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The economic crisis seen from the everyday
Europe’s nouveaux pauvres and the global affective implications of a ‘local’ debt crisis

Maria Kaika

The proliferating numbers of a new population of urban poor in the Western world—who I call here nouveaux pauvres—is a phenomenon equally (if not more) significant as the emergence of the Indignados and Occupy movements, and calls for urgent attention from the part of critical urban studies. This phenomenon forces us to re-evaluate the analytical categories within which we study urban poverty (gender, age, ethnicity, marginality, etc.) and prompts us to focus on commonality, rather than difference, when it comes to collectively reclaiming the ‘right to the city’. Focusing on the political, social and affective consequences of the presence of nouveaux pauvres on the streets of Athens, I argue that the shock waves that Greece’s nouveaux pauvres send down Europe’s spine are partly due to the fact that Athens’ nouveaux pauvres ranks of beggars are not migrants, junkies, alcoholics or homeless; they do not fall in any of the familiar categories of the urban ‘other’ or ‘subaltern’. As they belonged, until very recently, to the mainstream aspiring middle classes, it is very difficult, if not impossible, to ‘other’ them, ignore them or dismiss them politically, or socially. The presence of Europe’s very own ranks of middle class-come-poor begs for a reconceptualisation of the link between urban theory and praxis.

Key words: crisis, Indignados, Occupy, nouveaux pauvres, affective, debt, Greece, right to the city

The recent economic crisis and social unrest in Europe and the USA ignited a new and very important discussion in urban studies. The events associated with the Indignados and Occupy movements urged critical urban scholarship to push the ‘right to the city’ debate beyond its more theoretical pursuits (Merrifield, 2011; Attoh, 2011; Iveson, 2011; Soja, 2011), and to bring the link between urban theory and urban praxis back to the top of the academic agenda (Brenner et al., 2009; Dikeç, 2007; Swyngedouw, 2011). The importance of the Indignados and the Occupy movements for forging new political consciousness and new engagement with public space lies—unsurprisingly—at the core of recent debates in this direction (Leontidou, 2010; Dalakoglou and Vradis, 2011; Springer, 2010).

However, there is one important development linked to the recent crisis which, thus far, has attracted limited attention from the academic world, despite the fact that it received extensive global media coverage; namely, the proliferation of a new population...
of urban poor in the Western world. The new urban poor—who I shall call here **nouveau poor**—do not necessarily participate in the *Indignados* or *Occupy* mobilisations. Most of them belonged, until recently, to the middle classes, but were spitted out from these ranks as they lost their jobs, took massive cuts in their salaries or pensions, or had their homes repossessed. They may come from different ethnic backgrounds; they can be men or women; young or elderly; educated or not; in short, they defy classification within our established analytical categories.

In this paper, I argue that the proliferating numbers of *nouveau* poor in European cities is a phenomenon equally (if not more) significant as the emergence of the *Indignados* movement, and calls for urgent attention from the part of critical urban studies. This phenomenon forces us to re-evaluate the analytical categories within which we study urban poverty (gender, age, ethnicity, marginality, etc.) and prompts us to focus on commonality, rather than difference, when it comes to collectively reclaiming the ‘right to the city’. Focusing on the political, social and affective consequences of the presence of *nouveau* poor on the streets of Athens, I argue that the shock waves that Greece’s *nouveau* poor send down Europe’s spine are partly due to the fact that Athens’ new ranks of beggars are not migrants, junkies, alcoholics or homeless; they do not fall into any of the familiar categories of the urban ‘other’ or ‘subaltern’. As they belonged, until very recently, to the mainstream aspiring middle classes, it is very difficult, if not impossible, to ‘other’ them, ignore them or dismiss them politically, or socially. The presence of Europe’s very own ranks of middle class-come-poor begs for a reconceptualisation of the link between urban theory and praxis.

**Europe’s nouveau poor: turning a public of Indignados into a public of Desperados**

In Steven Spielberg’s 2004 movie *The Terminal*, the key character, Viktor Navorski (acted by Tom Hanks), is an Eastern European who has the misfortune to clear passport control in JFK airport just minutes before his country is declared as an unrecognised state by the US federal government. With an unclear migrant status, and unable to either return to his country or re-enter the USA, Navorski is stranded in JFK and tries to find ways to make the airport his ‘home’. Today, my Greek students (alongside thousands of Greek students and young professionals across the world) feel a bit like Navorski. They came to study or gain work experience abroad with the expectation to return to Greece with better job prospects. In the meanwhile, however, Greece’s economy has been transformed by a debt crisis, and with youth unemployment currently running at 51%, young people find their prospects of returning to a job in Greece very limited indeed.

The rapid social and economic changes that Greece recently underwent are already inscribed in the urban social and physical landscape. A walk through the streets of Athens today can be a confusing, or even alienating, experience. If one walks around the Acropolis, one encounters the familiar scenes of a city buzzing with restaurants and cafés, overflowing with people, music and laughter. However, if one ventures a few blocks further away, one encounters a very different city; a city of vacant retail spaces, boarded up façades, a city whose every niche is occupied by homeless people and beggars, and whose air is saturated with smoke from wood fires, which are increasingly used as an alternative energy source by people who cannot afford their gas or electricity bills.

These changes in the city’s physical and social fabric took place over a very short period of time: just under two years. During these two years the Greek economy imploded (with public debt soaring to 347 billion euros in the third quarter of 2011 (Eurostat, 2012), and the Greek society polarised like never before as a result of a set of ‘austerity measures’,
to which the Greek government committed itself, in order to continue receiving funds from its creditors.

Indeed, the 12 billion euros worth of savings that the Greek government made in 2011 (see Figure 1) affected mainly pensioners and the salaried lower middle classes. The savings were translated into 20–30% cuts in wages and pensions across the public and private sectors and a rise in general unemployment by 40%. During the first quarter of 2011, the GDP fell by a further 7%, whilst the suicide rate increased by 40%. A quarter of businesses in Greece have gone bust and 20% of shops in the centre of Athens are currently empty.

Today, Greece counts 3 million people living at the edge of poverty, has the highest risk of child poverty in Europe (at 24%) and 25.5% of its population lives in substandard housing conditions. Doctors of the world treat the situation in Athens as a humanitarian crisis, and it would be hard for anyone to disagree with Paul Krugman (2012) who recently termed Greece’s austerity measures ‘terminal’ for the population. Although the austerity measures did not deliver the anticipated economic results, they did deliver a new social and political situation in Greece. They produced a class of nouveau poor, and turned a public of Indignados into a public of Desperados.

Nouveau poor vs. veteran poor

Whilst about 1% of the Greek population still engage in conspicuous consumption, driving luxury cars and spending hundreds of euros in a single night on entertainment, the most desperate amongst Greece’s nouveau poor have now joined ranks with the veteran poor; illegal migrants, junkies and alcoholics. One can see them side by side in the streets of Athens, begging or rummaging through garbage for food. Yet, Athens’ nouveau poor can be distinguished easily from Athens’ veteran poor. They still wear decent clothes, and their body language is erect and dignified; they are convinced they do not deserve what they got; they have not reached—yet—the level of misery that turns human beings into wretched creatures (Declerck, 2006); they have not—yet—entered the terrain where their existence is defined only by their position as beggars in a troubled peripheral European economy. Greece’s nouveau poor are young or elderly, men or women who, until recently, belonged to the aspiring middle classes.
They cannot be easily ‘othered’, ignored or dismissed. They are our ex-neighbours turned homeless. They are our poor. And for being that, for being our poor, they deserve—and receive—a level of compassion, and national and international media attention, like no other group of poor in Greece, or elsewhere in Europe, has ever received. Everybody has read reports about Greece’s new poor; but how many are aware of the struggle for survival of Greece’s 1 million undocumented migrants from Afghanistan, Pakistan, Nigeria or Iran? Many have seen the international headlines about the suicide of the pensioner at Syntagma square in April 2012; but how many have heard of the year-long hunger strike of Afghan migrants in Athens, who arrived there in search of ‘Europe’ and found themselves trapped in this city, unable to move forward or backward? Mantanika and Kouki’s (2011) article in *City* is one of very few publications that call international attention to this extraordinary struggle.

Caring for the deserving poor: the global affective consequences of a ‘local’ debt crisis

I have highlighted here the distinction between Greece’s *nouveau* poor (our poor) and other categories of poor (migrants, junkies, alcoholics, etc.), and the difference in attention that these groups receive, in order to argue the following: the shock waves that the dire social consequences of the Greek crisis send down Europe’s spine are due to a large extent to the fact that this crisis concerns our poor. This is the first time that a European Union member country is faced with a humanitarian crisis. This is the first time that the population of a European Union country suffers the consequences of a debt crisis in exactly the same way that Africans, Indians or Latin Americans do: technocratic governments; demands for appointed ‘commissioners’ to govern the ungovernable Greeks; demands for austerity and asset privatisation in return for cash flows; demands for constitutional changes that prioritise debt servicing over servicing the population’s basic needs; all these are well-established practices in debt ridden countries. However, this time, it is Europeans who are treated like Africans or Latin Americans. Moreover, when these practices are transposed into a European context, they become shocking and widely publicised. And they bring the message of a debt crisis home. And they make it louder. The presence of the new ranks of ‘deserving’ poor on the streets of Athens generates unprecedented pity and empathy in publics inside and beyond Greece; it generates noble and charitable feelings that move beyond national boundaries. However, the view of the new ranks of poor on the streets of Athens generates also a set of more insidious affective reactions in Greece and across Europe (Tsakloglou, 2012) that have serious political and social consequences.

First, it generates a soothing and reassuring effect, to those who are not touched by poverty: I do empathise with their suffering, but their suffering also acts as a reminder of how lucky I am. I still have a job; I can still feed my children; I’m OK.

Second, it generates desire for social and geographical distancing: their suffering is inherently linked to their ‘Greekness’. It is close enough to me, but thankfully cannot touch me, because I am not Greek; it remains outside my own country and my own home, and I want to keep it this way; I want to distance myself and my country as much as possible from ‘them’.

Through this set of affective reactions (empathy, reassurance and desire for distancing), the shock of poverty and misery brought home to Europe by the Greek crisis becomes, at best, a focal point for display of human compassion, and, at worst, a focal point for the display of xenophobia.

When the shock of poverty becomes the focal point for human compassion, Greeks
do not deserve what they get, because they have suffered enough, because they are the ones who gave the world democracy, because they fought on the right side during the Second World War, etc.

‘If … the country who gave the world the candle of democracy [defaults and gets expelled from the Eurozone], this will spell trouble for all generations.’ (Nilson, 2011, n.p.)

When the shock of poverty becomes the focal point for xenophobia, Greeks deserve what they get, because they are lazy, crooks, incompetent, etc. Indeed, self-righteous xenophobic discourses proliferated in European populist media over the last year, like never before. From ‘outraged’ journalists to ‘concerned’ readers, everybody now has an opinion on how best to teach lazy, unruly Greeks a lesson.

‘Watching the sad scenes of Athens burning … I wonder if the price of yet another bailout of Greece could lead to the transfer of the remaining portion of the Parthenon to London, where it could be reunited with the pieces removed by Lord Elgin to the British Museum for safekeeping?’ (Reader’s letter, METRO. METRotalk, Tuesday 14 February 2012, p. 14)

Discourses generated by ‘experts’ are not necessarily more nuanced. Harvard economist Alberto Alesina asserts that:

‘Greece deserves the punishment it receives… Because when she [sic!] was a small child, she was not taught right from wrong early on. Now, punishment has inevitably arrived, but it arrived too late; and it is severe. But, at the end of the day, Greeks do deserve this punishment!’ (quoted in Hekimoglou, 2010, n.p.; original emphasis)

However, although compassion and xenophobia appear to be at the opposite ends of the spectrum of political and social reaction to this crisis, they are in fact, part of the same, Janus-faced political stance, which allocates empathy or hatred, sympathy or despise, only after it places human beings into unified categories. It is only after othering all Greeks as crooks and lazy PIIGS that I can express xenophobic views about them. However, it is also only after labelling all Greeks as deeply democratic and suffering people that I can feel compassion for them. Whilst xenophobia and racism transforms human beings into de-humanised bodies, compassion transforms them into dependent bodies. Both cases confirm that debt is the end of freedom (Graeber, 2011). And an un-free human being—worthy of compassion or not—is a de-humanised being; a human being who can no longer produce his/her own history.

Learning from global capitalism: trying again and failing BETTER next time

If we take seriously Hannah Arendt’s (1998) claim that History is the making of meaning, and totalitarianism the production of meaninglessness, we are currently in a moment that produces meaninglessness. In this disconcerting moment, when the project for salvaging a Europe that can stand united beyond nationalism is left to a group of nationalistic political elites, group stereotypes propagate. Inside Greece, incongruous nationalism presents other Europeans as villains, and the return to the drachma as the only way to save Greece from the ‘evil’ grip of foreign creditors. Greece’s dynastic political elites, all members of the wealthy upper classes, have twice now failed to negotiate Greece’s debt properly, and have twice now chosen to default on Greece’s people, rather than default on Greece’s creditors (Harvey, 2012). Yet, they blame the evil Europeans, rather than themselves, for what the Greek population has to suffer. Outside Greece, equally incongruous nationalist ramblings present the economic crisis as a problem predominantly linked to Greece, and argue that the solution to the crisis dwells in throwing Greece out of the
Eurozone, because they will fail to deliver their promises.

Of course, as Trivizas (2011) puts it, the claim that all Greeks, Portuguese, Italian, Irish and Spanish are lazy PIIGS, who can only live on subsidies, is nonsensical; it is as nonsensical and as dangerous as the claim that all Germans are Nazis. However, reverting to nationalism proves, so far, beneficial to Europe’s feudal political and petty local economic elites. It keeps them in power by posing false dilemmas, and constructing straw enemies. In the May 2011 elections, Greece’s extreme right-wing party won parliamentary seats for the first time, following similar shifts of the electoral towards the extreme right across Europe. However, whilst European populations and parties become increasingly entrenched in petty nationalism, capital becomes increasingly internationalised. Capital has never been nationalistic or patriotic: this is why it survives and thrives over time. In the midst of the crisis, Greek capital invests in multi-million mansions in London; Chinese sovereign funds buy large parts of Greece’s main port (Piraeus); Qatar Holding invests in gold mining in Greece; and Abu Dhabi’s sovereign fund negotiates investing in Greek tourism infrastructure.

There are good lessons to be learnt from the movements of international capital. If we could see beyond the nationalistic parapets that Europe is currently building, if we could see nation-states for the social historical constructs that they are (the way global capitalism sees and uses them), we would nod at German Chancellor Angela Merkel’s assertion that ‘our responsibility no longer stops at our countries’ borders’ (The Guardian, 14 November 2011). If we could see beyond the nationalistic parapets that Europe is currently building, we could divert our attention away from government debt and EU subsidies, and towards a remarkable fact that receives little attention: that the Eurozone’s greatest build up of debt is not with the governments of Greece, Portugal, Italy or Spain; it is with the financial sector. The financial sector’s debt currently runs at 20 trillion euros, but receives little media attention or political debate, compared to Greece’s debt of 340 billion that makes daily headlines across the world, and has claimed thousands of wo/man hours in debate and research time at the European and national parliaments. The financial sector’s total debt doubled over the last 10 years: from 155% of the EU’s actual economic output in 1999, to 222% in 2012. In the UK, the financial sector’s debt increased from 60 to 194% of GDP over the last 20 years. Whilst in 1990, the debt of the financial sector was lower than that of the household and non-financial business sectors (65 and 66% of GDP, respectively), by 2009, the financial sector’s debt jumped to a remarkable 194%, which was much higher than the household (103% of GDP) and non-financial business (110% of GDP) sectors’ debt during the same year (see Figure 2; see also Jones et al., 2012).

If we could see beyond the nationalistic parapets that Europe is currently building, we could start searching for the basis of our commonality, and on how it is ‘all coming together’ (Catterall, 2011). As poverty hits European populations regardless of their ethnic origin, gender or nationality, we too, have to transgress these categories in fighting it. If, as a Greek passport holder, I wanted to develop my understanding of the crisis in a way that goes beyond false dilemmas, I would first have to declare that I am not Greek. I am not Greek, if being Greek puts me in the same category as 14,000 or so crooks who are now documented to have embezzled Greek public funds, who drive around in SUVs, live in luxury villas and avoid paying taxes, calculated at a total of 36 billion euros. I am not Greek, if that puts me in the same category as the thugs who beat up migrants in the streets of Athens in the name of ethnic cleansing.

However, at the same time, we are ALL Greeks. Like the vast majority of Greek citizens, who did not embezzle public funds, the vast majority of European citizens...
collectively foot the bill for bailing out indebted banks; collectively see their pension funds become gambling tokens in the global stock markets; and collectively see those who have gambled with their pension funds receive millions in bonuses and royal titles. If we took the rhetoric of the market to its full consequences, the fact that we are all consumers and taxpayers can form the basis for our commonality (Bauman, 2012, n.p.).

Therefore, addressing you as fellow global consumers, I would urge you to go to Greece for your next holiday. It will be an act of pleasure; you can enjoy the sun and the sea, and you don’t even have to face poverty if you stay clear of the main streets of Athens. It will also be an act of compassion: you will be contributing to a country’s troubled economy.

Addressing you as critical thinkers and active citizens, I would still urge you to go to Greece for your next holiday. However, I would advise you to walk off the beaten tourist track; walk the main streets. It will be an act of comprehension; it will bring home an understanding of why compassion and charity cannot work as a tool for social change. Because they are predicated upon the construction of divisive lines and divisive identities. Charity is for the middle classes. The only tool left to the poor is politics. But, at this moment, when centre, right and left party politics revert to primitive forms of nationalism, real politics reverts to its rawest and most desperate form; politics as rioting. The recent burning of historical buildings in Athens during rioting was an act as nonsensical, and as scary, as the burning of the African American ghettos in the 1960s. It was an act performed within a political moment that produces meaningless and fear.

Today, we are all numbed by fear (Catterall, 2009). Fear that our country may be next in line, our city next to be hit by the crisis, our household next on fire, our children next to suffer. Fear of failure of any new attempt to think or act differently (Keil, 2009). However, this moment of meaninglessness and social disarray is also the best moment for transformative thinking. It is the moment when new radical imaginaries stop being an abstract intellectual exercise, and become a social necessity. If we take seriously Cornelius Castoriadis’ conceptualisation of

Figure 2  Evolution of UK debt as percentage of GDP. Compiled by the author, based on data from: Global Finance (Aridas and Magno, 2012), McKinsey Global Institute (Roxburgh et al., 2010) and Chantrill (2012)
history as the creation of new meanings and new social imaginaries (Castoriadis, 1987; Kaika, 2010), there is no better moment than now for creating a new social imaginary for our commonality. This is the moment to counter pose divisive stereotypes and fear of failure with Samuel Beckett’s command (1983, p. 7):

‘Ever tried. Ever failed. No matter. Try again… Only next time, try to fail better.’

In fact, this is exactly what global capitalism has always done: constantly trying and failing and trying and failing again. And, it is still here, perpetually transformed, and more powerful than ever. We should learn from global capitalism! We should dare to think differently, think beyond divisive lines; dare to try again and dare to fail again. If we take our commonality beyond the market logic, we are collectively the unknown people whose countless small actions, as Howard Zinn (1990) put it, make history and produce change.

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