

Resourceful Cities
Berlin (Germany), 29---31 August 2013

Crisis and the collapse of the Welfare State:
The different facets of solidarity

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Paper presented at the International RC21 Conference 2013

SESSION 16: RESILIENCE CITIES AND THE CRISIS: LOCAL RESPONSES, GOVERNANCE AND CITIZEN ACTIONS

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(Draft version, for use of material and reference please contact the authors)

Crisis and the collapse of the Welfare State:

The different facets of solidarity

The aim of the paper is to identify the impacts of the recent all-embracing socioeconomic and spatial measures, which are imposed in the era of the “public debt” crisis in Athens, focusing mainly on the collapse of the Welfare State.

The on-going financial crisis quickly spread around the world affecting every level and aspect of political and social life. Especially for Greece and other countries of the Southern Europe, the crisis occurred with an extremely high national debt, which led to continuous austerity packages. All these transformations in combination with the wider changes in labour market regulation could not but have serious social repercussions, intensifying economic inequality, social exclusion and socio-spatial segregation. Attempting to deal with this humanitarian crisis many local initiatives have searched the collective path of solidarity, revealing the urban resilience to the current situation. Coming from different origins NGOs, as well as new programs of “community service” founded by the EU, also aim to fill the “gap” of the collapsed social services. Based on field research the paper intends to study these local responses, examining whose needs they actually serve and also to what extent they can be successful.

1. From the fordist model and the Keynesian Welfare State to the cities in crisis. The collapse of the Welfare State.

At the beginning of the 2000s, Harmut Häußermann demonstrated that we are moving towards the end of the European City. As he pointed out:

“Today the opposition against the market-led model seems to be weaker than in any time before. The political support for collective institutions is undermined by individualization and by neoliberal hegemony” (Häußermann, 2005:14)

A decade later, we live in the midst of a structural crisis with various social, environmental and spatial impacts. It might not be the end of the world, but *“it is the end of one particular world, the world built in the last two decades on a card house of speculative global finance”* (Burkhalter and Castells, 2009:1).

In order to understand the socio - spatial transformations which take place in the urban centres and the diminishing welfare provisions due to the recent all-embracing policies, we should firstly examine the socioeconomic and political context, conceptualizing the city as a historical actor. The emergence of the Welfare state was closely related to the dominance of the fordistcity. When Henry Ford introduced his five dollar, eight hour day as recompense for workers manning the automated car- assembly line he had established the year before at Dearborn, Michigan (Harvey, 1990), he initiated not only a production model but also a whole logic about the organization of society, the relationships and the consumption, a model that has largely determined the progress and evolution of all great western cities. On the one hand, the state managed the wage relation and labour market policies helping to balance the supply and demand. On the other hand, by holding out the promise of smoothing economic fluctuations and securing stable growth, the state also permitted fordist firms to secure increasing returns to scale. As Bob Jessop notices,

“It was the dominance of fordist mode of growth which enabled the state to link the interests of organised capital and labour in a programme of full employment and social welfare. In fact, full employment is often considered to be the main goal of Keynesian welfare state, and both Fordism and the post-war boom helped in achieving that” (Jessop, 1994)¹.

Towards the end of the 1960's, it appeared that this growth reached a limit, and the rates of corporate profitability fell. A period of political - economic transformation of capitalism

¹ Jessop, B. (1994) Post-Fordism and the State [WWW document] URL http://www.cddc.vt.edu/digitalfordism/fordism_materials/jessop3.htm (accessed 06.06.2013)

began characterized by flexibility and uncertainty. More precisely, after the crisis of 1970 a gradual process of excess, appeal and extension of Fordism described as post-fordism or flexible accumulation begins. The word flexible is the flag of the new period, manifesting that the structural systems of Fordism cannot give the flexibility required by the financial system. Lash and Urry speak of a 'disorganized capitalism' trying to analyse the new condition, which is marked by the de-industrialization of the economies, the decline of manufacturing industry and the increased importance of service industry for the structuring of social relations, as well as by the fact that national markets became less regulated by nationally based corporations. Industrial production is broken down, parts are transferred to countries with cheaper labour forces, while the western cities remain the most "sophisticated places" together with the revival of subcontracting, domestic companies and sweat shops. In this period the Schumpeterian workfare state came as a post-fordist outcome in an attempt to resolve crisis tendencies within the fordist state and also in a direction of strengthening the dynamic of the new accumulation regime.

"Compared to Keynesian welfare state the Schumpeterian workfare state is ready to cut back the domestic full employment in favour of international competitiveness and the productivist reordering of social policy becomes before the redistributive welfare rights"(Jessop, 1994)².

Searching the new contradictions of the welfare state in this historical period Claus Offe remarks that

"The point to start with is the observation that the almost universally accepted model of creating a measure of social peace and harmony in European post war societies has itself become the source of new contradictions and political divisions in the 1970s" (Offe, 1984: 67).

Although in 'the light of the Keynesian doctrine of economic policy, the welfare state came as a built-in economic and political stabilizer the very diversity of the forces that inaugurated and supported it could not be accommodated forever.

In his book "The Three Worlds of Welfare Capitalism" published in 1990 Gosta Esping-Andersen clustered the western Welfare State into three different welfare regimes: **the social democratic, the corporatist and the liberal** (Esping Andersen, 1990). Each of them includes a

² Jessop, B. (1994) Post-Fordism and the State [WWW document] URL http://www.cddc.vt.edu/digitalfordism/fordism_materials/jessop3.htm (accessed 06.06.2013)

certain welfare state arrangements and a particular labour market regime (Larsen, 2006).

In the comparative literature on welfare systems South European countries (Italy, Spain, Portugal and Greece) have been considered part of the *conservative corporatist model* (Esping Andersen, 1990) which is characterised by two main features: a) high level of subsidiarity to the family and b) the importance of the breadwinner position within the labour market:

“In this model, a relevant role in the de-commodification of people is played by family and by those associations operating in the non-profit sector. The State intervened only when the family fails” (Andreotti et al, 2001: 43).

Moreover, the differences in labour structures, the low degree of industrialization and also the high level of self-employment are also important characteristics of the South European model, which have heavily influenced the formation of the Welfare State. Despite the fact that many of these institutional particularities are common in the Mediterranean South, many researchers question if they are qualitatively sufficient so as to create a new institutional paradigm or a 'South-European' Welfare model. Focusing on the Greek Welfare State, one of the reasons why its consolidation is very recent, is because of the fact that the post-civil war 'dual society' (1946-74) did not allow the formation of a viable social consensus, which is a necessary prerequisite (Katrougalos, 1996). Leontidou implies (1993; 2010) that differences in state traditions have resulted in important variations between Northern and Southern Europe. Whereas the North followed a tradition centred on well-developed and highly rationalized welfare systems, the South was rooted in a tradition centred on weak welfare states and clientelism, facilitating the rapid shift to large-scale urban redevelopment and privatization projects through neoliberal policies in the nineties (Arampatzi and Nicholls, 2012).

Furthermore, in the nineties telecommunications and globalization have emerged as major forces shaping the organization of urban space. The basic message has been: we now have to deal with a new type of cities, the Global City, where the agglomerations of firms servicing the central functions for the management and coordination of global economic systems are disproportionately concentrated and where the concentrations of functions represent a strategic factor in the organization of the global economy. However, global cities constitute local-regional levels of governance situated within larger, re-territorialized matrices of “glocalised” state institutions (Brenner, 1998). A new ‘impassable dialectic of local and

global' arises, "as state territorial power is not being eroded, but rearticulated and re-territorialized in relation to both sub- and supra-state scales" (Brenner, 1998). Under the label of "glocal", Swyngedouw tries to express this re-scaled configuration of state territorial organization (Swyngedouw, 1992), while Harvey attempts to clarify the processes of the re-territorializational strategies, which enable the multiple spatial scale of the global capital circulation (Harvey, 1995). This "glocalisation" of the state territorial power comes as an outcome of the crisis of the 70s, and of the induced socioeconomic transformations of the post-fordist reindustrialization, recreating at the same time the relationship of the state with its major cities and regions.

During the last two decades of the 20th century, neoliberal restructuring projects have redefined the institutional infrastructures upon which Fordist – Keynesian capitalism was grounded, without managing to establish a coherent basis for sustainable capitalist growth. The concept of "creative destruction" was used to describe the geographically uneven, socially regressive and politically volatile trajectories of institutional/spatial change, introducing for every destructive process, "a moment of neoliberal creation" (Brenner and Theodore, 2001).

Almost five years have passed since the collapse of the finance giant Lehman Brothers in September 2008 and it has become clear that the global financial crisis has inaugurated a whole new historical phase, especially for the European South. The first wave of crisis management exemplified solutions of state interventions focusing on liquidity and credit-enhancing measures, which tried to save the banking system. Between 2008 and 2010 the response was complemented, in a number of EU member states, by measures focusing on altering the labour regime, extending short-term working arrangements and labour market deregulation, as well as cuts in social services.

In December 2009 a second wave of crisis management, exemplified by the Greek debt crisis, took root. *The financial crisis was redefined as a crisis of fiscal profligacy, requiring tough and prolonged austerity programmes.* In the so called PIGS countries (Portugal, Italy, Greece, Spain) the crisis occurred with a skyrocketing national debt, which appeared mainly due to bad integration of regional countries in the Eurozone. A decade ago, very little attention was paid to the geographical differences and also to the fact that the periphery had lost competitiveness in the 2000s+. Today, the euro has acted as mediator of the global crisis in Europe creating a split between core and periphery within the European Monetary Union

(EMU). The Eurozone policy to confront this situation has focused on reducing wages, cutting public expenditure, raising indirect taxes, further liberalising markets and privatizing public property assets. More broadly, policies are threatening to shift the balance of economic, social and political power in favour of capital and against labour across Europe (Lapavitsas et al,2011), changing also the social geography of the “affected” countries. As it is pointed out in the report “The Welfare State after the Great Recession” of the Leibniz Information Centre for Economics, *the financial crisis has also turned into a crisis for the public sector and the welfare state.* (Hemerijck and Vandenbroucke, 2012).

Today, in this new context of the social crisis and the collapsing welfare state, the basic rights to work, housing, education and health care are seriously challenged, while the adopted policies contributed to capitalism's effort to overcome the depression and find new terrains of profitability.

2. Athens, a capital in social crisis

Focusing on Greece, it seems that the arrival of the Troika (IMF, ECB, and EU) inaugurated a whole new development path for the Greek society. It is nowadays clear that the crisis has had a major impact on every aspect of political and social life. New regimes of exploitation are emerging, in an economy marked by very low wages, diminution of labour rights and unemployment explosion.

The extreme austerity policies, the labour market and education system reforms and the new taxation system have contributed to the rising of what can be called new poverty. In fact, Greece has one of the highest poverty rates in the EU. According to a survey of income and living conditions conducted by the Greek Statistical Authority for the year 2011, 22.6% of the population of the country lives in poverty (Greek Statistical Authority, 2012)³, while the population at risk of poverty or social exclusion amounts to 3.030.900 people. These numbers are of course associated with the huge unemployment rates, as the jobless rate rose to a record of 27 per cent in February 2013, twice as high as the Eurozone average and with 64.2 per cent of young people out of a job (Eurostat, 2013)⁴. What is of great interest though, is that having a job cannot any longer be considered as an effective safety net against poverty. The poverty rates of part-time workers reach 29.4% and of self-employed 25.4% (EKKE, 2012)⁵.

In addition, an “aggressive” transformation of the planning system is evident. Firstly, the past informal, illegal and spontaneous urbanization is not considered a problem but a necessity (Andritsos et al, 2012). Free market solutions are being promoted in the design guidelines and monitoring system (Beriatos and Gospodini, 2009), as it is clear that the New Urban Policies reinforce the role of private initiatives in the development process, encouraging also the collaboration of public and private institutions. Furthermore, new laws for the transparency and the speeding up of implementation of Strategic Investments - better known by the code name “fast track”- allow the State to facilitate strategic investors in every possible way. Mega Projects can bypass state regulation (even environmental protection

³ Greek Statistical Authority, Survey of the income and living conditions in Greece, (3/01/2012) [WWW document] URL <http://www.statistics.gr/portal/page/portal/ESYE/BUCKET>(accessed 20.11.2012)

⁴ Eurostat Statistics [WWW document] URL http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics (accessed 20.05.2013)

⁵ EKKE(National Centre for Social Research)(2012) *The social portrait of Greece - 2012* [WWW document] http://www.ekke.gr/images/PDF/Social_portrait_2012.pdf

legislation) in favour of the economic growth. Meanwhile, the Hellenic Republic Asset Development Fund (HRADF) was formed in 2011 with one sole mission: to maximize the proceeds of the Hellenic Republic from the development and/or the sale of assets.

*“This should be construed as the virtual sum of the proceeds from the transfer of assets to the private sector and the economic benefits from ensuing direct investment in these assets and the opening up of the respective market sectors”.*⁶

A new “sell-out” strategy of public spaces (like the former “Elliniko” airport, coastal zones etc.) and also of major utility services (energy, water, telecommunications, and waste disposal) has been initiated.

Moreover, the changes in the Urban Governance system introduced by the “Kallikrates” Law (Law 3852/2010 ‘A new architecture for local government and decentralized administration – The Kallikrates Programme’) not only introduced changes to the administrative map of the country, but also shifted many of the functions of the Central State to the Municipalities, including at the same time new measures relating to the funding of local government. In fact, after the reform of local and regional government all functions in the fields of care, social services and welfare have become the sole responsibilities of the New Municipalities. A relative decentralization of central state functions and responsibilities to local government is being carried out, transforming it to an integral part for the strengthening of business activity and competitiveness. At the same time, the local authority income mainly comes from borrowing, from the Central Independent Funds and from local taxation. In the three years since its implementation the ‘Kallikrates’ scheme has confirmed that it constitutes the necessary adaptation of the Greek state to the contemporary conditions of capitalist development. Moreover, the drastic cuts in state social spending on health-welfare, education, urban transport, in combination with the increase of local taxation has had serious social repercussions. The management of deprived neighbourhoods becomes more difficult as new vulnerable groups have greater needs and fewer resources, while public funds are coming under severe stress at the same time. Austerity budgeting of the Social State may not be a new phenomenon, but has been intensively enforced in the name of the crisis (Peck, 2012).

⁶ Hellenic Republic Asset Development Fund, the Mission [WWW document] URL <http://www.hradf.com/en/the-fund/mission> (accessed 01.06.2013)

The social impacts of the wider economic crisis are further visible in the central neighbourhoods of the capital, where one can clearly see the most tragic consequences of the Memoranda and the measures imposed by the IMF, the EU and European Central Bank with the full accord of the Greek government: new poverty, closures of small and medium sized firms, extremely high unemployment rates, rapid increase of homelessness, as well as racial violence (Triantafyllopoulou and Sayas, 2012). A new class of homeless has been created by people who lost their property through loans or other debts, young unemployed who cannot afford a house and have moved back with their families, as well as people who lost their jobs just before retirement and cannot find a new one. It is estimated that more than 20,000 citizens are living in the streets or in substandard housing, while many more are at risk of being rendered homeless, although no formal statistical survey has been carried out a yet. In fact, only until recently, have homeless in Greece been recognized as a Special - Vulnerable Social Group needing specific measures of protection (Act of Parliament N.4052/12)⁷.

In this new crisis setting, the management of deprived neighbourhoods becomes more difficult as new vulnerable groups have greater needs and fewer resources, while public funds are lacking. While the crisis has greatly raised the demand for a comprehensive social protection program, the provision of income support and social care to the most vulnerable groups has not risen accordingly.

Altogether, some studies have observed a process of change in the urban geography of Athens, as urban policies currently promoted intensify economic inequality, social exclusion and socio-spatial segregation (Maloutas et al, 2012). With other words, *“If anything, austerity policies did not spare those on low incomes, while structural reforms did not prevent the disruption of essential services and failed to strengthen significantly the social safety net.”*(Matsaganis, 2012) In these terms, the resilience of the city is constituted by different social networks which attempt to deal with the social impacts of the current economic crisis, with or without institutional support.

⁷ Klimaka: Homeless Support Programme [WWW document] URL http://www.klimaka.org.gr/newsite/downloads/LEAFLET_HOMELESS_PROGRAMME_ENGLISH_PHOTOS.pdf (accessed 05.06.2013)

3. Who will fill the welfare gap?

Attempting to deal with the social impacts described above, many local initiatives have searched the collective path of solidarity, revealing the urban resilience to the current situation, as well as signs of resistance to the dire effects of the crisis. Coming from different origins NGOs, as well as new programs of “community service” founded by the EU, also aim to fill the “gap” of the collapsed social services. Based on field research we present some local responses, examining to what extent they can address the aspects of new poverty and homelessness that rule the urban landscape of Athens. A crucial point of examination is also the aspect of who has and who has not access to these ‘bottom up’ support mechanisms.

3.1. Social entrepreneurship: From NGOs and non-profits to institutional foundations

In the late nineties, Dees described the idea of social entrepreneurship, as “a phrase well suited to our times”, which “combines the passion of a social mission with an image of business-like discipline, innovation, and determination”. As he indicated,

“The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations. Major social sector institutions are often viewed as inefficient, ineffective, and unresponsive. Social entrepreneurs are needed to develop new models for a new century.”(Dees, 1998)⁸

Today social entrepreneurship is the key element of the European social model, linked to the EU 2020 strategy. More specifically, social enterprise will be given EU structural funding - starting from 2014- and the member states will decide how to spend new funds for social enterprise. Speaking at the European social enterprise conference, Henrik Morch, head of the single market policy unit, said that the EU's structural funding programmes (€363bn for the period 2014-2020)– for supporting social and economic restructuring – are expected to have a specific priority to support social business from 2014⁹. However, as he added, it is up to member states to decide how to use these funds.

⁸ Dees, G. (1998). *The Meaning of Social Entrepreneurship*. [WWW document] URL

<http://www.unc.edu/~wfarrell/SOWO883/Readings/socialentrepreneurship.htm> (accessed 10.06.2013)

⁹ The Guardian : *Social enterprise could be given structured EU funding from 2014* [WWW document] URL <http://socialenterprise.guardian.co.uk/social-enterprise-network/2013/mar/06/social-enterprise-funding-eu-> (accessed 02.06.2013)

During the last decade non-profit, non-governmental organizations and foundations have been created in order to promote and fund social enterprise around the world. The NGOs and EU dialogue was officially initiated in the Maastricht Treaty, where the importance of cooperation between the Community and the various charitable institutions and foundations that act as compatible institutions for different accommodations and social care services was firstly highlighted (Balomenou et al, 2006).

In Greece the first development NGOs and non-profit organisations were founded in the 80s and late 90s. *The first major founding organizations were the Greek branch of the World Young Women's Christian Association (World YWCA) and the Greek Committee for International Democratic Solidarity.* The Kosovo crisis in 1999 led to the foundation of a number of new NGOs which were activated initially in the field of humanitarian aid and later on in the field of development (Vathakou, 2011).

By the summer of 2011, in the centre of Athens a serious social crisis occurred. The head of Mediciens du Monde, Nikitas Kanakis, was among the first to declare the existence of a humanitarian crisis. Under these new social circumstances, the proportion of Greek beneficiaries of NGO medical services in some urban centres was recorded at 60% of the total in 2012. This would have been unthinkable some years ago, since such services were typically provided only to immigrants. More than 500 NGOs are active nowadays in Greece, according to the International Development Cooperation (referred to as Hellenic Aid) of the Ministry of Foreign Affairs¹⁰. Two of the most large and prominent NGOs and non-profit organisations which are active in the centre of Athens focus on the social issues of poverty and homelessness are Klimaka and Praksis.

PRAKSIS is a NGO, which has a wide network all across Greece, but especially in the two major urban centres of Athens and Thessaloniki. Its main goal is *“to combat the social and economic exclusion of socially vulnerable groups, and to defend their basic civil and social rights, by providing social and medical services in the areas of treatment, prevention, education, health infrastructure, etc., regardless of colour, race, religion, age, nationality, ideology or political beliefs”*¹¹.

Among the many sponsors of the NGO, there are great international organizations like “Save

¹⁰ ENET: *580 NGOs on the table* [WWW document] URL <http://www.enet.gr/?i=news.el.article&id=251445> (accessed 02.03.2013)

¹¹ Praksis: *About us* [WWW document] URL http://www.praksis.gr/1002_1/Poioi-Eimaste (accessed 21.05.2013)

the Children” and the “UN Refugee Agency, UNHCR”, institutions of the entrepreneurial world like “Stavros Niarchos foundation” and “John Latsis, Public Benefit Foundation”, as well as corporations of the medical and pharmaceutical sector, large publishers and TV channels like MEGA and MTV, banks and corporate supporters mainly from the food industry.

Furthermore, due to the serious impact of the crisis, the “Stavros Niarchos foundation” started a pilot program of Social Housing in collaboration with Praksis, aiming to prevent homelessness. The program focuses on the specific support of families, with emphasis on monetary assistance, which will allow them to maintain their financial independence and consequently their homes. It also includes assistance with home security and additional aid (food, clothing etc.). It is estimated that the Social Housing Program will have the capacity to cater for 520 families in Attica and Thessaloniki, which are on the brink of homelessness.

Klimaka is an NGO operating mental health units such as mental health homes and residencies, protected residencies, mental health mobile units and day care centres. Within its actions to combat social exclusion, is dealing with the problem of homelessness by implementing an integrated program that includes services at all levels of care such as: *research, prevention, awareness, street field work, covering basic subsistence needs, psychosocial support, occupational rehabilitation, and reintegration of homeless people in society*¹². KLIMAKA is also a member of FEANTSA (European Federation of National Associations Working with the Homeless), and participates in research projects of the European Conferences on Homelessness. Among the sponsors of Klimaka we can find telecommunication corporations, supporters from the food industry, as well as schools and public institutions.

In an interview the representative of Klimaka, claimed that homelessness in Greece has changed both quantitatively and qualitatively after 2010. More specifically, she points out that the definition and perception of homelessness varies from country to country. More specifically, Klimaka accepts the definition of *the European Typology of Homelessness and housing exclusion (FEANTSA / Ethos 2009)*. In this case, the term “homeless” encompasses *people living outdoors or in uncertain housing, people forced to move constantly between inadequate housing situations, and people forced to live in residences which are unsuitable for housing according to commonly accepted standards*.

¹² Klimaka- *Homelessness* [WWW document] URL <http://www.klimaka.org.gr/newsite/KoinApok/Astegoi/Astegoi1.htm> (accessed 22.05.2013)

Under this definition, Klimaka claims that the number of people without a home has risen by 25 per cent since 2009, with more of the middle class being affected.

“The ‘new homeless’ are becoming homeless mainly due financial reasons. They are people who are unemployed, people who worked in sectors hit by the crisis like the construction industry. They come from middle and higher educational backgrounds. In fact 1 out of 5 has completed high/higher education level studies. They actually used to live under satisfactory living conditions.”

Within the framework of the integrated program of supporting the homeless and groups at-risk, KLIMAKA operates a Homeless Support Centre and a Short-term Homeless Hostel. It is estimated that the Homeless Support Day Centre serves almost 350 people per week and the Short-term Homeless Hostel has a capacity of accommodating ten people per night.

The City of Athens Homeless Foundation was established as a Legal Entity of Public Law under the name "City of Athens Homeless Shelter" (KYADA) in 1999 (Presidential Decree 289/1999, Official Government Gazette 250A/18 -11-1999)¹³. Nevertheless, the organisation entered into independent operation with its own infrastructure, independent services and a separate budget in early 2005, following approval of the Internal Service Organisation by the Prefecture General Secretary (Decision 9449/Official Government Gazette 304V/8-3-2005).

In our interview with the person in charge of KYADA, he clarified that the basic aim of the programs planned and implemented is to tackle problems faced by people who are without shelter. The foundation is mainly funded by the Municipality of Athens. However, due to the state budget cuts they also depend on external donations, which come from entrepreneurs or by EU programmes. From his point of view there is a distinction between people who don't have a shelter at all and people who are forced to live under inadequate housing conditions. KYADA operates two Hostels where it offers short-term accommodation (for about 3-6 months) to 180 persons. Priority is given to Athens's citizens, who can show that they don't have a shelter and a medical certificate that they are not addicts.

Through programs like the “social grocery” and the “solidarity for the family”, the Foundation also collects and distributes food, clothing, shoes etc. to those who visit or are hosted at the shelter, as well as to families and individuals in need. Moreover, the “mutual aid node” program has been implemented as a reaction to the new condition that the crisis

¹³ Homeless Foundation of the City of Athens [WWW document] URL <http://www.cityofathens.gr/organotiki-domi-dimoy-athinaion/dimotikoi-foreis/kentro-ypodoxis-astegon-dimoy-athinaion-k-y-d> (accessed 28.05.2013)

has created in the urban setting of Athens, involving almost 375 families.

What could be considered as the most important contribution of KYADA, is the provision of 1,200 meals on a daily basis (two meals per day) at the Foundation's Meal Provision Centre. It is crucial that everyone has access to these meals, without the precondition of being citizen of the Municipality of Athens or immigrant "with papers". As the head of KYADA pointed out, at the beginning of the crisis, most of the people who came at the common meals were immigrants. After 2011, there has been a great increase in the number of the natives, estimated to 25%.

In these terms, the main/'official' tendency in substituting the welfare gap, comes from the EU funding, which supports the creation of pilot social programs based on cooperation between **central state, local authorities** and **local non-profit organisations and/or NGOs**. Social enterprises are positioned between the traditional private and public sectors (as Public-Private Partnerships), aiming to "*devote their activities and reinvest their surpluses to achieving a wider social or community objective either in their members' or a wider interest*"¹⁴. The most recent paradigm is the program/act "**Social Structures for addressing poverty in the Municipality of Athens,**" which is part of the Operational Program "Human Resources Development", co-funded by the European Social Fund (ESF). The program was publicly announced last February and includes the creation of 25 job positions in the field of social work for young unemployed people between 19-30 years old with short term contracts (7 will work at the Municipality of Athens, 4 at the NGO Equal Society, 2 persons at Klimaka, 3 at Medicines du Monde and 9 persons will be hired by Praksis).

¹⁴ EU: *Small and medium-sized enterprises (SMEs) -Social Enterprises*[WWW document] URL <http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/social-enterprises/> (accessed 21.05.2013)

3.2. Local initiatives: “No one alone facing the crisis”

Another alternative however has sprung into being in the last couple of years. A series of political struggles have occurred in and around the centre of Athens during the last four years. Several general strikes, numerous regional strikes and other acts of resistance have shown clear signs of rebellion against the austerity policies. The Syntagma square movement gave rise to new perspectives, as for more than two months this central square of Athens, became the meeting point, where thousands of people came together daily to search an alternative to the continuous unjust measures. And this wasn't just a Greek phenomenon. From the ‘Arab spring’ of 2011 and to the recent rebellions in Turkey, Egypt and Brazil, it has been made clear that there can be mass resistance on a global scale against the current global economic catastrophe. At the aftermath of the Syntagma square, one could observe the creation of local assemblies in almost every neighbourhood of Athens. Adopting the slogan ‘*no one alone facing crisis*’, several grassroots neighbourhood movements, public assemblies and other local initiatives tried to establish solidarity networks in an attempt to address the on-going survival problems that the majority of the society faces. Three years later, the local assemblies may have shown signs of decay, but we can clearly see the evolution and the continuous creation of social and cultural centres, alternative economies and other collective initiatives.

Here we should underline that these initiatives are not supported by the local or the central state. On the contrary, in many cases the official bodies have acted with a clear intention to suppress them. It is characteristic that almost a year ago the mayor of Athens G. Kaminis posed in his article in the newspaper “Ta nea” the following thesis/question:

“Can the right of occupation of public space be acceptable in a democracy? The answer is negative.”¹⁵

The mayor was referring specifically to the Municipal Market of Kypseli. Kypseli is a neighbourhood which accounts for much of the 6th municipal department in the centre Athens with a population of about 50,000 habitants. Its urban development began in the 30s with the construction of family houses and of the first modern apartment buildings. During the 30s, 50s and 60s, it became an upmarket district housing the middle and upper-middle class. It started to degrade in the 80s, mainly because of the movement of residents to the

¹⁵ Kaminis, G. (2012) *I am against Occupations*. [WWW document] URL <http://www.tanea.gr/opinions/all-opinions/article/4749489/?iid=2> (accessed 21.05.2013)

northern suburbs in search of better environmental conditions. The building of the Municipal Market of Kypseli was constructed during the interwar period and has been designated as a landmark. It closed in 2003 after a long period of decay and in December 2006, the residents of the area decided to re-open it and to re-operate it as an open, self-managed and social centre. In the six years of its existence (till its closure in September 2012), more than 600 cultural events took place, together with various thematic discussions¹⁶. After the eruption of the crisis in 2009, the Market began to also host assemblies against the housing and other taxes, as well as many actions of solidarity to the most vulnerable groups. On a weekly basis, readings, film screenings, free lessons of the Greek language to immigrants, collective kitchens, and also an alternative market of small farms were organized. In his article, the mayor Kaminis, underlined that:

“The occupation of a public space by a group of people negates automatically its public character, as it enables a minority that has no democratic legitimacy to rule the place without guaranteeing freedom of expression to all”

With these words he “launched” in September 2012 his campaign against several occupations and cultural centres. The closure of the Municipal Market of Kypseli could be considered as a symbolic action. Despite that fact, the local responses have not declined. On the contrary, most of them continue to operate and quite a few have since.

The main aim of these initiatives is to create spaces where the local community can search for survival paths, fostering also cultural expression and creativity. Some of them focus on creating new forms of organizing the unemployed people and the working class at a local level, some others mainly on upgrading the life conditions dealing with cultural and social issues. In the majority cases, by “occupying” public property or the local Park or square, people do not only demand their participation in decision-making processes, prioritizing participatory democracy and social justice against the strict austerity policies.

In our paper, we have chosen to examine two initiatives, which emerged in 2011, after the Syntagma occupation movement and are still active today.

¹⁶: Observatory of Free Spaces of Athens, Attica: *The citizens supporter for the Municipal Market of Kypseli* document [WWW document] URL <http://elxoroi.wordpress.com/2012/12/24/ο-συμπαραστάτης-του-δημότη-για-τη-δημο/> (accessed 08.06.2013)

⤴ **The social- cultural centre of Lampidona**

Vironas is a suburb in the north-eastern part of the municipality of Athens, with 61,308 inhabitants. In 2011 the residents of the neighbourhood of Vironas, decided to re-operate the closed municipal refreshment stand 'Lampidona', and to create a social and cultural centre for all citizens, collectives and organizations of their district. Their activities started from the exterior space by organizing feasts, film screenings and also creative activities for children. On the 14th and 15th of October 2011 the local community decided to organize a festival including a collective kitchen, concerts and also an open debate about the meaning of public spaces. On the second day of the festival people started to use the interior space of Lampidona's old refreshment stand. "Within two days we gathered 600 signatures signing a petition which announced to city council, that we, the residents of the neighbourhood, wanted 'Lampidona' for our own purposes" said a participant. "Till today we aim to have a space where the basic social needs will be provided by the neighbourhood to the neighbourhood", he continued.

The program of the Social Cultural Centre is not static, on the contrary is constantly evolving, as new members join this initiative.

*"Our logic is simple; we don't need another private refreshment bar, but a space that could really address the needs of the neighbourhood. An open public meeting point, where we will be able to discuss, organize our ideas and express our creativity. A place where human needs will be positioned over money and special interests. We believe that we should reclaim our public places. They should return to the people who own them, to every citizen of the neighbourhood."*¹⁷

At the moment, the participants organize weekly creative activities for children, collective kitchens, screenings, solidarity actions and open discussions. Several "working groups" collaborate in order to operate the centre: a music group, groups that organise solidarity lessons (painting, dancing, support teaching for students of the primary and secondary education), a group which intends to organize the struggle of unemployed people. It also operates as an open cafe every weekend. The participants have also created a library and a reading room, where everyone has free access. Self-organisation and solidarity are the key words for this collective attempt:

¹⁷ Founding document of Lampidona [WWW document] URL http://politistikokentrovirona.blogspot.gr/p/blog-page_27.html (accessed 08.06.2013)

“We focus on the values of equality, freedom, justice, solidarity and dignity, as we aim to make them reality for everyone. We call every resident, every collective initiative or organization of our neighbourhood to come and contribute to our activities. Our general assembly takes place every week, every Tuesday at 20:00 and it is open to everyone”, highlighted another participant.

More than 70 people collaborate in the several working groups. Twenty two teachers are involved in conducting the courses and 36 students take part (15 in the support lessons of the secondary education and twenty one in the support lessons of foreign languages). More than thirty people participate in the dancing and music courses and twenty two people are responsible for the organisation and the carrying out of the collective kitchens. Many of the open events have involved more than 200 people of the neighbourhood and the adjacent areas.

▲ **The Labour Club in Nea Smyrni**

Nea Smyrni is a municipality located at the southern border of the Athens municipality, quite near to the city centre, with almost 73.000 inhabitants. The residents there took the decision of creating a labour club in an attempt to organize the workers and the unemployed of their area, so that they can fight for their rights. They tried to create a place of solidarity for the poor and the oppressed, but also an educational and cultural centre.

Since the 21st of January 2012 the Workers Club decided to provide solidarity lessons to students of all grades whose parents are unemployed, underemployed or of low income. The lessons started in collaboration with the Association of professors in tutoring services. More than seventy students take part in the whole project and fifty five teachers have volunteered to prepare them for the university entrance examinations. According to a survey we carried out in 2012, 70 % of the students go to the 3 upper grades of high school (Lykeion) and are aged between 15-18 years old, while the other 30% go to first 3 grades (gymnasion (between 12- 14 years old). A great percentage of the students are immigrants (40%), the majority of them have a parent who is unemployed (59%) and most of them live in rental property (60%).

“What is great here is that we can also meet our friends and take part in different cultural activities every day after the lessons without having to pay. We are living in a period that many people struggle to survive and it is important to stay united”, said a fifteen year old student.

Since last January, a working group also began to collect and distribute food and relief items.

“The Labour Club couldn't be absent from the fight against food crisis, which is imposed to the Greek society by the dominant policies. Therefore, we decided in our assembly, that we will begin to collect and distribute food and other relief items to those in need ”, stressed a member of the Labour Club and

“We do not try to "soften" their poverty, as the state does, the municipalities, the media, the church and businesses giving “charity” to them. And neither have we considered ourselves partly responsible for the problem. On the contrary we understand that we could be the next ones suffering, if we do not suffer already. We intend to create a society that will not “feed” profits and exploitation, but people. Therefore, we gather food with a long self-life (oil, pasta, coffee, honey, milk, etc.) and other emergency items (eg personal hygiene items) from Monday till Friday, from 7:00 p.m. to 9:00 p.m. and every Saturday from 12:00 to 15:00. Almost 30 families get support on a permanent basis.”

4. Instead of an epilogue: From charity to Solidarity and from Solidarity to Social Struggle

Reaching a conclusion we could assume that through the austerity policies and the on-going reforms many of the welfare functions of the Central State have been shifted to the Municipalities, which have been encouraged to experiment with pilot programs in cooperation with or out contracting to local non-profit organisations.

A set of policies is supposed to integrate programs of different departments both vertically (between state scales) and horizontally (between different state agencies in different policy sectors), with private actors, depending mainly on the resources of other actors and not the central state. We could argue, that to some extent these pilot programs aiming to address social issues in Greece in a period of financial and social crisis, have been promoted broadly on a local scale in other European cities during the last decades. In Germany, for example, local officials have been developing partnerships with informal groups, NGOs and other volunteer organizations since the nineties (Volker et al, 2003).

As a result of our field research, we should underline that in all cases the social provisions, which come from these programs and from the action of NGOs groups are inadequate to address the rising social issues.

Focusing on the issue of homelessness, most of the established services pertain "charity-type" of "short term" benefits without aiming towards the prevention of the phenomenon and, most importantly, towards the reintegration of the homeless to the labour market and their reinstatement within the society. The NGOs are supposed to represent an allegedly modern form of social organization and solidarity, which is supported and promoted by the state, the business groups and the EU. Ironically, if we examine the working arrangements of these pilot social programs of the NGOs and the municipalities partnerships (short term contracts with very low wages and no other benefits), we could say that they reproduce exploitation in the name of softening social problems. They foster hopes for job finding, while they are in breach of basic labour rights.

On the other hand, we should also remark that the local initiatives show a specific limit of the extend that they can address social needs at a local level because of the lack of sources/funding. However, the most important aspect of these forms of expressing solidarity is the fact that they encourage urban inhabitants to act collectively about issues of common

interest, developing common ideas on how to achieve shared goals (Castells, 1983). In an era of social crisis showing solidarity is mainly important because it prevents social cannibalism. In periods of crisis and political destabilization, a great part of the labour class and the low income groups turn against other vulnerable social groups. Moreover, it is also crucial that such initiatives give support, as well as the opportunity of resistance for those that the dominant classes want to be in the margins of the society: the unemployed, low income people, immigrants. Secondly, as Arampantzi and Nicholls notice:

“These localized mobilizations serve crucial functions because they bring diverse individuals into the public arena and generate the relational and emotional assets that enable new activists to commit their time and resources to high-risk struggles”(Arampantzi and Nicholls, 2012: 2596).

We should however have in mind that these forms of civic engagement are not static at all. On the contrary, they seem to evolve and transform in relation with the wider social and political changes. Therefore, it is also crucial to pay attention to how social and political conditions structure that associational life (Mayer, 2003). Moreover, it is of great importance that these local responses will be able to connect their action with the struggle against the real causes of the current social catastrophe. In other words, we should examine if and how these local networks and collectives could become instruments that will advance social change.

We are certainly going through a very crucial period for the Greek society as the Troika have already been pressuring the Greek government, to push on with its promised restructuring of the civil service -- laying off 15,000 people by the end of 2015. Only few weeks ago, without warning, the government pulled the plug on the Hellenic Broadcasting Corporation (ERT) with its three TV channels and numerous local radio stations, firing 2,700 journalists and technicians. Several public hospitals are supposed to be the next to close. Under these circumstances we understand that a wider attempt to provide comprehensive alternatives to the current national economic and social policy is more than necessary. Otherwise, the welfare gap will continue to deepen, as will the necessity to create new forms of expression of the popular interests and needs. The future is yet wide open.

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