

# An Economic Crisis “State of Shock”: An Empirical Analysis of the Greek Economy

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## **Abstract**

*The International Financial Crisis of 2008 (IFC), and the austerity programs imposed in Greece, hit particularly the already weak Greek economy; despite the crucial fact that the latter suffered severe structural, deficit and, debt problems over the relevant past decades, even before the IFC explosion. Through a structured questionnaire, distributed to 348 students at the International Hellenic University (IHU) and their parents, we investigate how the crisis affected their salary and their working conditions, as well as how respondents evaluate the measures imposed by the “Troika”. Our research findings are of particular interest. More than three out of four respondents, support the view of Naomi Klein that a society in deep crisis is in a “State of Shock”, unable to react, and Greece is such a case. Respondents tend to believe that the pursued policies are forms of psychological violence-pressure, aimed at the disorientation of people, who are willing to work under worse working conditions.*

**Keywords:** International Financial crisis; Greece; Shock Therapy; statistical analysis;

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## **1. Introduction**

Well known state politicians and media figures throughout the industrialized world quote: “If we do not cut social spending, we will end up like Greece” (Delta World, 2012; Lankford, 2012; Tarrant, 2011). In fact, Greece is the most recent and historically unprecedented neoliberal experiment on a global scale (Gounari, 2014). Naomi Klein’s (2013) nowadays famous extreme capitalist “neo-liberal” “shock therapy” centers upon the exploitation of national crises (disasters or upheavals), in order to establish controversial and questionably harsh economic mainly policies, while citizens are too distracted (emotionally and physically) to engage and develop an adequate and effective response. Knowing fully the long lasting severe deficiencies, both fiscal, structural and political, that characterize the Greek State and Economy since the late 80’s of the previous century, and the fact that the Greek Economy was at the edge of collapse by the end of the first decade

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of the 21st century (Georgakopoulos *et al.*, 1994; Alogoskoufis, 1995; Bosworth and Kollintzas, 2001; OECD, 2007; Economist, 2010; Mavroudeas, 2010; Malliaropoulos, 2010; Tsakalotos, 2010; Katos and Katsouli, 2012; Apergis *et al.*, 2011; Asteriou *et al.*, 2011; Anand *et al.*, 2012; Burda, 2013), the austerity programs imposed in Greece, hit particularly the already weak Greek economy.

More specifically, the International Financial Crisis (IFC) of 2008 and the three enforced Troika<sup>2</sup> memorandums had severe fiscal and financial austerity measures, along with extreme social “Shocking Effects” that restricted economic growth in the Greek economy remains an open provocative issue (Lipsey *et al.*, 1992; Tsakalotos, 2010; Mavroudeas, 2010). In fact, distinguished economists (e.g. Krugman, 2014) have condemned the imposed measures as ineffective in achieving the crucial goal of debt management, whereas, there is an obvious responsibility of the particularly involved specific Governments managing the state economy as they wished (Klein, 2013; Pentaraki, 2013; Gounari, 2014).

It is most crucial to mention that the available research concludes that the imposed measures plummeted living standards, increased unemployment and promoted disastrous reduction of the medical and social sectors, drove many Greeks to a state in which the mere survival was the foremost task and daily objective (BBC, 2013). These effects are reflected in a number of socio-economic indicators. The Euro zone and wider European Union (EU) economies are struggling with recession as government measures to reduce sovereign debt levels have impacted on economic growth. Greece, which is mired in deep recession (the size of the economy declined by over 23 per cent in 2007–2013), recorded the highest unemployment rate in the wider EU, coming in at 27.5% in 2013 from 7.8 in 2007, with the gap between female and male unemployment to be the most important in the EU (Tudora *et al.*, 2015). However, male employment has in general been more hit than female employment, especially at the beginning of the crisis in Greece (Anastasiou *et al.*, 2015). In addition, in 2013, the youth unemployment rate - among people under 25 - was 23.7% in the wider EU, with the respective percentage in Greece (58.3%) setting a negative record (Eurostat, 2021a). At the same time, there have been reductions in the country’s social expenditure, contracting the notion that in periods deep in recession in countries, social benefits may act as “social stabilizers” (Salgado *et al.*, 2014). As a result, more than one out of three persons in Greece and on average one in four in the EU, live in poverty or social exclusion, according to 2013 data provided by Eurostat. Specifically, in Greece in 2013, 34.8% of the population (3.8 million people) was faced with the risk of poverty or social exclusion, compared with 27.6% in 2007. In this context, it is a challenging and complicated task to try to explain Greek people's lack of massive organized resistance those years, given the radical deterioration of their living conditions (Eurostat, 2021b).

Thus, questioning the opposite (i.e.: the “social appropriateness as needed for the substantial economic recovery” of the Troika imposed measures), even though statistically objective and scientifically reasonable, seems at least, quite provocative, if not insulting, to the eyes of those many who suffered the most and worst, while bearing no actual responsibility for the extremely harsh measures imposed by Troika, the loss of their lifetime fortunes, or the crucial reasons for the Greek economic collapse.

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<sup>2</sup> The term “Troika” was given to the decision groups of the European Commission (Eurogroup), the European Central Bank (ECB) and the International Monetary Fund (IMF) responsible for managing the Greek Debt Crisis.

conditions. Naomi Klein's view that a society in deep crisis is in a "State of Shock", unable to react and, whether Greece is perceived as such a case, is our fundamental research focus in this paper. Through a structured questionnaire, randomly distributed to 348 students of the IHU and their parents, we investigate the effects of the crisis on their working conditions, as well as the association of the demographic characteristics with the respondents' evaluation of the measures imposed by the Troika itself.

The structure of the paper is as follows. The second section provides the aftermath history of the Greek economic collapse, whereas the third section presents the research methodology and the data of this study, the fourth section presents and discusses the results of the statistical analysis, and the last section concludes.

## 2. Greece's Accession to the Euro and the Aftermath of the Greek Economic Collapse

We fully agree with Alogoskoufis (1995) that the post WWII Greek Economic experience can be much better understood by focusing upon the role of the relevant institutions and policy regimes that occurred before and after the critical year of 1974; that is, the year of the Military Dictatorship collapse and return to the Democratic State Status. Indeed, the role of the political and social forces that shaped the State and private sector institutions, along the historic change from the seven years' dictatorship, the simultaneous abolishment of the previous pro-dictatorial Democratic Kingdom constitutions, towards the Democratic constitutions rule under both a country's Presidential and Prime Ministerial government structure, do have extremely important effects on economic policy and performance. These political forces (parties, and governments alike) and their established institutions control and shape all forms of economic, business, state structure and management, legal, national defence, social and political; that is, all social activities, attitudes, beliefs and, thus, relative achievements and, finally, dreadful state and private sectors' failures.

We need to stress at the outmost level that, given the tragic fact that the aforementioned Professor and most respected researcher, G. Alogoskoufis, was also the Economics Minister up to 2008, at the Greek government whose performance ended in the late economic collapse, his words ever since 1995 remain most crucial "*...a change in (political) regime should include a shift in the role of the state away from direct production and towards effective regulation, and the adoption of strict rules in the budgetary process to remove the partisan and electoral influences that have contributed to the explosion of public debt. Finally, the Central Bank should be granted independence*" (Alogoskoufis, 1995, pp: 184<sup>3</sup>). It becomes obvious then that the political economy of the institutional interactions between an over-powerful state, with most powerful sectional and sectoral interest groups, through the mediation of party-led clientele politics and preferential national election voting agreements need be explored in much depth, in order to identify the two faces of the Greek economic Janus, and its running collapse.

Exceptional analysts, such as Paul Krugman, Walter Munchau and Martin Wolf have all suggested, on several occasions, that Greece's economic collapse was precisely a fiscal crisis resulting from government profligacy, creative statistics and, populist politics that all resulted to unsustainable deficits (see also, Tsakalotos, 2010). Thus, the Greek accession to

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<sup>3</sup> The emphasis is ours, since it represents, in our perceptions and scientific experience, the core of the aftermath history of the Greek economic collapse of 2009 – 2010.

the Euro and its tragic economic aftermath, explain why it is quite reasonable that the EU response, in terms of severe austerity, public expenditure cuts and so on and so forth, was indeed appropriate. It is the fact that the late enforced Troika memoranda should have been in governmental priority long time ago, so that the much needed fiscal and structural reforms should have been implemented before Greece's accession to the euro, in 2001. Necessary reforms that could provide enough jobs, steady wage increases, taxable incomes with much less tax-evasion and preferential taxation serving particular political influence groups, supporting investments, private and state, along with a managed pension scheme along the several successful European standards and welfare services beyond political party influences, were not implemented as needed, much before the accession to the euro. And, obviously, it is in the hands of strongly devoted and capable politicians and governments to proceed with the necessary implementations of the much needed reforms, instead of accusing trade unionists or any other political party – state – sectional clientele interests and populist national voting preferences and influential groups, that result in accrued meta – voting commitments. Was then this Greek case a political or an economic decision to join the euro by 2001? The economic aftermath of the recent collapse paves the way of scientific investigation of the facts and objective justification in order to conclude.

Despite all wonderful social aspirations about ideal economic growth paradigms and state economic restructuring away from capitalist turmoil, Mavroudeas (2010) admits the obvious; that is, all Greek economic advantages and disadvantages were actually related to the productive structure of the Greek economy and its transformations before and after the accession to the EU and the euro. Thus, taking into account that Greece was not enforced to join either the EU and later the euro, it is quite evident that ever since the 90's of the previous century, a significant weakening of the Greek industry and a serious negative impact on the country's balance of payments, along with a tremendous sequential deterioration of the competitive position of several crucial sectors of the Greek industry, especially against the EU, was taking place. These facts were quite well known to the Greek governments as they were planning the way towards accession to the common currency. And, following the 2001 currency accession aftermath, since the entrance in the EMU was transforming the already weak productive base and industrial competitiveness to the worse, the preferential government strategies chose the 2004 Olympics, instead of managing crucial state and private investments funnelled by EU transfers, as well as the much needed state restructuring, such as reforming of the national social security – welfare and pension funds schemes. The 2004 Olympics producing an all artificial economic growth, since all relative infrastructure works were produced at indeed exorbitant costs, with these Olympics being the costliest in the history of the Games themselves, resulted in all private Greek and foreign capital profiteering shamelessly from these (Mavroudeas, 2010).

Analyzing thus further the tragic economic aftermath in its prehistory periods, we identify that even though the Greek economic productive structure was rather coherent and competitive against the European economies before the entrance in the previous EEC, this productive structure was, in fact, protected heavily by the elected Greek governments which supported private sector by subsidizing it, in order to buttress its political party clientele necessary to secure political and social acquiescence to its politics (Mavroudeas, 2010); thus, ending to the exorbitant “twin deficits” economic tragedy later on, continued within the euro currency and accumulating the public debt, coupled with an external deficit, the final result was the final debt and deficit chaos by 2009. It is then, in this particular sense, that we claim that the Greek economic collapse problem is not a deep rooted capitalist turmoil development per se, neither a much dreamed socialistic economic restructuring that was needed and did not happen, but it is rather the lack of strongly devoted and capable

politicians and governments to proceed with the necessary implementations of the much needed specific reforms, in due time and despite the political cost of serving the national and not the political party or selfish personal interests, in order to control the economy and its particular deficiencies (industrial, welfare, educational, etc.), despite the economic system at hand or the one that is dreamed on.

In this respect, the endogenous weaknesses of the Greek economic production (i.e. industrial organization, agricultural transformation, university advanced research and implementation, public welfare structure, etc.) and continuous lack of competitiveness management along with political party activities, within the state and private sector, and incapable politicians and governments who became well known in all European first class newspapers, from 2009 and until 2018 at least, are at the fundamental core of the Greek economic collapse of 2009. The latter was simply triggered by the explosion of the late 2007-2008 financial crisis, that revealed the old-time hidden problems of the Greek economy. In essence, the Greek case was not suffering from any kind of a Dutch disease that was responsible for the Portuguese crisis, that created high and increasing levels of indebtedness, low and decreasing levels of saving and reduced economic competitiveness (Andrade and Duarte, 2011.) Additionally, as Dellepiane and Hardiman (2012) claim, it is with the particular country's interests (that is, structure and institutions, society, and governmental abilities) to identify the best austerity direction to follow, in terms of a dramatic fiscal response to the analyzed economic crisis. That is, without any foreign involvement (e.g. Troika, IMF, or EU), Ireland adopted an orthodox deficit – reduction strategy, while Spain, in contrast, implemented a “heterodox” stimulus fiscal package. And, by mid-2010, when Greece was already desperately calling for the IMF rescue ever since 2009, with sequentially elected Governments, both “right” and “left” completely incapable to take fiscal measures in due time (such as the collapsing national welfare – and social security pension funds scheme, by 2004; year of the Chosen Olympic Games instead), Spain's fiscal stance had converged with Ireland's, as the wider by now European crisis deepened and the ability and scope for autonomous national policy choice narrowed. What, then, was in fact, inevitable, is for the Greek economy, under the Troika Memorandums, to be squeezed fiscally, with breath-taking economic austerity measures, some right – some wrong as yet, since the crucial government time to involve and apply its own fiscal austerity measures in due time had already dangerously passed any economic debt and deficit (and, “twin deficits” also) limit. It seems then that the time was optimal for Troika to engage in a kind of “Klein's Shock Doctrine” in the collapsed Greek economy, no matter if that was the real “experimentation” country case, or if as such it is perceived later on, due to all austerity pros and cons included and expected in all globalized financial and economic production crises, these being capitalist or socialist, or any other in between.

### **3. Methodology and Data**

The aim of this survey is to investigate the effect of the IFC of 2007-08 on the working conditions of our sample. More specifically, we examine how this IFC affected salaries, working conditions, between employer and employee or between colleagues' relationships, and more importantly the willingness of young people or their parents to work in even worse conditions. We also examine the way gender, working status, importance of effects of the IFC on working conditions, are all associated with respondents' evaluation of the measures imposed by the Troika respondents' view about N. Klein's suggestions.

The population we study consists of the students of the IHU and the one of their parents. It is well known that in social studies, gender often appears as an important differentiating factor. To ensure that each gender is adequately represented within the whole sample population, we used the proportional stratified random sampling method. A structured questionnaire was filled in, by a random sample of 348 students and their parents. In order to check the questionnaire's validity, we conducted a pilot test, while the internal consistency of questions loading onto the same factors, was checked by using the Cronbach's  $\alpha$  coefficient. The questionnaire was comprised of 23 questions, grouped into five sections. Section 1 consists of three questions, related to the demographic characteristics of the respondents (Table 1). Section 2 gathers nine questions, grouped in two scales; that is: "Effects of the crisis on the working conditions" and "Willingness to work in even worse conditions" consisting of 5 and 4 items respectively (Table 2). Section 3 consists of seven questions aiming to reveal whether Klein's views that a society in deep crisis is in a "State of Shock", "Unable to react", or "Making Decisions in spite of their will" etc. are adopted by respondents (Table 3). The fourth section looks for the relative responsibility behind the situation in which the country has found itself (Table 4), while the final one investigates whether Greek society is, in fact, able to react or not (Table 5). For the quantitative analysis involved, standard descriptive statistics were applied to characterize the profile of the sample. In order to examine mean differences of groups (male-female, working-not working, student-parent, e.tc.) t-tests for independent samples and one-way-ANOVA were used, while statistical associations between categorical variables were evaluated using the  $X^2$  test. All analyses are performed using IBM SPSS package (version 26).

**Table 1. Questions related to demographic characteristics**

Questions	Answers
Gender	Male/Female
Age (Student)	18-19/20-21/22-23/>23
Age (Parent)	<45/46-50/51-55/56-60/>60
Are you employed?	Yes/No

**Table 2. Questions related to working conditions**

Questions	Answers
The crisis has affected ...	
... your salary	Not at all
... your working hours	Little
... relationship between employer and employee	Very
... relationship between colleagues	Very much
... your feeling of security	Don't know/Don't reply
Willingness to work ...	
... with a lower salary than the minimum one	Totally disagree
... with flexible working hours	Disagree
... in a bad working environment	Neutral
... even if the work subject is unrelated to my studies	Agree
	Totally agree

**Table 3. Questions related to Klein's views**

Questions	Answers
A society in deep crisis is in a state of shock	
Such a society is easy to accept tough measures	
Greece is such a case	Totally disagree
For each such case there is a treatment-program that should be followed in order for the economy to recover	Disagree
	Neutral
The pursued policies are forms of psychological violence-pressure aimed at the disorientation of people	Agree
	Totally agree
In such a case, societies make decisions in spite of their will	
Greek society is now unable to react	

**Table 4. Questions related to the country' conditions**

Questions	Answers
Primal responsibility for the Country's harsh condition is due to:	All governments Politicians in general The citizens themselves The policies imposed by The lenders The way Free Market works All the above Other
You feel angry mainly against:	The governments Politicians in general The lenders Previous generations All above Other

**Table 5. Questions related to the Greek society**

Questions	Answers
Do you consider that the extreme imposed austerity has the effect of dividing the Greek society?	Definitely no Probably no
You believe that there is a part of society which could react with the aim of reversing the climate?	Probably yes Definitely yes
Do you personally believe that you belong to this part of society?	I don't know/I don't reply

The aforementioned questionnaire was filled in by 346 students (175 males and 171 females) and 340 parents (169 males and 171 females) (Table 6). More than 5 out of ten (52%) of the respondent students belong to the "20-21" age group, almost one out of three (29.5%) belongs to the "18-19", 13.9% to the "22-23" age group, and the rest belong to the "more than 23" age group. A percentage of 26% and 16% belong to the 20-21 and only 4.6% are older than 23 years of age. With respect to the two genders, the majority (49.1% and 55% respectively) belongs to the "20-21" age group. Regarding the "working status" of the students, 40% of men and 30.4% of women are working persons.

Among parents, 38.1% and 35.7% of men belong to the "46-50" and "51-55" age groups respectively, and only 7.1% are younger than 45 years old. In contrast, the percentage of less than "45" years old women, is significantly higher (39.2%). As it was expected, the percentage of working men (88.2%), is higher than the respective percentage of working women (73.1%).

**Table 6. Profile of respondents**

<b>Students (%)</b>			
<b>Age group</b>	<b>Male</b>	<b>Female</b>	<b>Total sample</b>
18-19	26.9%	32.2%	29.5%
20-21	49.1%	55.0%	52.0%
22-23	16.0%	11.7%	13.9%
>23	8.0%	1.2%	4.6%
<b>Working status</b>			
Yes	40.0	30.4	35.3
No	60.0	69.6	64.7
<b>Parents (%)</b>			
<b>Age group</b>	<b>Male</b>	<b>Female</b>	<b>Total sample</b>
<45	7.1%	39.2%	23.3%
46-50	38.1%	46.8%	42.5%
51-55	35.7%	12.9%	24.2%
56-60	13.1%	1.2%	7.1%
>60	6.0%	0.0%	2.9%
<b>Working status</b>			
Yes	88.2%	73.1%	80.6%
No	11.8%	26.9%	19.4%

## 4. Results

Here, we discuss the main findings of the study. Apart from descriptive statistics, we use Chi-Square Tests to examine whether the demographic characteristics of the respondents and especially the gender, or the relative working status, consist significant differentiating factors for the expressed relative beliefs. The latter refer to the role of the lenders and the way the Greek State itself is perceived as being in a “state of shock”, as it reacts to the imposed harsh measures.

When using Likert-type scales, it is imperative to calculate and report Cronbach’s  $\alpha$  coefficient, for internal consistency and reliability, for any scales or subscales one might be using. Thus, the high value 0.860 and 0.727 -for the students and parents respectively- for Cronbach’s  $\alpha$  for the five questions concerning the effects of the IFC- indicates good internal consistency of the items in the scale (Table 7).

**Table 7. Reliability analysis**

	<b>Cronbach's <math>\alpha</math></b>	<b>Cronbach's <math>\alpha</math> based on Standardized Items</b>	<b>N of Items</b>
Reliability Statistics (Students)	.860	.860	5
Reliability Statistics (Parents)	.727	.722	5

Results concerning the effects of the 2007-08 IFC are shown in Table 8. Except for the “Relationship with the colleagues”, the IFC has affected “very” or “very much” all the aspects of working conditions, especially though the respondents’ salary, either those of students or their parents. Specifically, 45.1% and 26.2% of students saw their salary “very” and “very much” reduced, with the respective percentages for their parents being similar.

A quite interesting result refers to the impact of the crisis on the security feeling<sup>4</sup>, which was “very” or “very much” negatively affected for the 56.5% of the students; whereas, the corresponding percentage for their parents was over 65%. In the particular context of the financial and debt crisis and in line with Chung and Oorschot (2011) findings, the most important factors affecting the employment security are the general labour market conditions of the country and the severity of the financial crisis effects upon the economy.

**Table 8. The effect of the crisis**

The crisis has affected ...		The crisis has affected ...					Total
		Not at all	Little	Very	Very much	DK/DR	
<b>S T U D E N T</b>	Salary	9.8	15.6	45.1	26.2	3.3	100%
	Working hours	13.9	23.8	36.9	23.8	1.6	100%
	Relationship between employer and employee	18.9	27.9	32.0	19.7	1.6	100%
	Relationship with colleagues	27.0	32.0	24.6	13.1	3.3	100%
	Feeling of security	11.5	27.0	17.2	39.3	4.9	100%
<b>P A R E N T</b>	Salary	0.7	23.4	45.3	29.9	0.7	100%
	Working hours	9.5	26.3	31.4	31.4	1.5	100%
	Relationship between employer and employee	10.9	31.0	28.8	21.2	8.0	100%
	Relationship with colleagues	17.5	31.8	25.2	20.4	5.1	100%
	Feeling of security	7.3	23.4	40.9	25.5	2.9	100%

In fact, as shown by the results of the chi-square test (Table 9), the IFC has affected the “Security Feeling” of the two genders differently ( $p\text{-value}=0.033<0.05$ ). This result makes clear that the recent global financial crisis affected disproportionately the security feeling of all males and females within our sample. Specifically for the 53.8% of women, the security feeling has been affected “very” or “very much”, with the respective percentage for men to be higher even (58.5%).

**Table 9. Effect of the crisis on the “Security Feeling” and “Gender”**

Gender		Effect of the crisis on the Security Feeling					Total
		Not at all	Little	Very	Very much	DK/DR	
<b>Male</b>	%	11.4	30.0	21.4	37.1	0.0	100.0%
<b>Female</b>	%	11.5	23.1	11.5	42.3	11.5	100.0%
<b>Total</b>	Count	14	33	21	48	6	122
	%	11.5	27.0	17.2	39.3	4.9	100.0%
<b>Chi-Square Test</b>			<b>Value</b>	<b>p-value</b>			
<b>Pearson Chi-Square</b>			10.504	.033			
N of Valid Cases			122				

In order to apply a t-test, we gathered five questions (e.g. salary, working hours, relationship between employer and employee, relationship with colleagues and security feeling), all grouped in a scale named “Effects of the crisis on the working conditions”. The

<sup>4</sup> With respect to the perceived employment insecurity, Chung and Oorschot (2011) found that in the Southern European countries zone (Greece, Spain and Portugal) individuals feel more insecure.

“Mean effect of the IFC on the working conditions”, seems to be equal for the two genders of students (p-value=0.084), but not for their parents (p-value=0.004). Specifically, their mothers appear to be affected less by the crisis itself (Mean effect=2.751 vs 2.994 for fathers).

**Table 10. The mean effect of the crisis and Gender**

Gender	Group Statistics – Student			
	N	Mean Effect	Std. Deviation	Std. Error of Mean
Male	70	2.611	.764	.091
Female	52	2.881	.944	.131
Mean effect of the crisis	Independent Samples Test			
	Levene's Test		t-test of equality of Means	
	F	p-value	t	p-value
	1.56	.215	-1.74	.084
Gender	Group Statistics – Parent			
	N	Mean Effect	Std. Deviation	Std. Error of Mean
Male	139	2.994	.678	.058
Female	135	2.751	.693	.060
Mean effect of the crisis	Independent Samples Test			
	Levene's Test		t-test of equality of Means	
	F	p-value	t	p-value
	.013	.91	2.9	.004

In times of harsh crisis, it is more likely that employees are willing to accept worse and unfavourable working conditions. In fact, although 28.9% of students “totally disagree” and 46.2% “disagree” with the possibility of working in a bad working environment, 53.2% “agree” or “totally agree” to work under a “flexible schedule” and 60.9% are in a working “position unrelated to their studies”. The respective percentages for their parents are quite similar. Also, 31.8% of these students and 29.6% of their parents, appear “neutral” towards the possibility of working with a lower salary than the established minimum one (Table 11).

**Table 11. Willingness to work under worse conditions**

I'm willing to work...	Totally disagree	Disagree	Neutral	Agree	Totally agree	Total	
<b>S</b>	with lower salary than minimum one	9.8	25.1	31.8	26.6	6.6	100%
	with flexible working hours	1.2	13.0	32.7	47.1	6.1	100%
	in a bad working environment	28.9	46.2	13.9	8.4	2.6	100%
	even if the work subject is unrelated to my studies	0.6	10.7	27.7	48.8	12.1	100%
<b>P</b>	with lower salary than minimum one	11.7	28.2	29.6	28.7	1.8	100%
	with flexible working hours	4.7	13.2	37.1	42.1	2.9	100%
	in a bad working environment	22.9	48.4	15.8	11.7	1.2	100%
	even if the work subject is unrelated to my studies	6.5	10.3	22.0	51.3	10.0	100%

Note: “S” stands for Students and “P” for Parents

Along this line, chi-Square test provides evidence that the “gender” appears as a differentiating factor, mainly for the willingness of students to work under “flexible hours” (p=0.001), “in a bad working environment” (p=0.001) and “in a position unrelated to their studies”(p=0.000) (Table 12). Essentially, female students are more willing to work under “flexible working hours”, or “in a (working) position unrelated to their studies”; whereas, male students or their parents, agree more to work in a bad working environment.

**Table 12. Willingness to work under worse conditions and Gender (Chi-Square Tests)**

I'm willing to work		Chi-Square Tests		
		Value	p-value	Association
<b>S</b>	with lower salary than minimum one	3.217	.522	NO
	with flexible working hours	19.165	.001	YES
	in a bad working environment	18.603	.001	YES
	even if the work subject is unrelated to my studies	21.949	.000	YES
<b>P</b>	with lower salary than minimum one	3.058	.548	NO
	with flexible working hours	2.019	.732	NO
	in a bad working environment	11.423	.022	YES
	even if the work subject is unrelated to my studies	.673	.955	NO

Note: "S" stands for Students and "P" for Parents

Additionally, "working status" seems to affect the answers of the students and their parents regarding their willingness to work under "flexible working hours", while non-working parents, as expected, appear more willing to work 'in a job unrelated to their studies'.

One crucial question that we want to answer through this empirical research, is whether participants agree with the N. Klein's perceptions. As shown in Table 13, the vast majority of the respondents, students or their parents, "agree" or "totally agree" thus supporting Klein's views. More specifically, 63.6% and 9.2% of students "agree" or "totally agree" with the view that a society in deep crisis is indeed in a state of shock, and 45.7% and 8.1% respectively believe that such a society is easy to accept tough (economic and social) austerity measures. Also, although a percentage that is around 75% of the respondents consider that Greece is such a case, 56.9% of the students and 63% of their parents "agree" or "totally agree" that the Greek society is, in fact, unable to react. Of great interest are the answers regarding the view that "The pursued policies are forms of psychological violence-pressure aimed at the disorientation of people", and "In such a case, societies make decisions in spite of their will", with almost 7 out of 10 participants to "agree" or "totally agree".

**Table 13. Answers of the participants concerning N. Klein's views**

	Totally disagree	Disagree	Neutral	Agree	Totally agree
A society in deep crisis is in a state of shock	0.0 (0.0)	6.4 (1.5)	20.8 (18.8)	63.6 (64.4)	9.2 (15.3)
Such a society is easy to accept tough measures	2.3 (0.6)	22.3 (18.8)	21.7 (20.6)	45.7 (46.5)	8.1 (13.5)
Greece is such a case	1.2 (0.6)	7.8 (6.5)	16.8 (11.8)	59.2 (60.0)	15.0 (21.2)
For each such case there is a treatment-program that should be followed in order for the economy to recover	1.2 (1.2)	4.0 (5.3)	22.3 (26.5)	57.8 (57.1)	14.7 (10.0)
The pursued policies are forms of psychological violence-pressure aimed at the disorientation of people	1.2 (1.2)	3.2 (2.9)	30.1 (23.5)	49.6 (57.1)	15.9 (15.3)
In such a case, societies make decisions in spite of their will	0.6 (1.8)	6.6 (3.8)	23.7 (19.7)	57.5 (58.8)	11.6 (15.9)
Greek society is now unable to react	2.9 (2.4)	11.3 (7.1)	28.8 (27.6)	36.6 (46.5)	20.3 (16.5)

Note: Percentages in parentheses refer to parents' answer

Next, we want to investigate whether the gender represents a significant differentiating factor of the views of the respondents or not. The results of the Chi-square independence tests are shown in Table 14. Thus, gender affects students' but not their parents' responses ( $p=0.004$  and  $p=0.189$  respectively), to the statement "A society in deep crisis is in a state of shock", with 68% of men and 77.8% of women responding to "agree" or "totally agree". Gender, on the other hand, is an important differentiating factor for parents' answers to the view that "Such a society is easy to accept tough measures" ( $p=0.000$ ); whereas, the two genders, among students and their parents, do not agree with the view that "Greece is such a case" ( $p=0.015$  and  $p=0.001$ ). Male and female students, but not their parents, take a different position regarding the statements "The pursued policies are forms of psychological violence-pressure aimed at the disorientation of people" and "In such a case, societies make decisions in spite of their will" ( $p=0.02$  and  $p=0.009$ ). On the contrary, among parents, the two genders do not agree equally on the view that "For each such case, there is a treatment-program that should be followed in order for the economy to recover" ( $p=0.002$ ) and that "Greek society is now unable to react" ( $p=0.006$ ).

**Table 14. The gender as a differentiating factor for the Klein's views**

Gender	Chi-Square Tests			
	Student		Parent	
	p-value	Association	p-value	Association
A society in deep crisis is in a state of shock	.004	YES	.189	NO
Such a society is easy to accept tough measures	.220	NO	.000	YES
Greece is such a case	.015	YES	.001	YES
For each such case there is a treatment-program that should be followed in order for the economy to recover	.076	NO	.002	YES
The pursued policies are forms of psychological violence-pressure aimed at the disorientation of people	.020	YES	.922	NO
In such a case, societies make decisions in spite of their will	.009	YES	.068	NO
Greek society is now unable to react	.152	NO	.006	YES

The finding that is of great interest is related to the association between the "Security Feeling" and the "Willingness to work under worse conditions". Using one-way ANOVA, we found that different effects of the crisis on the "security feeling" imply different "mean willingness" to work under unfavourable working conditions (Table 15). This fear feeling is reflected in the willingness of those most affected by the crisis, to work under worse conditions ( $p=0.12$  and  $p=0.40$ ). According to Chung and Oorschot (2011), workers' security perceptions are vital for the successful implementation of flexicurity policies. Our findings support the researchers' view that individuals who do not feel secure may be reluctant to accept increased flexibility in the labour market or changes made in the social security systems, and Klein's view also that the power elites use the initial shock and paralysis to spread fear.

**Table 15. “Security Feeling” and “Mean willingness to work under worse conditions**

One-Way ANOVA		Sum of Squares	df	Mean Square	F	p-value
S	Between Groups	4.793	4	1.198	3.363	.012
	Within Groups	41.689	117	.356		
	Total	46.482	121			
P	Between Groups	4.509	4	1.127	2.537	.040
	Within Groups	119.508	269	.444		
	Total	124.016	273			

Note: “S” stands for Students and “P” for Parents

Additionally, looking for the “responsibility” behind the condition in which the country has found itself, the answers of the respondents, either students or their parents, are clear. More than 5 out of 10 respondents feel angry, not only against the particular Governments involved, as they managed the economy year after year along with people’s expectations (these being rational or any other), but also against the aforementioned “Institutions” in general (“All above”).

Also, 86.2% of students and 90.3% of parents, consider that “Probably” or “Definitively” the IFC has divided the Greek Society (Social Conflicts). Of particular interest, however, is also the fact that more than eight out of ten participants are optimistic about the ability of Greek society to reverse the negative climate that has been created, with more than six out of ten, considering that “probably” or “definitely” belong in this part of the society.

Also, more than 80% of the respondents, consider that “Probably” or “Definitively” the IFC has divided the Greek Society (Social Conflicts). Of particular interest, however, is also the fact that participants, students and their parents, are optimistic about the ability of Greek society to reverse the negative climate that has been created, with more than 6 out of 10, considering that as “probably” or “definitely” while they belong in this part of the society.

## 5. Conclusions

Given the radical deterioration of the Greeks’ living conditions, Klein's views could explain their lack of massive, organized resistance to the imposed harsh measures. To paraphrase from the tragic Greek history, “the capacity to doubt, to criticize and to disobey” may be all that stands between the future for this country and its end. In this respect, the main contribution of this paper is that it reveals the Klein’s view, that a society in deep crisis is in a “State of Shock”, unable to react and that the Greek case is indeed perceived as such.

The International Financial Crisis (IFC) of 2008, and the austerity programs imposed in Greece, hit particularly the already weak Greek economy. The aim of this survey is to investigate the effects of the IFC of 2007-08 on the working conditions of the IHU students and of their parents. We also examine the way gender, working status, effects of the IFC on working conditions, are all associated with respondents’ evaluation of the imposed measures in line with Klein’s suggestions.

We found that gender is not a differentiating factor for the “Working status” of the students, but it is for their parents. Except for the “Relationship with the colleagues”, the IFC has affected “very” or “very much” all the other aspects of working conditions of the respondents (students or their parents). The crisis affected differently the “Security Feeling” of the two genders (and more negatively that of women).

The “Mean effect of the IFC on the working conditions”, is equal for the two genders of students, but not for their parents (mothers appear to be affected less by the crisis itself). The majority of the respondents “agree” or “totally agree” thus supporting N. Klein’s views about the Greek Economy’s ability to react. The absence of “Security Feeling” affects the “Mean willingness” of respondents to work under worse working conditions. This finding supports the Doctrine of Klein’s Shock.

The majority of the respondents feel angry in general against the “Institutions”, believing that the IFC and the imposed policies divided the Greek society. However, there is a part of the Greek society which could react, in order to reverse the climate and more than 60% of the respondents believe that they belong to this part.

Our future aim is to study the state of shock of the COVID-19 pandemic upon the economic, financial, and social aspects of the Greeks and the other Europeans, as well.

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