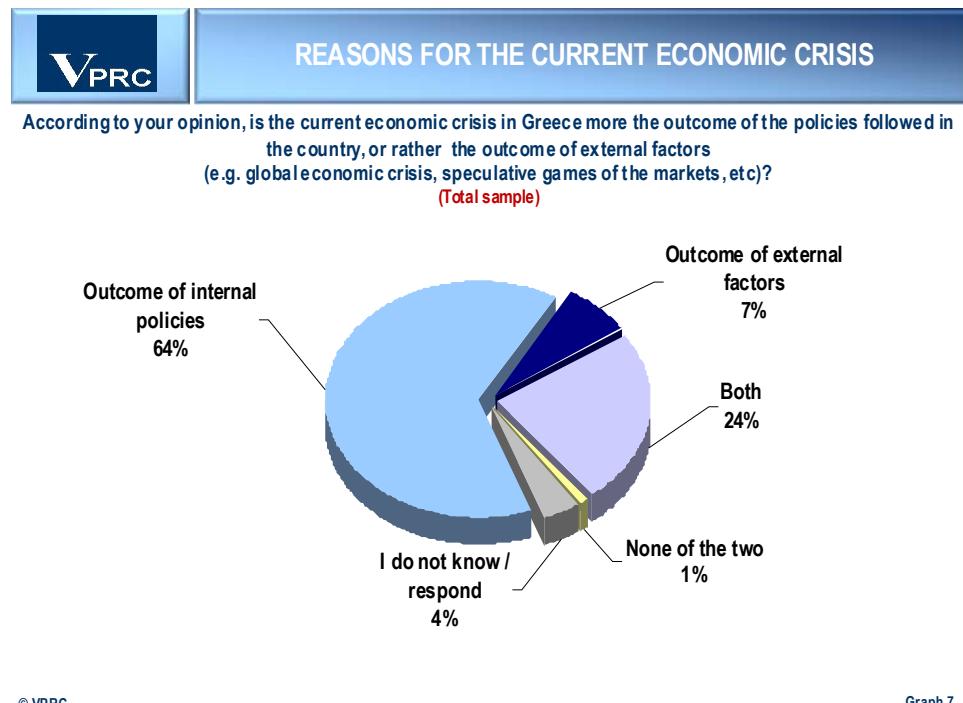


Graph 6

The conclusion of these data is apparently quite simple: a very big part of the Greek society is in a terrible financial situation and is reconciled with the idea that this actual financial crisis will be of long term.

## 2. The causes of the financial crisis

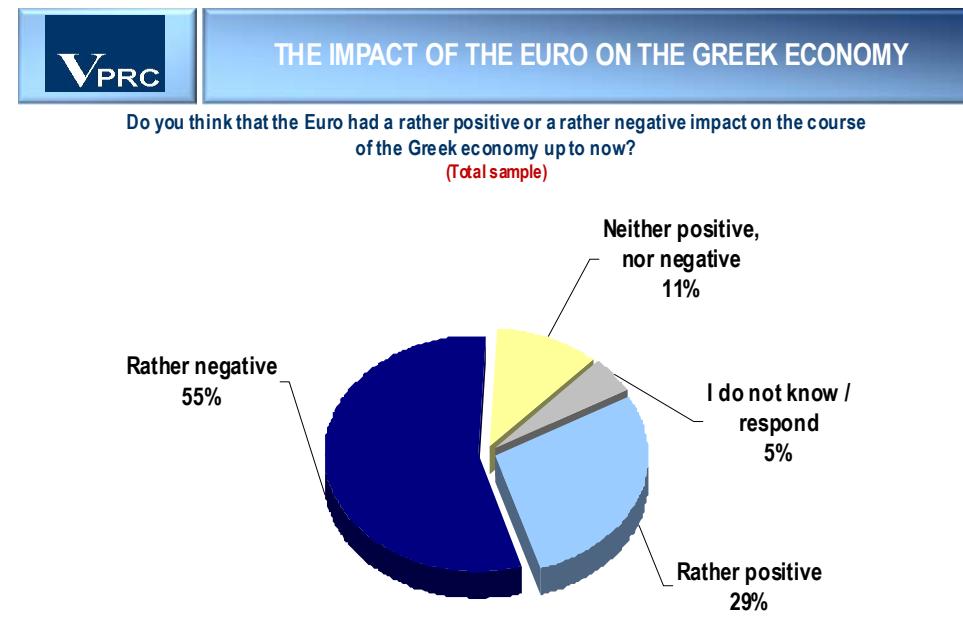
The Greek public opinion consider as the main cause of the financial crisis the politics exercised during the past years (64%) by the governments of the country, while it attributes a relatively small percentage to the international financial crisis (7%). There is also of course a percentage of 24% that consider both causes equivalents.



Graph 7

This opinion lies, as we will see later on, at the roots of the great distrust against the political system that is expressed today all over the country. The main idea is that the management of the public finance, at least by the mid- '90s until today, has been destructive and has caused corruption, "political money", enriching, tax evasion, phenomenon that were developed around the political system and with its support.

A secondary, but also important cause of the present financial crisis is considered to be the establishment of the Euro as currency. Its impact on the Greek economy is considered during this decade to be mostly negative (55%) than positive.



Graph 8

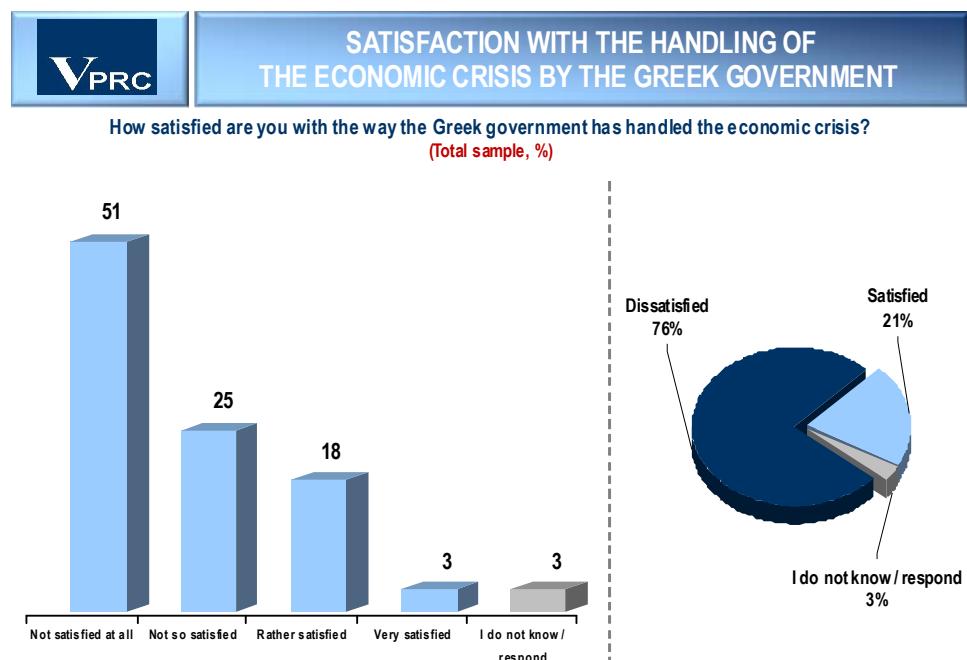
As we shall see later on, the criticism over the Euro is not associated to the perception that Greece should leave the currency union and the euro zone. It is more associated to the fact that the entry of the Euro was accompanied by a vague of expensiveness on products of first necessity in Greece, a fact that the Greek governments and the state apparatus were totally unprepared to handle.

Consequently, the second conclusion is that the predominant opinion attributes mainly the political responsibility for the present financial crisis (to the political parties, the state, the politicians) and secondly, to other factors, such as the international financial crisis, the markets, etc.

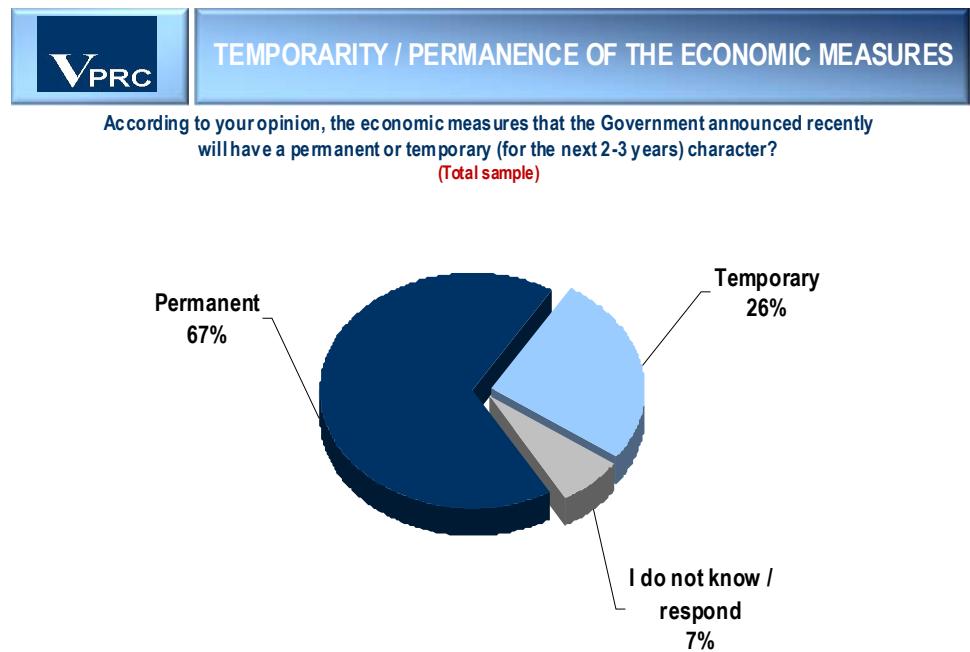
### 3. The politics exercised to handle the crisis

In this frame, the attitude of the Greek society about the measures of the government to handle the crisis has been intensively negative.

To begin with, the evaluation of the governmental politics regarding the financial crisis is extremely negative. 76% of the public opinion is dissatisfied by the governmental management and only 21% is satisfied.



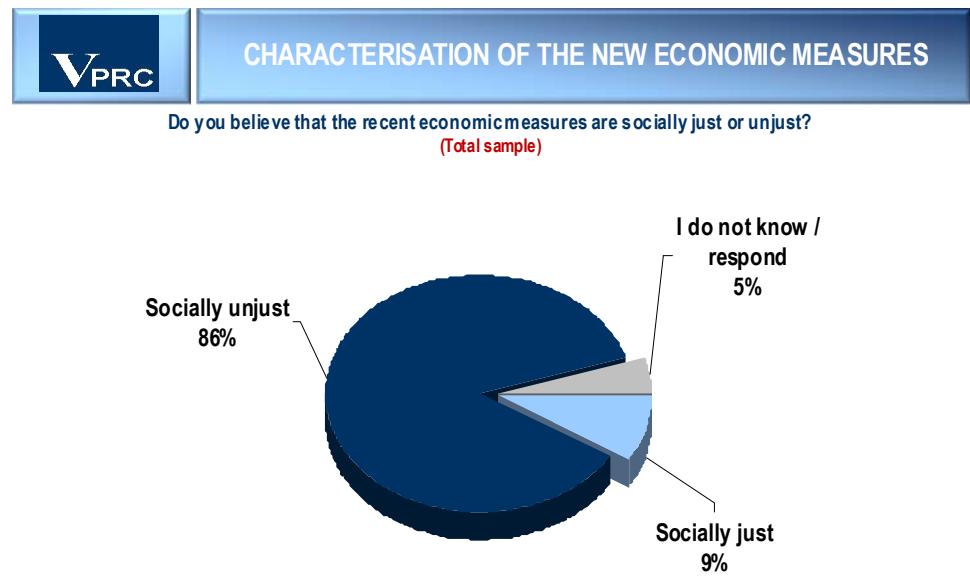
The main perception is that the financial measures – contrary to the government's allegations- will be permanent (67%) and not temporary (26%).



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Graph 10

The governmental measures have almost no social legalization, since 86% of the Greek society considers them to be "socially unjust" and only 9% "socially just". Another main perception is, also, that the measures contribute to a large and long recession of the Greek economy, without providing almost any perspective of development.



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Graph 11

Let us see now the acceptance and the non- acceptance of the specific measures that have been announced in the last month (in order of dissatisfaction):

⇒ The cut of the minimum wage of all the newly hired is disapproved by 90% of the Greek society. After this cut, the minimum wage of the newly hired will be at 550 Euro approximately.

⇒ The increase of the Value-Added Tax (VAT) from 19% in February at 21% in May and 23% in July is disapproved by 85%.

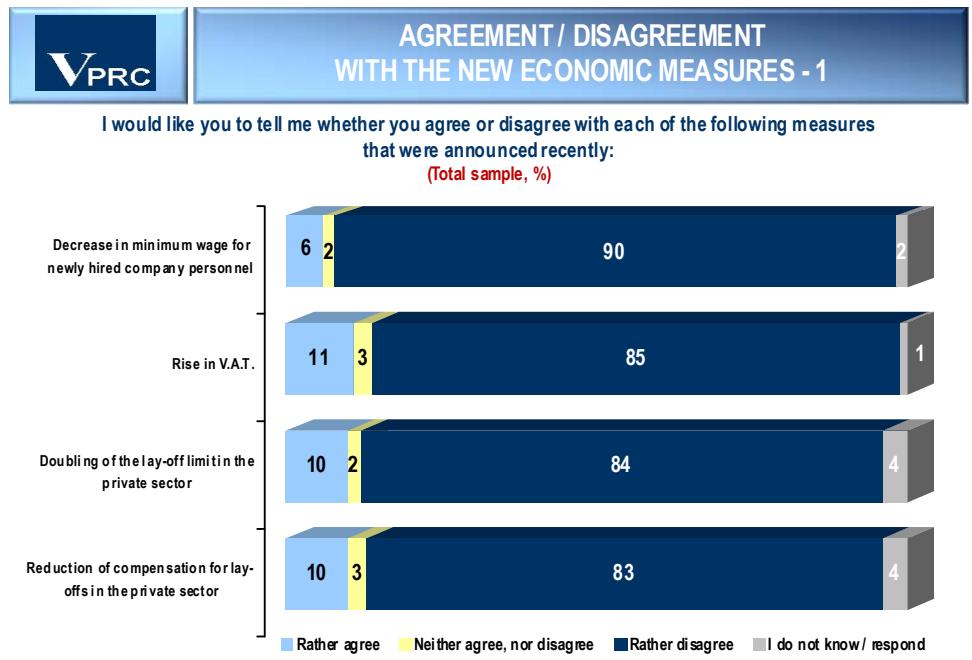
⇒ The doubling of the permissible lever to dismiss of 2% of the personnel up to 4% monthly is disapproved by 84%.

⇒ The cut of indemnities of these dismissals in the private sector are disapproved by 83%.

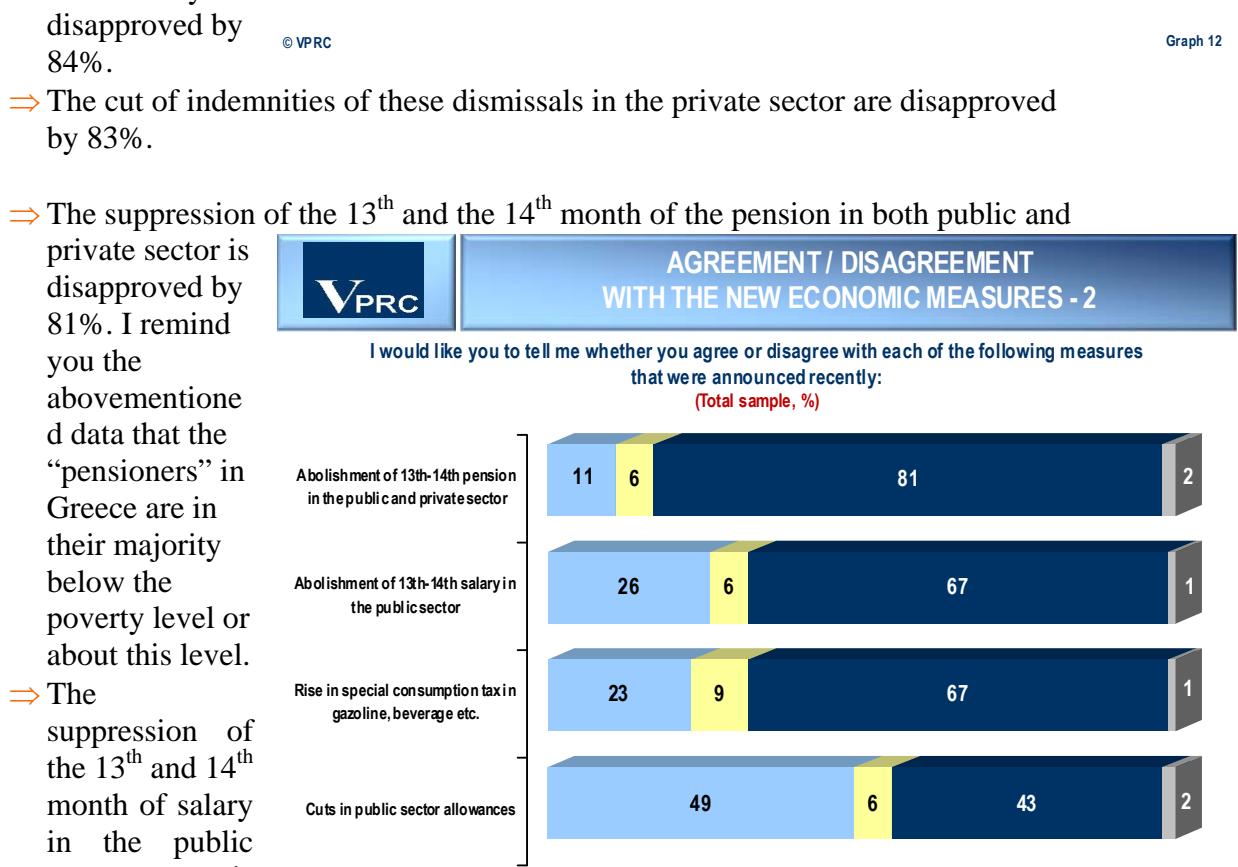
⇒ The suppression of the 13<sup>th</sup> and the 14<sup>th</sup> month of the pension in both public and

private sector is disapproved by 81%. I remind you the abovementioned data that the “pensioners” in Greece are in their majority below the poverty level or about this level.

⇒ The suppression of the 13<sup>th</sup> and 14<sup>th</sup> month of salary in the public sector is disapproved by 67%.



Graph 12

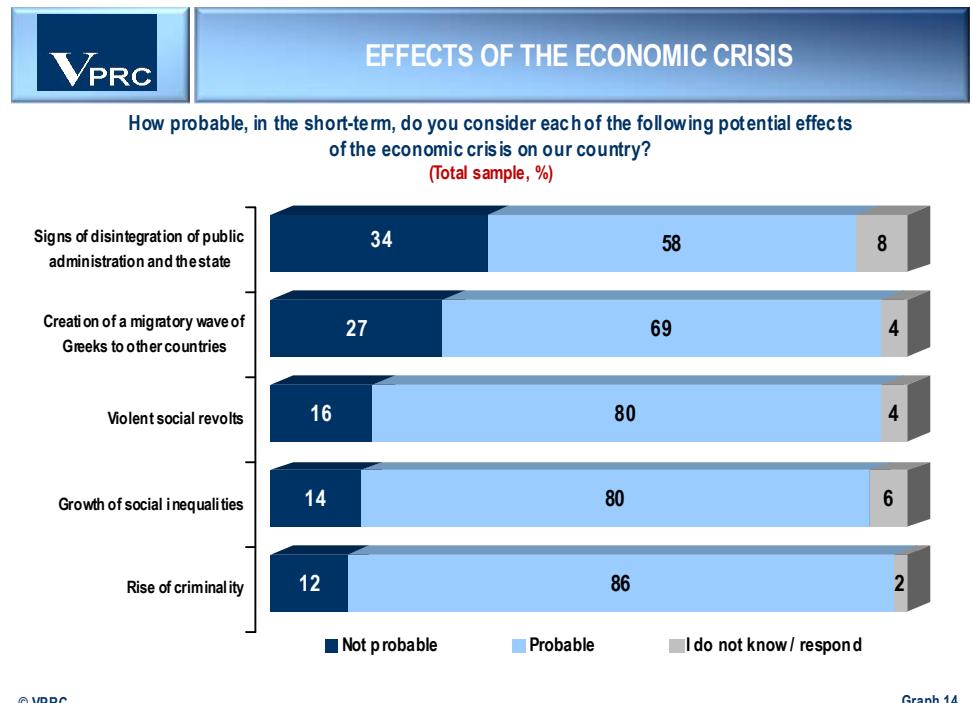


Graph 13

Let us precise here that the average salary in the Greek public sector is around 1.350 euro.

- ⇒ The increase of the specific tax of consumption (i.e. fuel, cigarettes, alcohol drinks) meaning the indirect tax is disapproved by 67%.
- ⇒ Ending, the cut of the allowances in the public sector is disapproved by 43%.

The disapproval of the governmental measures is associated of course to the perception that in the near future the social climate in the country will be burdened dramatically. A demolition of the public administration and of the state is considered



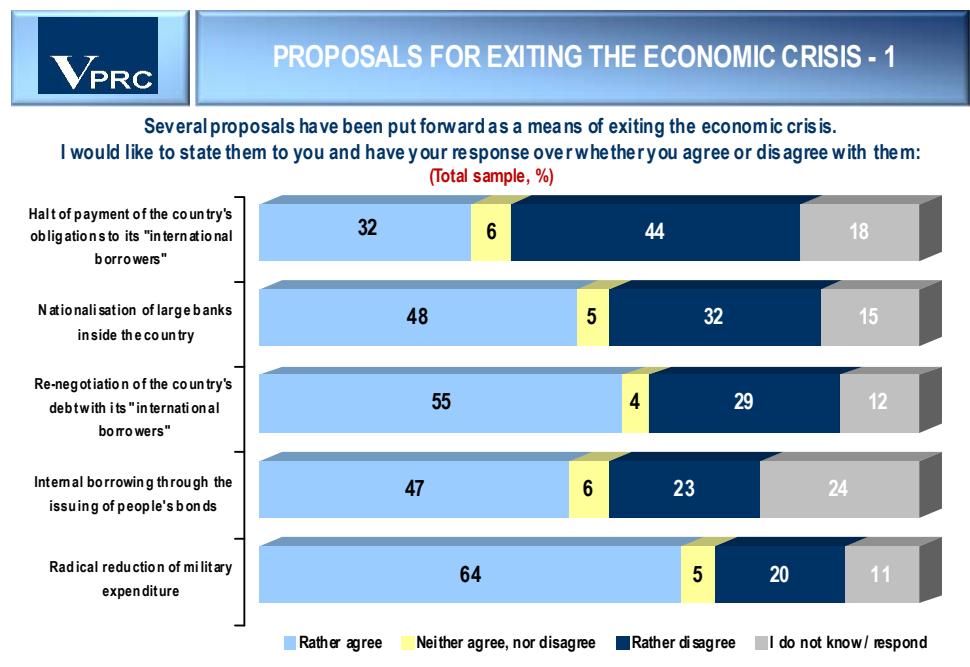
Graph 14

probable by 58% in the near future, an immigration vague from Greece towards other countries, consisting mostly of young people and of a high educational capital by 69%, the violent revolts and an increase of social inequalities by 80% and, ending, 86% consider probable an important increase of delinquency.

A very important aspect of the attitude of the Greek public opinion is the “request” of different political solutions for the financial and political management of the crisis. The reasoning that the measures are “the only way” to exit the crisis does not seem to be accepted. On the contrary, alternative

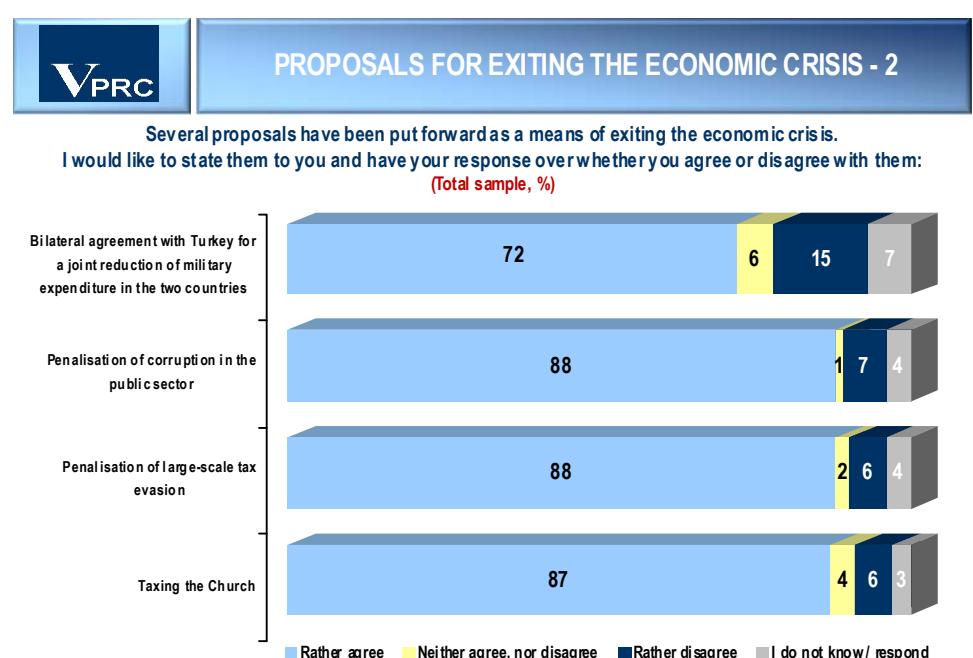
propositions such as the creation of a national arm in the bank sector is supported by 48%, the renegotiation of the external debt with the “markets” is supported by 55%, the drastic cut on the military equipment by 64%, the freezing of payments to the “markets” by 32%, the internal loan with the issuance of a

national debenture by 47%, the imposition of the Church by 87%, the bilateral agreement with Turkey to cut the military expenses by 72%, the criminalization of the tax evasion, and of the corruption as well, is supported by 88%.



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Graph 15



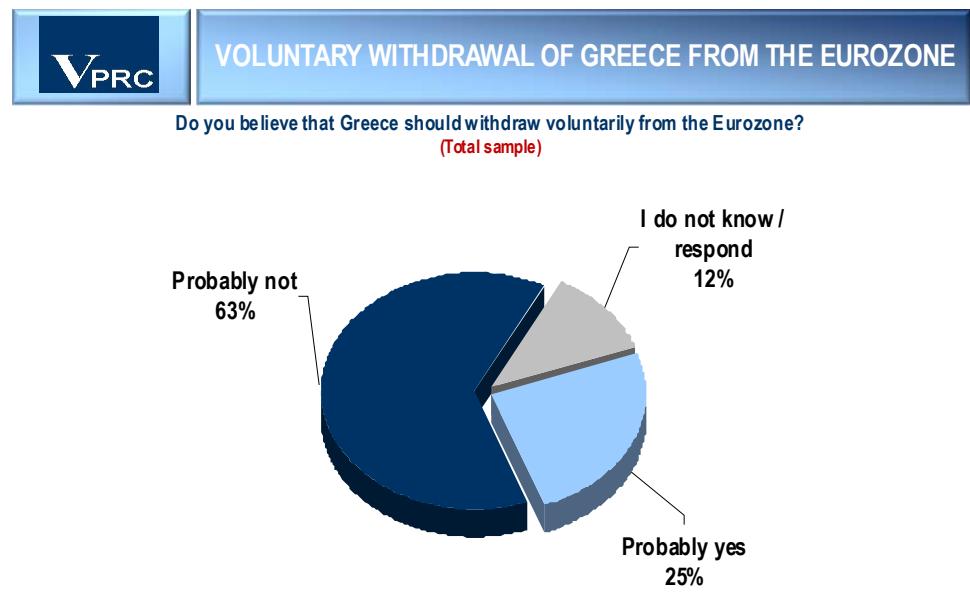
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Graph 16

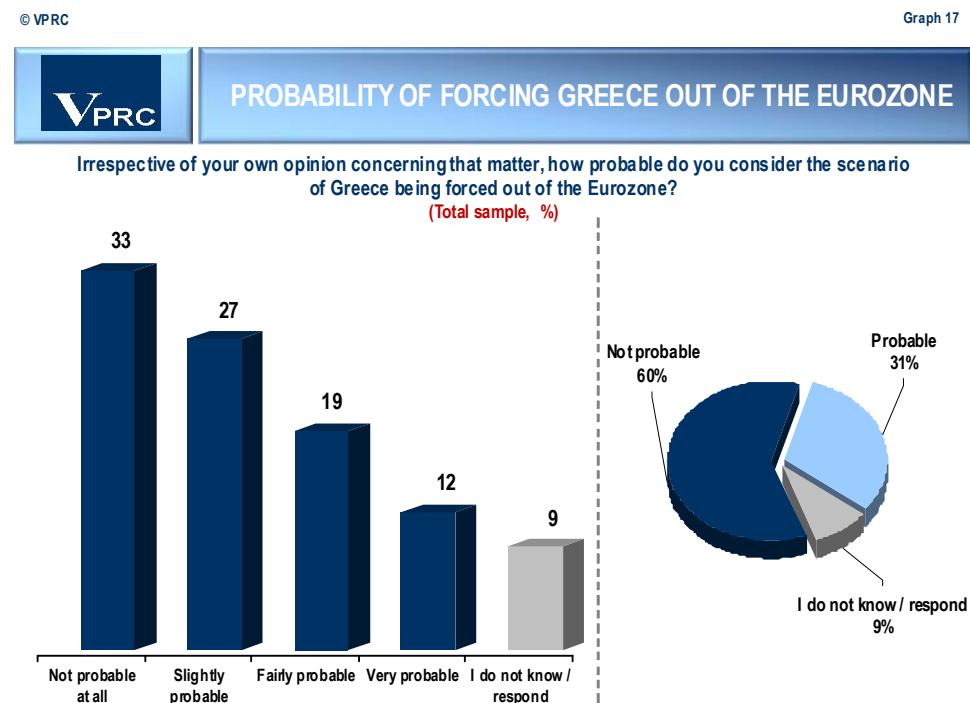
As it is already abovementioned, despite the fact that the situation in the Greek economy is thought to have become worse because of the Euro, the majority of the Greek society is against the voluntary withdrawal from the euro zone (63%).

Certainly, the percentage of 25% that is for the voluntary withdrawal alert us about a qualitative turn of the public opinion into “Euroscepticism” or even “anti-European” positions.

Ending, the case that Greece will be forced finally to withdraw by the euro zone is considered probable by 31%, but not probable by 60%.



Graph 17

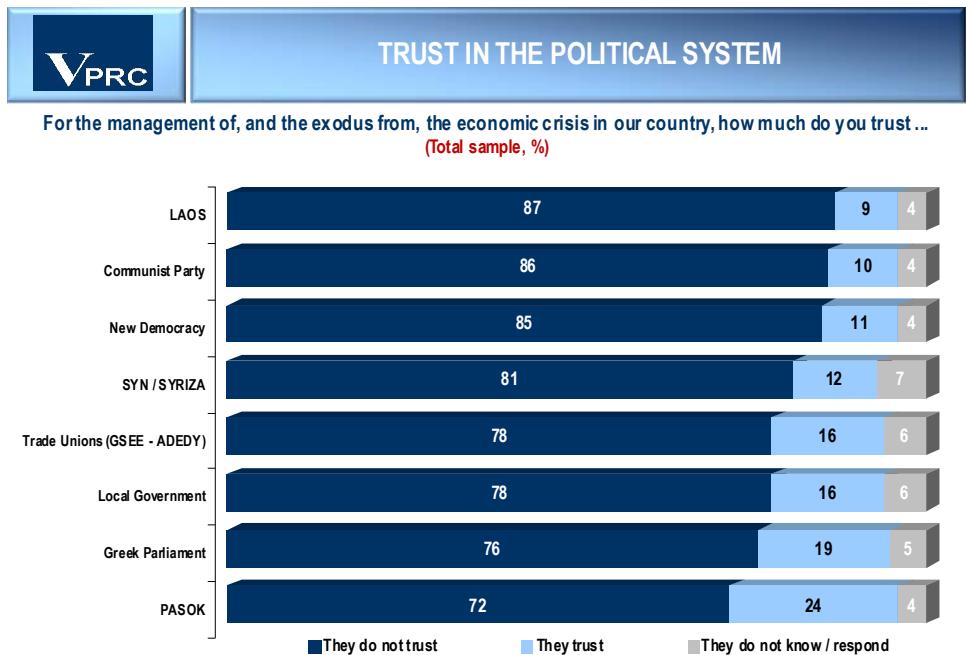


Graph 18

#### 4. The consequences of the financial crisis in the political system

The recent evolution in the financial field has provoked a serious crisis of delegalization in Greece of the political system and its representative institutions in total.

All the indicators of trust in the political parties, the Parliament, the Syndicates and the Local Authorities are extremely low at this moment, varying from 9 to 24% of the total of the public opinion.



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Graph 19

Of course, this delegalization has not come out all of a sudden. It is a phenomenon that has been going on at a stable and linear way since the beginning of decade 2000. The total vote of bipartisanship was about 87% at the beginning of the decade (April 2000) and reached 78% during the last elections (October 2009). At the same time, the electorate has been reduced by 1,5 million voters (abstention), in a country with a strong tradition of parliamentary ideology and voting participation (the abstention in Greece during the period 1974-2004 has never been higher than 5% of the electorate). In total, almost 2.5 million voters have raised their “traditional” trust in the two political parties the recent years. Today, the estimations derived from the surveys of vote intention indicate that 65% of the electorate varies between the abstention, blank vote or spoilt vote. It is a phenomenon met for the first time in the history of Greece and warns us against the huge changes in the structure of the political system.

The main reason of the legalization crisis observed in Greece today is the total absence of any kind of social contract between the political and the social forces. The governments after the political change –over since 1974 and henceforth were governments with strong “social contracts”, meaning with political plans that provided benefits and perspective to the social forces. Since 2007 and henceforward there is a total absence of this kind of political and financial plan from both big political parties, which is expressed today with a strong social but disproportional explosion.

The legalization crisis of the internal institutions drags along also the European or International institutions. The trust of the Greek society in these institutions for the management and the exit from the financial crisis is very small: on the contrary, distrust is observed against the German

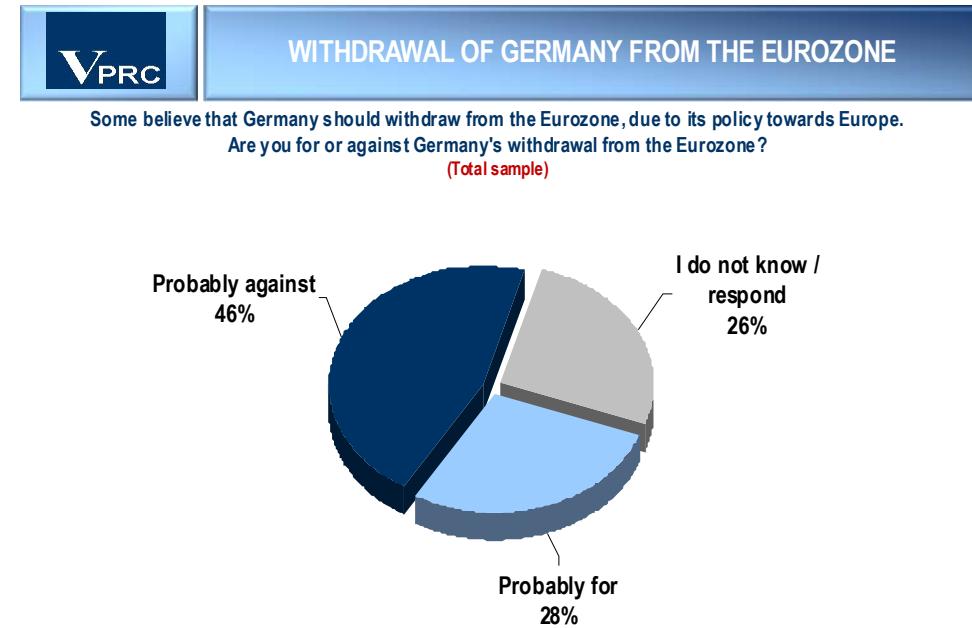


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Graph 20

policy (77%), the International Monetary Fund (76%), the European Union (71%), and the European Central Bank (65%). Only in the case of the French policy there is a relative division, with trust going up to 37% and distrust up to 45%.

Moreover, 28% thinks that Germany should leave the euro zone because of particular national interests that seems to rate.



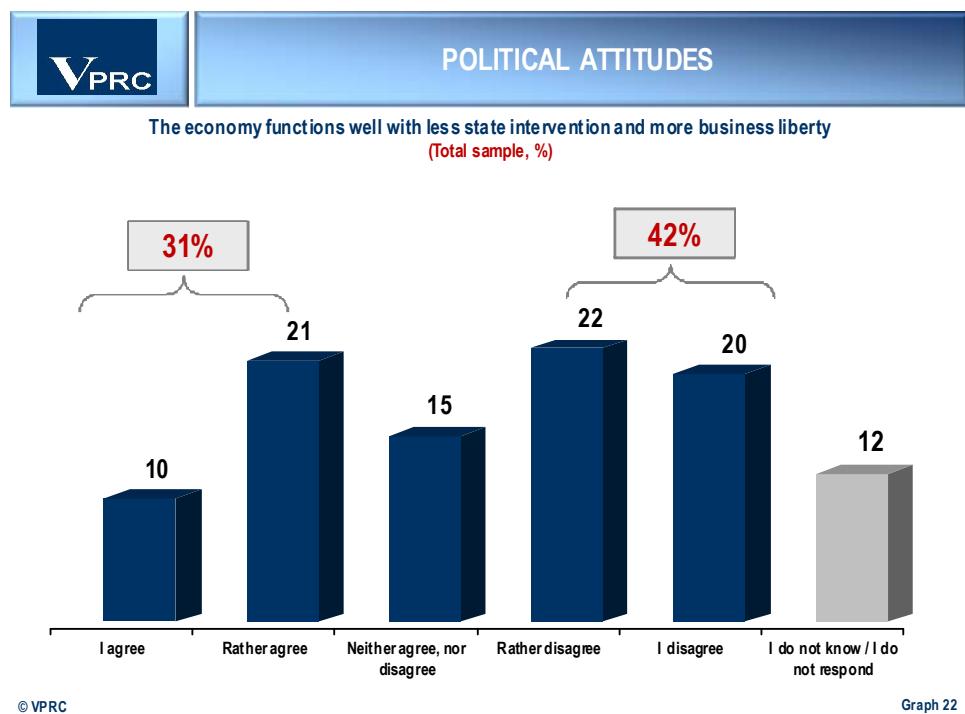
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Graph 21

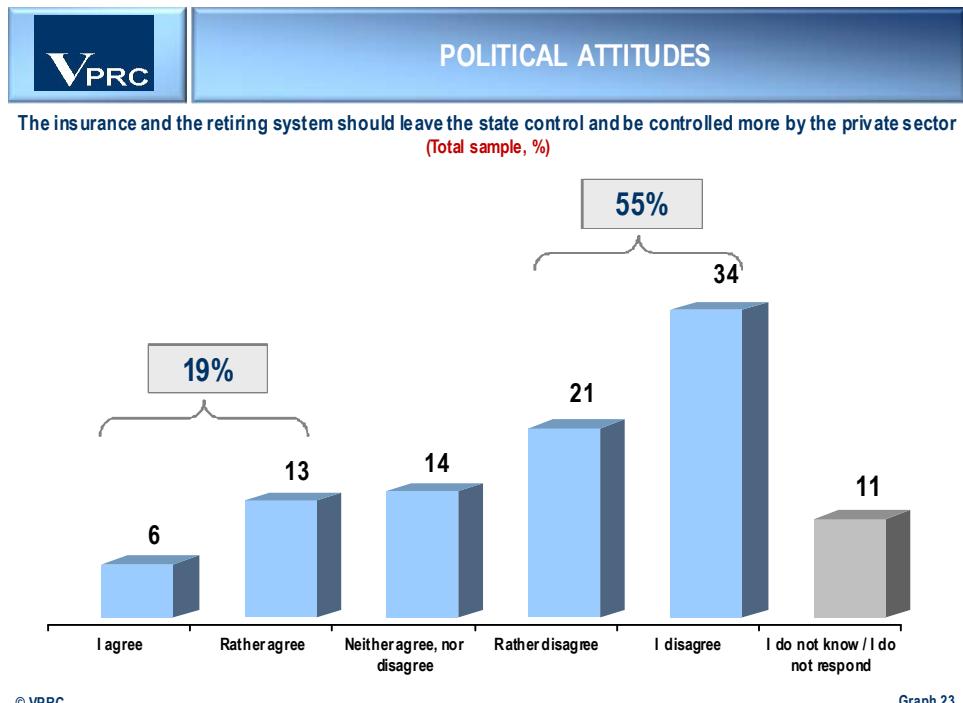
Ending I would like to indicate how all these politics exercised today are in total opposition to the elaborated political culture in Greece.

I will indicate some elements from a survey of political behavior conducted at an unsuspected time, in June 2007.

The first graph relates to the positioning of the public opinion regarding the phrase-statement: “the economy functions well with less state intervention and more business liberty”. With this position agrees 31%, disagrees 42% and 27% is placed in an intermediary position.



Respectively, the second graph indicates the positioning regarding the phrase-statement: “the insurance and the retiring system should leave the state control and be controlled more by the private sector”. With this statement agrees 19%, disagrees 55% and 25% is placed in an intermediary position.



The **Indicator «financial liberalism»** (“neoliberalism”) that results from these and other statistic variables concerning the private education, the liberty of dismissals, the work issues interpret the political preference of 83% of the sample. The “neoliberalists” constitute 27.8% of the electorate, the “non- liberalists” 55.2% and the “non- classified” 17%.

It is extremely possible that these structured points of view of the Greek society constitute a reason of a total change to the political relations of representation, consequently a total change of the political party’s system.