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RETHINKING RESISTANCE IN DEVELOPMENT STUDIES

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**Social Resistance to Austerity: Polanyi's 'Double Movement'
in the Context of the Crisis in Greece**

1. Introduction

The dismantling of the Keynesian regulation since the mid-1970s, together with a number of policies of shrinking the welfare state, processes of privatisation and labour flexibilisation, brought Polanyi's critique of liberalism to the foreground, a critique that had been neglected during the Cold War period, when the stakes were different (Block 2008: 38). After the 2008 crisis in the US, which spread in the Eurozone and hit hard countries like Greece, causing widespread social discontent, his critique of the concept of a self-regulating market and his idea of the "double movement" are even more timely.

Polanyi's central thesis was that neither was the quest for profit a natural inclination of individuals, nor was the free market independent from political interventions, as claimed by classical liberal thinkers who he sharply criticised. On the contrary, for him, "the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness" (Polanyi 2001: 3). In his work, he disputed the basic principles of economic liberalism, examined its impact on society and labour and looked at the measures and ways of the "self-protection of society" from the last decades of the 19th century up until the crisis of the 1930s, focusing mainly on England.

Polanyi described as a "double movement" (2001: 79, 136) what he perceived as the fundamental feature of the whole 19th century period, namely "the action of two organizing principles in society, each of them

setting itself specific institutional aims, having the support of definite social forces and using its own distinctive methods” (ibid.: 138). The first principle, economic liberalism, was supported by entrepreneurial classes and aimed at the establishment of a self-regulating market. The second one concerned social protection for all those disadvantaged by the market and aimed at the conservation of man, nature and society.

The “double movement” is placed within the historical context described by Polanyi (1944) in *The Great Transformation*. This transformation took place in the period starting in 1834 with the abolition of the Speenhamland Law (1795), which had been keeping labour wages low by replenishing them with an allowance proportional to the wheat price (ibid.: 81-89). In that period, the wages in urban areas were higher, pushing those in the villages to rise. As Polanyi (ibid.: 90-107) explained in detail, that system, which delayed the proletarianisation of rural workers, was primarily in the interest of land owners and traditional authorities who sought a safe distance from the urban areas’ mechanised production and higher wages. The volatility of profits in the newborn industrial sector led the jobless to migrate to villages, thus transferring the problem of unemployment to the local authorities, who tried to solve it mainly through the allowances. With the abolition of Speenhamland and the Poor Law Reform, the poor were entitled to an allowance only if committed to the workhouses, which, in the meantime, had become places of social coercion and immiseration. These measures, which led to an unprecedented pauperisation, aimed at the establishment of a competitive labour market, no longer merely at a local level, but at a national one. By the time of the 1873–76 recession, labour had already been integrated into the competitive market, but what Polanyi called the “self-protection of society” (ibid.: 87), or the driving force of the “double movement”, had also set in: “While the organization of world commodity markets, world capital markets, and world currency markets under the aegis of the gold standard gave an unparalleled momentum to the mechanism of markets, a deep-seated movement sprang into being to resist the pernicious effects of a market-controlled economy” (ibid.: 79-80).

Resistance to labour commodification gradually led to the establishment of such social rights as the recognition of trade unions and the reduction of working time, to laws on child labour, the gradual introduction of pensions and so on. Polanyi (ibid.: 148) mentioned that the idea of a “double

movement” could also be found in the works of liberals such as Spencer and Mises. But, while liberals saw interests hostile to the market as the only obstacles to its self-regulation, for Polanyi (*ibid.*) the very “concept of a self-regulating market was utopian, and its progress was stopped by the realistic self-protection of society”: this was his central thesis.

One of the most prominent debates in today’s Polanyian literature concerns the question to what extent the conflicting poles of the double movement, economy and society, have come to a balance in the course of capitalist development. For instance, Devine (2007) sees, on the basis of the British experience, the Keynesian postwar regulation as the zenith of the countermovement (*ibid.*: 34). However, this balance based on full employment, was, according to Devine, unstable, as labour costs could not be compressed while at the same time oligopolistic markets allowed prices to rise. That led to a wage-price spiral with the state supplying money to maintain the seamless function of the market (*ibid.*: 37-38). Eventually, the Thatcherite Right prevailed over alternatives that proposed wage increases with productivity and worker involvement in investment planning, and sacrificed full employment while promoting the rhetoric of a people’s capitalism or property-owning democracy, in the process of treating welfare beneficiaries as customers etc. (*ibid.*: 39-45).

Lacher (2007) argues against the view that the double movement came to a balance during the Keynesian period. Elaborating on Polanyi’s own criteria about what leads to an economy’s disembedding itself from society (profit motive, commodification of labour, land and money, market self-regulation) and what is the deeper problem inherent in the market system (degradation and destruction of social relations and nature), Lacher notes that there has been no qualitative change in the postwar market system. On the contrary, its basic characteristics become more deeply entrenched. Postwar state intervention is part of the protectionism-liberalisation interplay that Polanyi saw as typical of the 1870–1930 period and constitutes by no means a negation of the fundamental characteristics of the market system. Therefore, the postwar regulation was anything but a new great transformation (*ibid.*). Views that claim the opposite emanate from the confusion between reembedding and protectionism and actually take as a “fulfillment of Polanyi’s vision the very social order against which he warned so insistently” (*ibid.*: 62).

Polanyi's concept of the "double movement" has served to interpret current developments in various contexts and studies (for instance about different social movements opposing market expansion), case studies such as India's National Alliance of People's Movements (Levien 2007), or quantitative studies of discontent vis-a-vis neoliberalism in the 1990s with regard to disadvantaged countries, social groups and gender (Levien/Paret 2012). On the other hand, incompatibilities have been identified between the conjuncture to which Polanyi referred when speaking of "double movement" and today. For instance, according to Bugra (2007), while the countermovement described by Polanyi demanded protectionist legislation from the state, nowadays movements are much less directed towards the state, being rather more interested in society. In today's neoliberalism, the state is considered more of a problem rather than a solution, so that even the Left is reluctant in articulating demands for state interventionism (ibid.: 183). This can be seen, Bugra notes, in the new emphasis on 'society', as seen in various forms of voluntary initiatives, philanthropy etc. over the last years (ibid.: 183-184).

The Polanyian perspective has, thus, served as a context useful for discussing, not only liberalism in general, but also more specific aspects thereof. It has also formed a starting point for understandings of the processes of financial deregulation and liberalisation since the abandonment of Bretton Woods (Özel/Özgür 2010) or debates about the nature and function of the EU. As regards the latter, Caporaso and Tarrow (2009: 609) argue that the European Court of Justice attempts to shape market processes in an increasingly social way, whereas Höpner and Schäfer (2010: 5-7) counter-suggest that the EU resembles a Hayekian order as it liberalises markets rather than constraining them, and that the real Polanyian content lies in the EU-sceptical reactions of those afraid of being the losers in an integrated market (ibid.: 28). Concerning the Eurozone in particular, Seccarecia and Correa (2003: 11) discussed the affinities with the Gold Standard of the 1930s and the social effects of the hard currency policies in that era, as already described by Polanyi. Today, as Holmes (2013: 285) notes, "the format of monetary union without fiscal union echoes precisely the constructed split between economic and sociopolitical governance that Polanyi observed underpinning the gold standard".

In spite of all the differentiations in the use and interpretation of Polanyian concepts, what is crucial is that the “double movement” does not simply concern the Speenhamland, the inter-war or the Keynesian periods, but poses a deeper and wider problem, “the problem of market society”, which essentially “never disappears” (Holmes 2013: 279). Therefore, “Polanyi’s thesis remains relevant today not merely because the spectre of the free market has returned in the conceptual packaging of ‘globalisation’, but because the same binary problematization of economy and society – marketization and protection – still shapes the way that political economic questions are problematized” (ibid.: 279). This is why a discussion of the tension between economy and society from a Polanyian perspective is meaningful in the Greek context. In the next two sections, an overview is given of the social consequences of the crisis in Greece and the forms of social resistance they induced. Then, it is discussed how Polanyi’s approach can provide an ideal-typical framework of understanding and interpreting the “double movement” that was set in motion in Greece with the onset of the crisis.

2. Socio-economic consequences of the crisis

The management of the crisis in Greece relied on a series of agreements between the Greek governments and the Troika (ECB, EU and the IMF), namely the so called ‘Memoranda’ that would secure tranches of ‘rescue’ loans under the condition of strict austerity. From 2010 to 2013, an avalanche of measures was implemented by three consecutive governments, with dramatic consequences for labour and the welfare state. These included wage cuts, the abolition of jobs and dismissals in the public sector, labour deregulation, mergers and closures of public organisations, privatisations, and a plethora of new taxes.

In the public sector, wages and pensions were slashed by 20% in three years (and up to 50% in several cases), and so were social benefits. Laws such as the ‘Labour Reserve’ (entailing the dismissal of tens of thousands of employees who would be paid 60% of their basic salary for one year and then would be permanently removed if no vacancies were found in other services), or the ‘One to Ten’ (one recruitment for ten retirements) and abolition of positions drastically shrank the public sector, thus degrading

its services. From 2010 to 2013, a series of laws served to implement public spending cuts and privatisations. Mergers of smaller municipalities at the level of local administration took place through the 'Kallikratis Plan' and mergers and closures of university departments were planned through the 'Athena Plan'. At the level of healthcare, hospital beds were reduced, medical expenditure was cut and even psychiatric clinics closed down. The 'Hellenic Public Asset Development Fund' was established in order to privatise the remaining publicly owned enterprises (utilities, ports, airports, railways etc.) and assets. In the companies under privatisation, more than 40% of the jobs were lost, as many employees were forced into early retirement. In the private sector, the national minimum wage was reduced and collective wage bargaining was weakened by measures favouring enterprise-wide and, finally, individual agreements. Dismissals were facilitated, notice periods shortened and severance payments were drastically reduced (for an overview of the measures, see Markantonatou 2013).

Deep and lasting recession came as a result. Unemployment reached 27.9% in June 2013 and 61.5% for people under 25 years old (Eurostat 2013a). More than one in two unemployed have been jobless for more than one year and one in three of them have not worked for more than two years (ibid.). In only one year (2010–2011) median income and the poverty threshold fell by 8%, but, even then, the population under that threshold increased further, from 19% to 21% (Eurostat 2013b), while jobless households have more than doubled, exceeding 1,300,000 (Hellenic Statistical Authority 2013). At the same time, uninsured labour rose from 25% of those employed in 2010 to 36% in 2012 (Ministry of Labour 2010, 2012).

As a result, in 2011 the continuous drop in GDP surpassed the historical maximum for the entire postwar period, with a record dip of -7.1%, lower than that of -6.4% in 1974, when the military dictatorship had collapsed (World Bank 2013). At the same time, the rising taxation and the rapidly deteriorating living standards had a series of side effects. For instance, public health deteriorated when heating oil and diesel prices reached parity and households' heating costs rose by 40%. As a result, wood was heavily used as a replacement fuel in winter 2012, causing smog, heavy air pollution and respiratory problems (Dabilis 2013). Finally, homelessness increased by 25% from 2009 to 2011 (FEANTSA 2012), while suicides hit record levels and rose by 75% from 2009 to 2011 (Kentikelenis et al. 2011).

These developments resulted in the emergence of several forms of social resistance by various actors, such as labour unions and worker collectives, movements of civil disobedience, the so called “movement of the squares” and various solidarity initiatives. Some of these forms of resistance are summarised in the following section.

3. Forms of social resistance

Trade unions reacted by means of hundreds of strikes, rallies, occupations and massive demonstrations. In 2011 alone, there were 91 strikes in the public sector and 240 in the private sector – mostly within firms but also across professional categories or in whole sectors or branches of the economy. Among them, at least nine long-lasting strikes took place, with the most prominent example offered by the nine-month strike at Greek Steelworks. There, the strikers opposed plans for a reduction of working hours and wages by 40% and demanded that workers dismissed in 2011 be rehired. In comparison with earlier years, participation was massive; the rally that took place in Athens during the general strike on October 19-20, 2011 has been estimated to be the largest in the last 40 years. The most frequent demands in the private sector concerned unpaid wages, hiring back the dismissed staff, opposition to job rotation, restarting closed businesses etc. In the public sector, strikers opposed the ‘Labour Reserve’ law, wage cuts and expenditure cuts, privatisations etc. (for an account of the frequency and intensity of strikes until late 2011 see Katsoridas/Lampousaki 2012). At the same time, other actions were carried out:

- *Usage of occupied infrastructure*, e.g. the continuation of the public national TV broadcaster’s programme by its staff, and transmission via the internet, after the government suddenly announced its closure and the dismissal of more than 2,500 employees, leading to continuous protests outside the broadcaster’s central premises for many weeks; the initiative of the employees of the *Eleftherotypia* daily to publish their own issues while on a strike that lasted for months; broadcasting employees’ demands from the premises of the ‘Alter TV’ private channel, where the staff went on strike for several weeks and used the channel’s facilities to let the public know of the intrigues concerning the firm’s bankruptcy; occupation of

the local general hospital at the district of Kilkis and its reopening on the basis of self-management and free health care (Filopoulou 2012).

- *Defence of public goods threatened by privatisation*, e.g. resistance to water privatisation in Thessaloniki and the formation of the “Initiative 136”, which proposed that users themselves purchase the city’s water utility shares through neighbourhood cooperatives which would make up a single overall cooperative (Wainwright 2013).
- *Social protection, solidarity and disobedience*, as in the case of the electricity utility unionists who refused to cut the power in households that were unable to pay a new emergency tax incorporated in the bill, or reinstated electricity where it had already been cut (Katsoridas/Lampousaki 2012: 97-98). Other citizen initiatives worked in a similar direction. That was, for instance, the case with the ‘No Pay’ movement, consisting of local committees opposed to paying increasingly expensive tolls for incomplete roads while private companies would profit from the revenues (Exadaktylos/Zahariadis 2012: 18). Considering that citizens had already paid through their taxes (Tsakiris/Aranitou 2010: 13-14), members of the movement encouraged users of public transport not to pay tickets and blocked ticket validating machines. Similar disobedience practices spread among citizens opposed to paying a new ‘supplementary housing tax’ or among medical staff who allowed patients not to pay fees at state hospitals (Becatoros 2011).

Next to the forms of social resistance and actions that responded directly to the austerity policies, initiatives were formed to offer relief from some of the consequences of the crisis (e.g. ‘social kitchens’, exchange and give-away bazaars, free tutoring, free health care provision), or to protect and improve public spaces and parks from restructuring plans (Malkoutzis 2013). Mobilisations also took place, which might have had a regional focus or originated in the pre-crisis period but, because of the conjuncture, became symbols of resistance to neoliberal policies. A notable example is the case of the Chalkidiki district (Oikonomides 2013: 55-56) where locals opposed plans for gold mining on the grounds of serious environmental consequences, by protesting, preventing works and clashing with the police.

The range and speed of the austerity measures led to the emergence of additional forms of resistance, expressing a broad social discontent. Early summer 2011, before the enactment of the Mid Term Fiscal Strategy

(MTFS), was a turning point for large parts of the population who realised that the measures would not be relaxed, despite their painful consequences. Then, the movement of the 'Indignants' or 'movement of the square' made its debut at Syntagma Square, in front of the Parliament building in Athens. Within the next few days, protests, popular assemblies and sit-ins spread to other districts of the capital and other cities with the explicit aim of deterring the voting of the MTFS. During the June 15th general strike, the protesters retained the control of the Square despite heavy police repression that Amnesty International (2011a) denounced. However, the next general strike (28 and 29 June), and the encirclement of the Parliament called by the 'Indignants', did not prevent the approval of the MTFS, and the protesters, once again, faced violent repression (Amnesty International 2011b). The movement faded a month later. However, open popular assemblies continued to operate in other districts of Athens and other cities across the country for a year (Pantazidou 2012: 12).

The Syntagma Square was a place of protest for diverse social groups. At the upper part of the square, opposite to the Parliament, a nationalistic tone prevailed among a gathered crowd jeering in chorus and shouting 'thieves' and 'traitors' to the political leadership. At the lower part of the square, where daily open assemblies and talks would take place, there was a stronger politicisation and a radical spirit expressed through demands for 'real democracy' and 'direct democracy'. The rage against austerity policies prevailed on both sides. Nevertheless, the fact that petty bourgeois strata would mainly gather in the upper part, whereas the working class, precariously employed youth and unemployed people would mainly gather in the lower part (Sotirakopoulos/Sotiropoulos 2013: 447-448), reflected a radical differentiation in the understandings of the crisis and its causes. This was vividly imprinted in the electoral results of June 2012 when the leftwing SYRIZA, with a mere 4.60% of the vote in 2009, reaped the main part of social discontent and became the major opposition with 26.89%, but at the same time, the neo-Nazi Golden Dawn displayed a steep rise from 0.29% in 2009 to 6.95% (Hellenic Republic 2012).

Overall, these new forms of social resistance did not manage to inhibit austerity policies. On the other hand, new social dynamics were formed, reflecting a nascent articulation of forces brought about by the crisis, and in view of the transformation that the country was experiencing.

4. The speed and justification of the austerity measures

Polanyi's focus was the era of the Gold Standard, which is not to be compared with the architecture of today's EMU. Characteristic of the Gold Standard era was the competitive coexistence of different national currencies, which allowed governments some degree of flexibility through access to their national central banks (Seccareccia/Correa 2013: 11). EMU and the ECB's non-interventionist role do not allow governments such flexibility. However, despite the crucial differences, there are some common characteristics both in the period of the Gold Standard and that of the EMU, such as the presence of an international *haute finance* intertwined with states, a deteriorating democratic legitimacy, especially in small countries, a self-regulating market that is shaken at the level of finance (ibid.) and a split between economic and sociopolitical governance (Holmes 2013: 285). This is why Polanyi's following quotation written for the 1920s reminds us of the situation in today's Greece:

“The repayment of foreign loans and the return to stable currencies were recognized as the touchstone of rationality in politics; and no private suffering, no restriction of sovereignty, was deemed too great a sacrifice for the recovery of monetary integrity. The privations of the unemployed made jobless by deflation; the destitution of public servants dismissed without a pittance; even the relinquishment of national rights and the loss of constitutional liberties were judged a fair price to pay for the fulfilment of the requirement of sound budgets and sound currencies, these a priori of economic liberalism” (Polanyi 2001: 148).

With the onset of the crisis, measures ranging from the socialisation of bank losses to the imposition of austerity packages were deployed in countries of the European periphery. The Eurozone elites did not challenge the liberal perceptions of a self-regulating market, the consequences of which had been described by Polanyi. On the contrary, they rushed to deepen its institutional setting (Busch et al. 2012: 8), as shown, for instance, by the Six Pact in October 2011 or the Fiscal Compact in December 2011, which dictate automatic sanctions in case of non-compliance with the fiscal rules (ibid.).

The crisis, as Stockhammer and Onaran (2012: 200) underline, is the result of economic policies aimed at labour market flexibility and financial

integration after the introduction of the Euro. These policies, as the authors show, had mediocre results with regard to growth, high unemployment in many countries, a shift of income distribution in favour of capital and the emergence of two growth models, a credit-led and an export-led, both of which are unviable in the long run (*ibid.*). However, the management of the crisis aggravated rather than cured these problems.

Bailouts of banks and even national economies during the Eurozone crisis did not form a solution for society, but rather an intervention aiming at rescuing the financial markets and preserving the principles of the self-regulating market while delivering severe blows to labour and the remaining welfare state. Likewise, top-level agreements such as the Fiscal Compact are interventions that highlight this fundamental element of the self-regulating market, an element that Polanyi always underlined. The capitalist market was never really ‘free’ or ‘self-regulating’, but constantly relied on state intervention and institutional regulation. To quote just one passage, Polanyi commented on the Report of the Gold Delegation of the League of Nations with the following words: “What the report did not say was that in the course of these vain deflationary efforts free markets had not been restored though free governments had been sacrificed. Though opposed in theory to interventionism and inflation alike, economic liberals had chosen between the two and set the sound-currency ideal above that of non-intervention. In so doing they followed the logic inherent in a self-regulating economy” (Polanyi 2001: 242).

In Greece, austerity measures were implemented at a remarkable speed. At various points of his work, Polanyi had hinted at the role of speed in implementing policies during periods of social change, e.g. in his evaluation of the Tudor and early Stuart policies concerning the enclosures in 16th century England. The conversion of arable land to pastures through the enclosures that had “appropriately been called a revolution of the rich against the poor” (Polanyi 2001: 37) deprived thousands peasants and poor growers of land from the means to subsist. In the course of the development of the cotton industry (an important thrust to the Industrial Revolution), driven by an often violent process, as was the case with the enclosures, colossal impoverishment of the dispossessed emerged. Were it not for the Tudor and early Stuart policy, which decelerated the developments and spared some time for adjustment to the new conditions, “the rate of that

progress might have been ruinous, and have turned the process itself into a degenerative instead of a constructive event” (ibid.: 39).

The kind of social change currently under way in Greece, does not, of course, compare with the attempt to disembed the precapitalist institution of the commons, as described by Polanyi. It is a case, though, of sheer rapidity in the imposition of austerity policies. Not only had it dramatic social consequences, but it also caused massive electoral losses for the parties that backed the austerity packages (the social-democratic PASOK, the rightwing Nea Demokratia and the far right LAOS), as shown by their rates before and after the crisis¹.

Despite electoral disapproval of this shock-therapy, the proponents of the programme not only did not retract from its implementation, but ceaselessly reproached Greece for delays in implementing the measures. For instance, according to Olli Rehn, “the delays were caused mainly because of a lack of implementation and political turmoil in Greece, which created the delays in the first place” (Chrysoloras 2012). However, according to OECD (2013), Greece was the world leader in terms of the extent and rapidity of structural reforms during 2011–2012², and even more remarkably, in the particular sectors where the so called “obstacles to reform” were significant. These “obstacles to reform”, also identified as “powerful pressure groups” in another OECD report (2012: 31), essentially meaning the resistant unions and professional groups, justified a rapid “big-bang approach”, as “probably the only option”, in order to create structures that “are ‘fit for purpose’ to implement the reform agenda”.

In the Greek case, such an understanding of society’s resistance and the effort to defend itself as a mere “obstacle to reform” coincides with the liberal view, aptly rendered by Polanyi: if the self-regulating market did not function or failed, it was because specific social groups opposed it, as they exerted pressure on the state with their demands, thus leading to a bloating bureaucratic state and interventionism since the late 1860s. As a result, proponents of economic liberalism insisted, as Polanyi (2001: 157) eloquently described, that their policy “never had a chance, but was strangled by short-sighted trade unionists, Marxist intellectuals, greedy manufacturers, and reactionary landlords”.

This liberal approach is utterly characteristic of Greece’s case, the main criticism towards those who reacted to austerity measures being that they

were responsible for the programme downturns (Markantonatou 2013). Proponents of austerity, domestically and abroad, simply attribute its downturns to social resistance against it by representing society, unions, the unemployed and those who depend on welfare as rent-seekers, or selfish opponents of the free market etc. (ibid.). According to a report on Greece by the European Commission (2012: 11), “[a] return to sustained growth can only be achieved when the structural reform agenda is fully and swiftly implemented. This will require breaking the resistance of vested interests and the prevailing rent-seeking mentality of powerful pressure groups”.

Even unemployment was understood in the same way: social resistance increased political pressure and slowed down the deregulation of labour, thus depriving it of the ‘necessary’ flexibility, which caused further joblessness: “Labor market reforms encountered resistance [...]. The wage bargaining system was reformed, but there were few firm level agreements and the Fund judged labor market reforms not to have delivered enough flexibility. The absence of early actions to reduce private wages may have aggravated the job losses from the economic downturn” (IMF 2013: 18).

Likewise, demonisation of union demands was part of such a domestic neoliberal management of the crisis. “I will not succumb to sectoral interests of groups who are just afraid of losing their privileges”, Papandreou, prime minister at that time, insisted in order to justify the austerity measures (Ta Nea daily 2011). A strike in the Athens metro on January 2013 was forcibly ended with the requisition of workers’ service through a ‘civil mobilization order’ (according to a law that has allowed the Greek state on various occasions to break a strike and force people back to work), while the next prime minister, Samaras, once again presented labour interests as sectoral privileges: “Transport belongs to the people that have the right to use it, not to sectoral interests” (Smith 2013).

As a result of those politics of blame, the concept of resistance was instrumentalised by the liberal forces which sought to rapidly implement the austerity programme. While unions that went on at least 20 general strikes within three years were eventually forced to unprecedented concessions in terms of wage cuts and layoffs amidst rampant unemployment, the Troika promoted the shock-therapy under the motto of “resistance against domestic vested interests” (European Commission 2012: 11). And when the movement of the squares tried to prevent the measures with protests, the

government would resort to different, more abstract arguments next to the demonization of trade unions in order to assert again that it is futile for society to resist: “It makes no sense to protest”, prime minister Papandreou, had stated, because “those who protest in city squares are appealing to national democratic systems, which are weak and hostage to global powers and weaknesses of a global system” (Athens News 2011).

Finally, ‘resistance’ was promoted as necessary, not only against ‘selfish’ worker groups, but even against vaguely defined new ‘enemies’, as for instance, global speculators. As a result, the ones who were really in need of resistance, the unemployed, the people in precarious employment situations, the retired, those who saw unprecedented income reductions, and those dependent on welfare provisions, remained astounded and confused about who should be assigned the responsibility for their situation: the government and national elites, or the Troika, the global speculators, or the Eurozone and its faulty architecture. They found themselves deprived of a more comprehensive concept of resistance, capable of penetrating the nexus of the “international financial diplomacy” (Streeck 2011: 1), and of providing new means for the self-protection of society.

5. Final remarks

Polanyi’s work has been criticised – and not only by free-market ideologists such as Rothbard (2004: 1), who saw in *Great Transformation* “a farrago of confusions, absurdities, fallacies, and distorted attacks on the free market”. The idea of the double movement has been characterised as “deeply flawed” (Fraser 2011: 140) for over-focusing on the economy-society tension. For Fraser (*ibid.*), the *Great Transformation* “overlooks harms originating elsewhere, in the surrounding ‘society’ and “tends to whitewash forms of social protection that are at the same time vehicles of domination. Considering that Polanyi “romanticizes society”, Fraser suggests the replacement of the “double movement” by the “triple movement”, which includes a series of antagonisms and struggles for emancipation, not only in the direction of protecting society from economy, but also other struggles within society, expressed for instance by feminism, anti-imperialism etc. (*ibid.*: 155-156). Fraser’s perspective is useful for the analysis of such

struggles, but the concept of the double movement remains a valuable tool to shed light on the complexities of the current Eurozone crisis, the shock-therapies implemented in Greece and elsewhere, and the various forms of resistance that were thus triggered.

However, a problem arises from the fact that Polanyi did not incorporate in his analysis the possibility of more than one wave of marketisation. Polanyi believed that the experience of market liberalism up to the 1930s crisis could not be repeated, as humanity had learned its lesson. According to Block (2008: 38), this is not merely showing “Polanyi’s failure as a prophet”, but also brings to the fore the very question that Polanyi did not pose, i.e. whether “humanity is doomed to endless cycles in which one movement is in the ascendancy followed by the other” (ibid.). The fact that Polanyi did not provide a theory of capitalist transformations and considered “the collapse of the 19th century civilization” as definite, was to be reduced to his relation to Marxism: “in rejecting Marxism, he rejected the very idea of capitalism with its imperatives for accumulation and new sources of profit” (Burawoy 2010: 307) leading to the conception of a single cycle theory: market devastation, counter-movement and regulated decommodification. Nevertheless from the moment this teleology no longer works, the history of capitalism can be seen as a succession of transformations and as a complex and conflictual interweaving of marketisation/liberalisation processes on the one hand, and continuous counter-movements on the other (ibid.).

The case of Greece marks one more liberalisation wave akin to those referred to by Burawoy, set in motion to regain market confidence after the 2008 crisis and manifesting itself through Eurozone’s ‘internal devaluation’ and ‘automatic austerity’ policies. The forms of resistance in Greece, heterogeneous or fragmented though they often are, constitute, in their complexity, facets of the “realistic self-protection of society” and, once again, as in other periods of labour deregulation, add a new link in the long chain of the history of the “universal ‘collectivist’ reaction against the expansion of market economy [...] as conclusive proof or the peril to society inherent in the utopian principle of a self-regulating market” (Polanyi 2001: 157).

The range and speed of the implementation of the austerity measures have had two key outcomes. At the political and electoral level, they directed the societal part of the “double movement” towards what emerged

as a leftwing alternative vis-a-vis the shock therapy, through the remaining democratic/electoral processes within a post-democratic framework in which even elections could ‘upset the markets’. At the social level, new forms of resistance and forces were brought about by a society striving for its ‘self-protection’ through many ways of protesting and showing solidarity amidst a setting of unprecedented social degradation. Overall, the efforts of society’s self-protection are marred by the rise of neo-fascist forces that attempt to distort labour demands, divide working classes and benefit from the social decadence induced by the crisis.

As long as the decision makers of the Eurozone do not change their political orientation towards fiscal discipline, which up to now has been the case, and the failure of the austerity recipe is attributed simply to interests hostile to the market or to forms of behaviour that prevent the reform, while at the same time the financial neoliberalism is left intact, remaining labour and welfare rights in crisis-hit countries are put in great danger. Society, then, has no means to protect itself but resistance, and Polanyi’s critique to the ideology of self-regulating markets can only stand at this society’s side.

- 1 In 2009 these parties polled 83.02% in aggregate, whereas in June 2012 they barely received 43.52% (Hellenic Republic 2012). However, Nea Demokratia’s losses were much smaller than PASOK’s. PASOK, first party with 43.92% in 2009, received in June a mere 12.28% (ibid.), less than its share at its first electoral participation in 1974. PASOK, which had based its 2009 pre-electoral campaign on promises for prosperity, rapidly promoted most of the wage and pensions cuts. It lost a great part of its electoral base, consisting of working class groups, public employees, lower middle classes and others. On the contrary, Nea Demokratia kept the core of its voters, who already had a rightwing, liberal orientation before the crisis.
- 2 The report used the number of “significant actions” to compute the “rate of responsiveness” (to OECD recommendations for reform in job protection, wage formation, taxation and other sectors) and attributed Greece a world record score of 0.917, more than twice the OECD average of 0.430 (OECD 2013: 18-20). Taking into account the varying difficulty of reforms across sectors, Greece was again the first, with 1.563, followed by Spain with 1.491, Portugal with 1.285 and other countries with much less than 1. The increase in “responsiveness rate” with time was computed in a similar manner and Greece once again occupied the highest place (ibid.).

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Abstracts

This article discusses social resistance to the austerity packages imposed on Greece from 2010 onwards, in the light of Polanyi's concept of the 'double movement'. Two further aspects, noted by Polanyi, are typical of the Greek case: the role of the speed with which specific policies were implemented and the way these policies were justified. Although official data show that Greece has achieved the highest speed of 'structural reforms' worldwide, domestic and international elites that promote austerity policies attribute the programme's downturns to delays in its implementation and to all those who resist the measures (trade unions, citizen groups etc.), who are considered as 'obstacles' to the reform. This way of appealing to such 'obstacles' to explain failures of specific policies is in direct analogy with early liberal views about self-regulating markets, as already described by Polanyi. Finally, it is argued that the heterogeneous and often fragmented forms of resistance that appeared in the course of the Greek crisis constitute instances of what Polanyi characterised as the "realistic self-protection of society" against liberalisation and marketisation.

Der Artikel diskutiert sozialen Widerstand gegen die Griechenland auferlegten Sparpakete seit 2010 aus der Perspektive von Polanyis Konzept der Doppelbewegung (*double movement*). Zwei Aspekte, die bereits von Polanyi beobachtet wurden, sind charakteristisch für den griechischen Fall: die Bedeutung der Geschwindigkeit, mit der spezifische Politiken implementiert wurden, und die Art und Weise, wie diese Politiken gerechtfertigt wurden. Obwohl offizielle Zahlen (OECD 2013) belegen, dass Griechenland ‚Strukturreformen‘ weltweit am schnellsten erreicht hatte, machten jene inländischen und internationalen Eliten, die den Sparkurs propagierten, Verspätungen in der Implementierung und den Widerstand gegen (Spar-)Maßnahmen für das Scheitern des Plans verantwortlich. Widerstand seitens Gewerkschaften oder BürgerInnengruppen wurde als ‚Reformblockade‘ ausgelegt. Diese Art ‚Blockaden‘ als Grund für das Scheitern spezifischer Politiken auszulegen, steht in direkter Analogie zu früheren liberalen Perspektiven auf selbstregulierende Märkte, wie sie von Polanyi bereits beschrieben wurden. Nicht zuletzt argumentiert die Autorin, dass die heterogenen und oft fragmentierten Formen von Widerstand im Zuge der griechischen Krise soziale Umstände produzierten, die Polanyi als charakteristisch für den „realistischen Selbstschutz einer Gesellschaft“ gegen Liberalisierung und Vermarktlichung beschreibt.

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