Protests in Europe in Times of Crisis - The Case of Greece, Ireland and Portugal

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Abstract

The year 2008 was marked by a financial crisis that started in the United States but quickly spread to the rest of the world. Subprime-related, this crisis was linked to property speculation, leveraged by the banking sector. This crisis quickly spread to Europe due to exposure of European economies to international markets. To avoid economic collapse the States decided to intervene in the banking sector, nationalizing some banks and injecting capital in others. Some European countries not to enter bankruptcy had to ask for external financial support between 2010-11, was the case of Greece, Ireland and Portugal. The aid granted by the Troika (European Union, European Central Bank, International Monetary Fund) to European countries referenced advocated a drastic austerity plan. Faced with such a scenario of crisis, austerity, unemployment and precariousness, Europeans came to the streets to demonstrate their discontent with the crisis but also with politicians and policies implemented to solve the economic problems. Throughout Europe there were large protests, especially in the countries that received international aid. From a corpus taken from newspapers and from a theoretical framework of social movements we intend to verify if there was a direct relationship between crisis and contestation in the three countries that had external aid and if this crisis returned the centrality to materials on European social movements.

Keywords: crisis, protests, Europe

Introduction

The year 2008 was marked by a global economic and financial crisis. The crisis originated in the subprime mortgage market of the United States of America (USA), although it quickly spread to the rest of the world. Initially, those in Europe thought that the collapse of the “real estate bubble”, which led to widespread bankruptcy and the terminal decline of investment firms, was confined to the USA, but the truth was
soon revealed. Indeed, the exposure of European economies to the international markets globalised the crisis (Mason, 2016), revealing that the European real estate and financial sectors were also on the verge of ruin. Virtually all of Europe was affected by the crisis, although some countries showed greater capacity to manage it than others. Certain countries, in order to avoid bankruptcy, had to request external financial support, namely Greece, Ireland and Portugal.

In general, European citizens blamed deregulated capitalism and the neoliberal policies pursued by certain governments worldwide for the dire economic situation they found themselves in. The crisis of 2008 highlighted the vulnerability of capitalism in the globalised world, as well as the inability of statesmen to adequately tackle the problem. The financial crisis brought austerity, unemployment and precariousness to Europeans, which provoked a great deal of popular discontent, as demonstrated by the wave of protests that erupted across Europe between 2011 and 2013, especially in those countries that had received international aid.

Collective action has been a constant phenomenon throughout the history of Europe, although it has taken different forms (Tilly, 1986, 2004). However, the 2008 financial crisis and the subsequent austerity programme unleashed a new wave of protests encompassing the characteristics of both the “old” and the “new” social movements (Silva, 2012), which brought material issues back to the forefront. Since the goals of the nineteenth-century workers’ movement have been met, other goals have been identified, goals that are more related to social and cultural issues than to materialistic issues, while the social actors have been more pluralistic and less class-based than those involved in the early labour movement. The events that transpired in the countries investigated in the present study revealed the coexistence of material goals with other social and cultural goals, which were coupled with the use of new technologies. Structurally, a return to economic issues on the basis of social mobilisations can be observed, albeit with a more ethical and less classist character. The protests were not solely aimed at the acquisition of rights, as was the case for the workers’ movement, but rather against the subjugation of rights and human dignity to economic interests. Edward Thompson (1979) suggested that the basis of the eighteenth-century subsistence riots was the rupture of what he called the “moral economy”. It was not simply the breaking of the rules of market functioning that caused people to riot, but also the breaking of moral values (Thompson, 1979). Here, as with the 2008 financial crisis, it was the failure of the “moral” management of politicians and their defence of the interests of large financial groups ahead of the rights of individuals that upset people, causing them to feel that their honour has been tainted.

Thus, the present study aims to verify whether there was a direct relationship between the 2008 crisis and the unrest seen in the three countries that received external financial aid, as well as whether the crisis returned centrality to the material
problems associated with European public protest, particularly because, in temporal terms, modern society is seemingly far removed from the typical conflict affecting industrial and post-industrial societies (Habermas, 1984; Touraine, 1983) due to the development of an information society and networked communication (Castells, 1999). Hence, this study examines a corpus sourced from European newspapers and analyses the various theories of social movements.

2. The protests in the countries that received international aid:

2.1. Greece

The economic crisis began in Greece in late 2009/early 2010, when rating agencies (Moody’s, Fitch and Standard & Poor’s) were alerted to the problematic growth of the country’s public deficit. Greece’s level of indebtedness had grown over the previous decade, driven by increased public spending, civil servants’ salaries, pension spending and tax evasion. Its deficit was already more than 3% prior to the crisis of 2008 (Grigoriadis, 2013); after that, the deficit increased considerably and fostered distrust in the markets in relation to public debt. This increased interest rates, thereby rendering the repayment of loans more onerous. The level of indebtedness was such that there was real fear Greece would fail to service its external debt. The Greek situation threatened to contaminate the entire eurozone. In order to minimise this threat, the Greek government adopted certain containment measures intended to control public spending and increase revenue. However, as the deficit did not decrease, the executive had to resort to requesting foreign aid in April 2010.

Greece joined the European Economic Community (EEC) in 1981, at a time when the country was experiencing a period of economic growth after having freed itself from a military dictatorship. In 2001, Greece was accepted into the eurozone and, hence, it was considered safe for investments, which led to a growth in the GDP (gross domestic product), but also in national expenditure. After 2008, the financial situation became uncontrollable. External financial aid was provided by the European troika (International Monetary Fund [IMF], European Central Bank [ECB] and European Commission [EC]), but it was not without stipulations. Greece was required to adopt austerity measures. To comply with the rescue agreement, the Greek government announced a series of “draconian” measures, including tax increases, wage and pension reductions, privatisations, etc., the social impact of which was such that it brought the Greeks out onto the streets and squares of major cities to demonstrate and protest against austerity (Grigoriadis, 2013).

From 2010 to 2012, there was constant social upheaval, since the first rescue package proved insufficient and rendered a new rescue packet necessary, which was accompanied by more restrictions. The crisis was becoming uncontrollable and the protests in Syntagma Square and other squares across the country seemed permanent, with spontaneous movements of citizens who gathered in defence of democracy, as their ancestors had once met in the agora to exercise democracy,
organising mass demonstrations. Between 2010 and 2013, these organised movements, which were led by the trade unions, resulted in nine general strikes that practically brought the industry, commerce, public administration and transport sectors to a stop, thereby aggravating the already weak Greek economy (Lima & Artiles, 2014).

Demonstrations took place in the largest squares and streets of Athens, as well as in major cities across Greece. Syntagma Square was the scene of the largest demonstrations, many of which ended in violence. Demonstrators, especially young men, threw rocks and bombs at the authorities, smashed windows and set fire to rubbish bins and buildings. In an attempt to contain the situation, the police retaliated with tear gas and arrested some demonstrators (Jornal Sol, 06/15/2011). In 2012, the dispute increased due to Greece’s need for a second bailout, as well as the fact that the parliament had to approve more austerity measures in order to receive it. The protests became even more violent, with clashes between protesters and police resulting in fires in several buildings in central Athens and some arrests (El País, 12/02/2012). In April 2012, the suicide of a retired pharmacist, 77, who killed himself in the middle of Syntagma Square, and who had left behind a handwritten letter expressing his desperation due to austerity measures, further escalated the protests (El Mundo, 04/04/2012).

Although the youths stood out due to their rebelliousness and irreverence, there were people of all ages involved in the protests, including unemployed adults who could not afford to support their families, pensioners whose pensions had been considerably reduced and youngsters who either had no job or else lived precariously.

In addition to the obvious economic problems, Greek citizens were disgusted by the lack of adequate response from their political institutions. Relatedly, Estanque (2014) considers the inefficacy of public policies to be the fundamental cause of the conflict seen in recent years.

2.2. Ireland

In November 2010, it was Ireland’s turn to call for international financial aid, although the economic development seen in the country during the last few decades meant that this situation was not predictable. However, the reasons that led Ireland into crisis were not the same as those observed in Greece. It was not structural reasons, but rather over-exposure to the real estate market and the US banking system, which brought the Irish economy to its knees.

Since the 1990s, a number of government economic development programmes had been implemented in Ireland. The industrial, commercial, fiscal and educational sectors were all restructured and increased. The result was that the country, which in 1973 had entered the EEC as one of the poorest in the group, was described as the “Celtic Tiger” during the 1990s. This level of apparent financial growth was achieved
thanks to the dynamics and development of Ireland’s economy, which grew by an average of 7% per year (Lane, 2011), leading to an analogy being drawn with the Asian Tigers, that is, the “emerging economies” of Hong Kong, Singapore, Taiwan and South Korea. Shifting from a protectionist policy to a more liberal one in terms of taxation and bureaucracy attracted significant foreign investment, with Ireland being considered a real “paradise” for investors. The creation of the single European market further intensified the country’s links with the outside world.

This climate of prosperity in Ireland led to growth in investment in real estate. The population also increased, while interest rates decreased, which were further factors that stimulated the demand for real estate. Construction companies proliferated and the economy ended up leveraged in this sector, rendering the country’s finances vulnerable. The increasing demand for houses substantially increased prices, although as banks kept interest rates attractive, the real estate business continued to grow. Yet, from 2005 onwards, demand fell sharply. Economic weaknesses began to emerge when, in 2008, the international financial crisis was triggered by the subprime mortgage crisis in the USA. As the Irish economy’s exposure to the international markets was significant, a reflection of what happened in America was soon seen in Ireland, which led to economic chaos (Lane, 2011).

The uncontrolled loans offered in previous years created a “real estate bubble” and the real estate and financial sectors were left on the brink of ruin. The situation worsened following the collapse of Lehman Brothers, which the Irish banking sector was heavily exposed to. The crisis settled. The Irish GDP fell by 7% in 2009 and it did not change in 2010. The deficit soared to 32% (Lane, 2011). The Irish government stepped in to save the banks from collapse, while at the same time it had to bail out the unemployed, thereby leaving the public accounts totally unbalanced. The solution (as of the end of 2010) was to seek help from the ECB and the IMF, as well as to implement a drastic austerity plan.

The Irish financial crisis resulted from a combination of unfavourable internal and external environments. The collapse of the construction and real estate sectors, which resulted from weak financial regulation, added to the global economic crisis and the commercial slowdown. From an economic crisis, the situation in Ireland quickly became a social crisis and, as in Greece, protestors soon took to the streets, albeit in a less aggressive way when compared to those in Greece or even Portugal.

Kieran Allen, national secretary of the SWP (Socialist Work Party), explained that the relative passivity of the Irish was due to the significant growth seen during the 1990s, when the title “Celtic Tiger” produced a “pro-capitalist culture”, since many workers saw their quality of life increase with little need for collective struggle (Esquerda.net, 12/18/2011). In addition, tripartite agreements (certain trade unions, employers’ associations and the government) aligned the policy of the Irish trade union
movement with the needs of national capitalism, thereby neutralising some of the key organisational support for workers (Esquerda.net, 18/12/2011).

Nonetheless, there were demonstrations from the end of 2010 onwards, with the intensity of the protests increasing in 2011. Institutional citizens’ movements, such as the Enough Campaign, which incorporated political organisations, parliamentarians, trade unions, social movements and independents, were formed. Further, more spontaneous movements also developed, such as Occupy Dame Street (which occupied the square in front of the Central Bank in Dublin) or the movement of university students who occupied the streets of Dublin, singing songs like “No if, no buts, IMF cuts” in protest of budget cuts in the field of education and the exponential increase seen in tuition fees.

Here, too, there was a combination of organised movements and other partisans engaged in marches against austerity, including the emergence of groups such as the Alliance Against Austerity, which aimed to promote marches and demonstrations such as the one organised in front of the parliament building on December 6, 2011 (Esquerda.net, 18/12/2011).

In Ireland, as in other European countries, the aim of the protestors was to enforce their democratic rights and demand an end to austerity. Portugal likewise participated in the protest movement.

2.3. Portugal

Portugal resisted the global financial crisis for a few months more than the countries previously mentioned, but on April 6, 2011, it also had to resort to foreign financial aid in order to solve the financial crisis into which it had plunged. The government, then headed by José Sócrates, tried to institute various Stability and Growth Plans (PECSs), including cuts in public investment, privatisations and wage deflation, intended to contain the crisis (Costa & Caldas, 2013), albeit without success. The Portuguese inability to pay its public debt and lower the public deficit, as well as the need to obtain funds to inject into technically bankrupt public enterprises, left the prime minister with no alternative but to sign a memorandum of understanding with the troika. The measures agreed between the troika (IMF, ECB and EC) and the Portuguese government provided for extreme austerity, which prompted Portuguese citizens to protest on the streets.

In the elections of June 5, 2011, José Sócrates was defeated and gave way to Pedro Passos Coelho, leader of the Social Democratic Party, although the impossibility of ruling as a parliamentary minority led to a governance agreement with the Popular Party, led by Paulo Portas. Following the already agreed upon external intervention, the government of Pedro Passos Coelho decided to adopt new measures to meet the deficit target in 2011.
On June 30, 2011, the prime minister, breaking his electoral pledge not to raise taxes, announced in parliament an extraordinary tax on income, which was equivalent to 50% of the Christmas subsidy. In the following months, the price of public transport as well as VAT on gas and electricity also increased. A further announcement was made concerning a cut in the holiday and Christmas subsidies given to civil servants and pensioners, with a rate of more than 1000 euros, throughout the duration of the troika programme.

Then, on November 20, 2011, the Portuguese parliament approved a 25% increase in the release rates on interest, dividends and capital gains on individual income tax and collective income tax. In 2012, the entry into force of the new budget imposed a number of new measures. Health expenses were deductible by the individual income tax, but only at a rate of 10%. Housing expenses were also deductible, but to only 15% of their value rather than 30%. The government further restructured and “rationalised” the lists of goods and services subject to VAT, and it allocated an intermediate rate of 13% to those sectors that Pedro Passos Coelho classified as “crucial” for domestic production, not including the catering sector. It also increased the price of electricity, the tax on vehicles (ISV), and the municipal tax on real estate as well as on cigarettes. On February 1, 2012, public transport prices rose again.

Finance Minister Vítor Gaspar announced on April 30, 2012, that the government had foreseen that holiday and Christmas subsidies, which had been suspended, would begin to be awarded again by 2015, at a rate of 25% per year. In July of that year, the Portuguese Constitutional Court declared the suspension of vacation and Christmas subsidies to be unconstitutional due to violating the principle of equality, although the judgment would only have effect from 2013 (Público, economia -7-09-2012). As a result of this judgement, the prime minister announced an increase in the contribution of all workers to the social security programme.

Such measures led to Portugal being the scene of conflict, which it had not been for many years. Demonstrations in public spaces actually began prior to foreign intervention with the “Scratch Generation” movement, which was already motivated by employment and social justice issues (Estaque et al., 2013). On October 15, 2011, many Portuguese took to the streets in about nine cities and shouted: “Out, out of here, hunger, misery and the IMF.” On October 15, the Portuguese joined the Global Day of Action, an international demonstration in favour of global change. This protest took place in 82 countries, with the largest demonstrations in Europe being seen in Spain, Italy and Portugal. This movement was not as spontaneous and non-partisan as the “Scratch Generation” movement, since it was convened by 41 collectives, many of them linked to the radical left, and although the organisation claimed that about 100,000 participants were involved, this was far from the numbers involved in the previous movement.
Among the various protests, some were organised by the trade unions. On November 24, 2011, there was a general strike in Portugal, with the demonstration being organised by the General Confederation of Portuguese Workers (in portuguese CGTP) and General Union of Workers (UGT) for reasons related to the austerity measures foreseen in the October 2011 State Budget. The budget included wage cuts and the elimination of the increase in working hours. This organised protest involved the participation of spontaneous movements such as Precarious as well as students (Soeiro, 2014, p. 69), which reveals the coexistence of “old” and “new” forms of action.

In 2012, the cycle of protests began again, incorporating new modalities in the repertoire of action (Tarow, 1995), including the use of new technologies to mobilise the action. On May 12, 2012, the so-called “Global Spring” movement was organised by the “Indignados” movement, which mobilised citizens in more than 250 cities around the world to protest against austerity measures and demand real democracy, social justice, the redistribution of wealth and public ethics (Jornal Sol). Despite the union organisation, attendance at the demonstration in the capital did not exceed 1000 people. Most participants were young people, holding signs protesting against their precariousness state of living and critical of the government of Passos Coelho (Esquerda.net).

The most significant anti-austerity demonstration in Portugal took place on September 15, 2012, named “to hell with Troika! we want our lives”. On that day, thousands of people gathered in the most emblematic squares of every Portuguese city (Babo & Silva, 2016). It is estimated that about one million Portuguese took to the streets. In Lisbon alone, the protestors were said to number approximately 500,000 people (Babo & Silva, 2015, p.358). It was hence the biggest protest seen in the country after the revolution of April 25, 1974. The protestors were taking action against the austerity measures imposed by the troika, which were considered to be overly harsh, and which were driving both Portuguese citizens and the country as a whole towards poverty and degradation. According to the demonstrators, “whoever resigns to govern under the troika memorandum delivers the fundamental instruments for the management of the country in the hands of speculators and technocrats, applying an economic model that is based on the law of the jungle, the strongest, despising our interests as a society, our living conditions, our dignity” (queselixeatroikablogspot.pt).

In this movement, values such as dignity and democracy were emphasised, an approach that was repeated during the following mobilisations. It was a movement that was not exhausted through a single collective action, but which rather followed the whole repertoire of a social movement: campaign, action and demonstrations of Wunc (worthiness, unity, numbers and commitment) (Tilly, 2004). This showed the application of the modular character (Tarow, 1998) used in other movements and
contexts in the Portuguese case, albeit without losing its national singularity (Babo & Silva, 2016, p. 188).

On October 13, 2012, the “To hell with Troika” movement organised new protests and cultural demonstrations, which mobilised many artists in various Portuguese cities, and joined the Global Noise protest against austerity measures. The organisers emphasised how people overcame fear on September 15 and called for participation “in all forms of resistance and pressure that will take shape in the next 15 days until we overturn this budget, this policy and this government” (queselixetatroikablogspot.pt).

On November 14, 2012, the CGTP organised a general strike aimed at safeguarding the interests of both the workers and the people, and 15 days later the European Trade Union Confederation marked a day of action for the same date, involving 40 union organisations. Their motto was “for employment and solidarity in Europe, not austerity.” The CGTP general strike had greater visibility, since other unions and social movements that did not support the CGTP initiative joined the European Union action (Dias & Fernandes, 2016, p. 47). In this way, the CGTP joined the UGT as well as movements such as the Inflexible Slums, the Intermittents of the Show, the Students for the Strike, the Platform October 15, the Citizens for Dignity and the Movement March 12 (Soeiro, 2014, p. 71). The protests ended in violent clashes between police and protesters outside the parliament building.

3. Discussion

In Greece, Ireland and Portugal, that is, the three European countries that received external financial aid, the level of dispute was intense between 2011 and 2013. Ortiz et al. (2013) showed that there was an increase in worldwide protests during this critical period of crisis. They examined 843 protests worldwide, in a total of 84 countries and covering 91.9% of the population, and concluded that the vast majority of protests occurred in countries with a higher level of development, most notably in Europe (Ortiz et al., 2013). Most of the protests (n=488) were anti-austerity and in favour of economic justice.

In the countries analysed in the present study, the direct cause of many protests was the economic crisis and the austerity measures adopted by governments in an attempt to solve it, measures that suppressed certain rights won over time by the actions of various social movements. However, a structural analysis showed that the dissatisfaction was much more deeply rooted and related to the political-economic model of contemporary European society. The protests certainly emerged in part due to the crisis, but they were also the result of the responses offered the political systems to the crisis (Della Porta, 2012). In the investigated countries, as well as in others, posters appealing for real democracy were erected by demonstrators, thereby demonstrating that representative democracy was privileging the elites, that is, 1% of the population rather than 99%. Hence, those who were overburdened by the
austerity measures, those who were unemployed, the poor, or those who could not find a first job took the streets to shout “we are 99%”. They were the 99% who were dissatisfied with the responses of both institutions and public policies to economic problems, as well as those who were dissatisfied with the current democratic model.

As Slavoj Zizek (2013) noted, “what unites these protests is the fact that none of them can be reduced to a single issue, because they all deal with a specific combination of (at least) two issues: an economic one, of greater or lesser another political-ideological” (p.1).

4. Final Reflection

The response to the 2008 economic and financial crisis associated with new communication technologies contributed to the spatio-temporal dissemination of collective action in Europe between 2011 and 2012.

In the analysed demonstrations seen in Greece, Ireland and Portugal, there was a direct relationship between the economic and financial problems experienced in those countries and the intensity of austerity, as well as the wave of protest that swept through their territorial spaces, bringing thousands of people to the streets and squares of their cities. It also emerged that economic problems once again formed the basis of citizens’ concerns, since they again took centre stage in the dispute, albeit with characteristics distinct from those that existed during the early labour movement. The actual worsening of living conditions, which manifested in wage reductions, the deregulation of labour relations and cuts in social benefits, brought groups to the streets that could be mobilised by institutional organisations (unions, parties, etc.), as well as those who were mobilised spontaneously through social networks: the young, the precarious, the unemployed.

Many of those who protested were people with a high level of education, corresponding to a middle class who wanted to enjoy the economic benefits equivalent to their level of training, although that desire was limited in terms of their rights and expectations; hence, the deep sense of frustration and injustice following the redefinition of status introduced by austerity (Estanque, 2014, p. 54).

Economic problems were the immediate cause of the investigated collective action, although disenchantment and dissatisfaction with political systems and representative democracy were the remote causes, as demonstrated by the protesters demanding real democracy, which requires not only good governance and representation, but also direct participation and a society in which the principles of freedom and equality are not confined to laws and institutions, but are effective values in daily life (Ranciere, 2006).

In the case of Greece, Ireland and Portugal, these countries were certainly part of the identified European and global protest tendency that replaced the material issues at the centre of the protests. The same innovative repertoire of actions was used, in
which the collective actions programmed and conducted by specific actors coexisted with new forms of social action, often without leaders, without organisation and without physical space, and wherein social networks were used as a form of mobilisation.

The collective action was not restricted to the national scale or to specific organisations or groups, but instead became global through the sharing of difficulties and the search for common values, thereby inspiring later protests.

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