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Foreword

Grexit is the culmination of a two year long research project on the cultural significance of the iconography of the Drachma, in the context of the unfolding financial crisis (2008 — ?). When I started the research in 2010, I could not anticipate that the departure of Greece from the Monetary Union, and even from the EU, would emerge as the main scenario for the future of the country¹. Still, sometimes reality is more unpredictable and spectacular than our imagination. Grexit has not occurred as yet, but especially in the last stages of the production of this book, it seemed likely that we would be overcome by the course of events, something that remains still a possibility, even though we are exactly four weeks before the official launch of the book in Berlin.

The publication consists of four independent articles and a short chronology of the Greek Crisis comprised of media reports. With the exception of the paper by Panos Tsakaloyannis, whose contribution frames the analysis by explaining the root causes of the collapse, earlier versions of all the other papers were presented and discussed during a symposium held at the Historical Archive of the National Bank of Greece on April the 5th, 2011. The idea behind the symposium and also behind the publication was to bring together these distinct, but also complementary,

- 1 Citigroup said there's now a 90 percent chance that Greece will leave the euro in the next 12 to 18 months, with prolonged economic weakness and spillover for the currency bloc. In an analyst note, Citigroup updated its forecast for a Greek exit from the 17-nation currency union from a previous estimate of 50 percent to 75 percent, and said it would most likely happen in the next two to three quarters. Specifically, the bank assumes a Greece exit would occur on Jan. 1, 2013, while saying that is not a forecast of a precise date. Bloomberg, 26.7.2012

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arguments about the construction and the operation of the Greek banknotes, in an attempt to indicate, but also to deconstruct, their cultural significance. To that effect we tried to develop a visual language that would supplement and challenge the textual analysis of the Drachma. *Grexit* has two layers; red and black, printed on white paper. We used black for the text and red for the security features of the banknotes that intervene in the linear development of the argument, adding a parallel visual narrative to the argument. The selection of these three colors black, red, and white (indicative of the modernist allegiances of the design, as it was rightly pointed out by Kenneth Reinhard) is contingent upon our printing technique and the budget constraints of the publication. The idea to reproduce banknotes, or more accurately a book about banknotes, with one of the cheapest and 'roughest' printing methods is both a choice and an accident.

A lot of people contributed to this book, consciously, or unconsciously. First of all the designers and the authors; Jack Henrie Fisher, Neda Firfova, Virginia Mavrika, Ilia Roubanis, Panos Tsakaloyannis. Nevertheless, the publication is not just due to their efforts but also the outcome of a long term collaboration between artists, theorists that participated in the Drachma research project: Nikos Arvanitis, Robin Bhattacharya, Juliana Borinski, Danilo Correale, Assaf Gruber, Adelita Husni — Bey, Yota Ioannidou, Dia Kytta, Mo Y, Catalina-Amalia Ravessoud, Amelie Rydqvist, Société Réaliste, Liv Strand, Anna Tsouloufi-Lagiou, Elizabeth Ward, and Olav Westphalen. Extra thanks for Jean-Baptiste Naudy from the Société Réaliste, for energizing and almost destroying the project in its early stages.

The support of the Historical Archive of the National

Greece, in Athens has been invaluable; some of the articles of this publication were first presented at a symposium organized in its building in Athens, while its collection of Greek notes and coins has been an indispensable resource for our research. Special thanks to the director of the archive Dr. Gerasimos Notaras for granting us access to the archive but also for the warm hospitality and the constant encouragement. Further thanks go to the staff of the archive and in particular to Zisimos Synodinos, Dia Kytta, and Maria Lempesi.

Our work in Berlin has been supported by a series of institutions and colleagues; the Vilém Flusser Archive of the Universität der Künste, and especially Claudia Becker, Ekhard Fülus, Annie Goh, Anita Jori, and Rodrigo Maltez-Novaes. Professor Zielinski was our host in Berlin, offering a space to work; very attentive, kind, and supportive. Our other partner, the Transmediale Festival, was a great co-conspirator and interlocutor. Special thanks to Tatiana Bazzichelli, Christine Bernauer, Susanne Benrstein, Kristoffer Gansing, Filippo Gianetta, Markus Huber, Georgia Nicolau, and Lina Zuppke.

Apart from our institutional support, a network of friends and colleagues in Berlin and from abroad made this project not only possible but also great fun. We would like to thank Fatma Aydemir, Pophana Brandes, Eleninja, Simone Haverland, Carsten Lisecki, the Maiden Monsters, Alexander Negrelli, Henning Sedlmeir, Fani Sofologi, and Kenneth Reinhard.

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The Creation of Greek Banknotes by the American Bank Note Company of New York: Aspects of Iconography and National Self-Perception

Virginia Mavrika

The cooperation between the National Bank of Greece and the American Bank Note Company of New York is the longest ever between a Greek bank and a foreign banknote printing company. It lasted longer than 70 years until the beginnings of the 1930s. The present text examines issues of iconography on a number of Greek notes¹ issued by ABNCo., aiming at tracing their iconographic prototypes, their creators, as well as the historical frame which determined significantly their form. The text focuses on the three first decades of the 20th century.

The National Bank placed its first order to ABNCo to create (namely to engrave and print) notes in 1859 (figure 1). The correspondence between the two sides yields that the American company was responsible until the end of the first decade of the 20th century for choosing the iconographic subject-matters of its client. The Greek side holds a neutral, almost distant attitude during this phase of the construction procedure. Turning point to this attitude was the employment of the painter Michael Axelos in 1918 for the design of the notes for the National Bank of Greece and later for the Bank of Greece. Since that year, the correspondence mounts between the two sides on issues concerning the selection of subject-matters, the supply of prototypes, the agreement on colours, printing etc.

In a document dated to 1888 (figure 2) it is explicitly highlighted the importance of the portrait of the Bank's

1 The reference to banknotes follows the numbering system compiled by Albert Pick as in the *Standard Catalogue of World Paper Money* published by Krause Publications.

Athens (figure 6)⁵. The pre-designed vignette's original form has been printed on banknotes manufactured by ABNCo for North American and Mexican banks (figures 7-9).

The selective reformation of a ready-made vignette was a typical method followed during the first period of the collaboration between ABNCo and National Bank. It was certainly by far a more inexpensive and less time-consuming solution than perceiving and engraving an entirely original vignette. Similarly, the figure of a reaper (figure 10) (apparently the allegorical presentation of agriculture) had been used three times on Greek banknotes after alterations of its components. On the 10-drachma note (figure 11), the rural building in the background was replaced by the remains of the temple of Olympian Zeus and the Gate of the emperor Hadrian in Athens. Later, on the reverse of the 500-drachma note (figure 12) and the reverse of the 500-drachma (figure 13), it was the Parthenon depicted in the background. The original vignette by ABNCo had repeatedly been used on other, foreign banknotes and bonds (figure 14-15). It is noteworthy that later on, during the design of a new 500-drachma note in 1919, ABNCo was considering a vignette for the note's reverse that showed "a characteristic Greek pastoral scene"⁶. Although the composition of this non-executed design has not been preserved, the face of the 500-drachma note provides us with some idea of how ABNCo's artists perceived a Greek *pastoral scene*. Apparently, they were not far away from the typical Romantic vision of the Greek

5 This alteration is also stated on a three-page undated document with observations on iconographic and technical issues for the manufacturing of the 25-drachma and the 100-drachma notes, Museum of American Finance, New York, file "Greece", which includes 19th-century correspondence between ABNCo and Greek banks.

6 HANBG, series "Nomismatika", file 48, doc. 23/17.9.1919.

landscape enriched with ancient ruins, as depicted in the works by European artists-travellers in the late 18th and 19th centuries⁷.

Allegorical subject-matters adorned all the sixteen banknotes manufactured by ABNCo until the first decade of the 20th century. The 100-drachma note was the first note for which an original vignette with a Greek subject was created (figure 16). It was also suggested, for the first time, that a plaster cast should be manufactured as a starting point for the incision of a vignette. In fact, ABNCo presented a head of Minerva reproduced in a medallion effect⁸. Although this particular subject was not finally selected, this process inaugurated the search of authentic models for the creation of the vignettes as well as the collaboration between the two sides for the discovery and selection of prototypes. This new mentality led to the selection of the statue of Eirene and Pluto by Kephisodotos, which was actually proposed by the National Bank of Greece, after ABNCo had persistently asked the Greek Bank to express its preferences regarding the note's iconography⁹. The National Bank suggested as central subject-matter of the reverse the Late-classical statue of Eirene and Pluto by Kephisodotos and sent a photograph to New York¹⁰, from which a smaller scale vignette was produced. The vignette's engraving required six to seven weeks¹¹ and was executed by Robert Savage Hessler (1993, 260). The *Greekness* of the iconography was to be emphasized with a frame in Ionic style around the statue of Kephisodotos (eventually not

7 About European landscape painting of 19th-century Greece see Tsigakou (1991).

8 HANBG, series "Nomismatika", file 28, doc. 66/21.5.1906.

9 HANBG, series "Nomismatika", file 28, doc. 28, έγγρ. 81/1.7.1908.

10 HANBG, series "Nomismatika", file 28, doc. 85/11.8.1908, doc. 115/23.4.1909.

11 HANBG, series "Nomismatika", file 28, doc. 89/9.11.1908.

included in the composition)¹². This late use of ancient Greek artwork for the decoration of Greek notes brings us to the following question: given the fact that since the establishment of the modern Greek state, the Greek society was imbued with the need to be associated with the ancient Greek past, and therefore encountered Classical (and Neo-Classical) art as the means to confirm its role as heir of the Classical heritage, why indeed the relevant references in the notes' iconography emerged as late as the first decade of the 20th century? The answer to this question is partially related to the developments redound in terms of organizing archaeology in Greece, protecting, managing and promoting cultural heritage. The restoration works which were being carried out gradually reinforced the country's image as worthy successor of the ancestral heritage that contributed to the European civilization. The depiction of monuments that were being displayed through restorations, or artworks that were being exhibited in newly established museums, on the surfaces of tokens of everyday use, diffused these activities throughout the Greek territory and familiarized society with the new look that gradually acquired the celebrated archaeological sites and museum collections.

It should be pointed out that the rendering of ancient Greek artwork followed the aesthetic of recreating the missing parts. E.g. the statue of Eirene and Pluto by Kephisodotos which is depicted on the 100-drachma note was an image of the Roman copy kept in the Munich Glyptothek, which was extensively restored by Bartolomeo Cavaceppi in the 18th century¹³ (figure 17).

12 HANBG, series "Nomismatika", file 28, doc. 113/11.3.1909.

13 Further information about the statue and its restoration in Vierneisel-Schlörb (1979). I thank Dr. Florian Leitmeir of the Staatliche Antikensammlungen und Glyptothek in Munich for this reference.

This statue was also one of the six terracotta replicas of important ancient statues, which adorned the balustrade at the top of the propylon of the National Archaeological Museum in Athens, inaugurated a few years earlier, in 1889.

The same mentality for aesthetic *amendment* of the Classical works of art in their rendering as vignettes can be recognized on the reverse side of the 10-drachma note (design: 1911-12) (figure 19), for which ABNCo looked for an *archaic* subject¹⁴. The National Bank sent a photograph of the statue of Hermes by Praxiteles and explications about the composition. This statue was exhibited in the second oldest provincial museum of modern Greece, in the emblematic archaeological site of Olympia (1883-1886). In fact, it was placed in a special hall of the so-called *Syggreion* (namely the first archaeological museum of Olympia, which was named after its benefactor Andreas Syggros) since the first museum setting in the late 19th century (Chatzi 2008, 30). The two sides came to the agreement that the child's figure held by Hermes be omitted from the vignette's composition, yet Hermes' raised right arm remained, despite the initial opposite directions of the Greek side¹⁵ (figures 20-21).

Eleftherios Venizelos' ascent to power in 1910 was followed by a series of reconstruction and modernization measures which included changes in terms of the cultural heritage and museum management. A 1910 decree ordains that all the archaeological finds from Attica as well as the most important finds from the rest of the country were deposited in the National Archaeological Museum

14 HANBG, series "Nomismatika", file 36, doc. 3/9.12.1911.

15 HANBG, series "Nomismatika", file 36, doc. 4/15.12.1911, doc. 7/24.1.1912.

of Athens. Outstanding private donations began to enrich the museum's collections. Two laws at the same year reorganize and reinforce the Archaeological Service by increasing the number of the Ephors and by establishing a treasury for financing its projects (Kokkou 1977, 138 ff.). The First International Archaeological Conference which took place in Athens in 1905 was covered extensively by the press and had been perceived as an event of national importance. Furthermore, a wave of consolidation and restoration works in monuments and archaeological sites initiated in the turn of the century, began to bear fruit in the first decade of the 20th century.

The involvement of Greece in the Balkan Wars (1912-1913) and the First World War (1914-1918) interrupted the supply of Greek subject matters from the National Bank to ABNCo until 1918, when the design of a new 100-drachma banknote (P55) started¹⁶ (figure 22). It was the first time that the Parthenon became the sole subject of a vignette on a Greek banknote. The monument was rendered after the first restoration works of 1898-1902. The intervention was carried out on the entablature of the opisthodomos colonnade and the west front (August 1901-December 1902), (Mallouchou-Tuffano 1998 99-102), namely the side from which the temple was depicted. The vignette's engraver was Charles Skinner (Hessler 1993, 275).

In 1919 began the design of the 500-drachma (figure 23a-b) and the 1000-drachma notes¹⁷ (figure 24a-b), which stand out for their rich ornamentation and inspired structure. Their design was the work of Michael Axelos (figure 25), and revealed his dynamic

16 HANBG, series "Nomismatika", file 47, doc. 94/30/13.12.1918, with reference to the order for the *new type* 100-drachma note since January 1918.

17 HANBG, series "Nomismatika", several documents in file 48.

and enthusiastic start as designer of the National Bank's notes¹⁸. By that time, the notion of *Greekness* recurred in the correspondence between the two sides. According to the ABNCo artists, the notes' faces were modeled along "the severe lines of Greek art"¹⁹. In relation to the design of the 1000-drachma note in particular, the National Bank of Greece was referring to an artist specialized in Greek Art (namely Michael Axelos), while in the same letter it was also stated that a "general character of the Greek style" was to prevail in the notes of all denominations. Indeed, the prototype for the capitals of the columns rendered on the obverse of the 500-drachma note derived from capitals of Epidaurus, as published in H. Luckenbach, *Kunst und Geschichte*²⁰ (figure 26). In addition, photographs of ancient decorations were sent for the design of the note's obverse²¹ and reverse sides. It is noteworthy that Axelos combined allegorical subjects (following the academic style vignettes of ABNCo) with the new tendency towards ancient artwork. The figure of Eirene (Peace) on the obverse of the 500-drachma note, engraved by Edward Gunn (Hessler 1993, 148), took up Greek facial features, as in the head of a Nike²². Similarly, the allegorical figure on the obverse side of the 1000-drachma note, engraved by Robert Savage (Hessler 1993, 260), followed the features of a statue of Demeter²³. Even the foliage of the tree behind the figure was executed according to

18 He started working for the National Bank of Greece in 1918.

19 HANBG, series "Nomismatika", file 48, doc. 23/17.9.1919.

20 A book entitled *Kunst und Geschichte* is mentioned as source sent to ABNCo from the National Bank, see HANBG, series «"Nomismatika"», file 48, doc. 59/25.5.1920.

21 HANBG, series "Nomismatika", file 48, doc. 65/15/28.10.1920.

22 HANBG, series "Nomismatika", file 55, doc. 38/8/21.9.1921.

23 HANBG, series "Nomismatika", file 55, doc. 39/11/24.9.1921 και doc. 63/3.11.1921.

photographs of cypress trees from Athenian parks²⁴. Further photographs sent to ABNCo included those of the statues of Athena Varvakeios (figure 28) and Poseidon (figure 30), both kept in the National Archaeological Museum of Athens²⁵. The vignette of the colossal statue of Poseidon, engraved by Marcus Wickliffe Baldwin (Hessler 1993, 40), is the last example of pictorial recreation of the missing parts of an ancient artwork on a Greek note. A photograph of the temple of Poseidon in Sounia by the Swiss photographer Fred Boissonas²⁶ was the prototype for the vignette's engraving by Luis (jr) Delnose, (Hessler 1993, 103) (figure 31). For that photograph in particular, the Greek side asked the artists of ABNCo to have the sunset's golden shades in the sky and the sea reproduced, and pay extra consideration on the sea's rendering²⁷. Emphasis is given on a *thoroughly Greek style*, therefore models were being provided by the National Bank of Greece, ornamental security designs were outlined in a Greek style, and any kind of paraphony was being rejected e.g. an oblong design above the two columns on the reverse of the 500-drachma note, which affected the character of the Doric order, according to which the architrave should be placed exactly on the head of the columns²⁸. The temple of Poseidon was depicted after the consolidation works in 1898-1899, and the restoration of the stylobate in 1898-1900 (Mallouchou-Tuffano 1998, 106). Similarly, the temple of Apollo in Bassai, was rendered on the rendered on the 1000-drachma note after the restoration intervention in its stereobate

24 HANBG, series "Nomismatika", file 55, doc. 2/1/19.1.1921.

25 HANBG, series "Nomismatika", file 55, doc. 35/13.9.1921.

26 HANBG, series "Nomismatika", file 55, doc. 35/13.9.1921.

27 HANBG, series "Nomismatika", file 55, doc. 38/8/21.9.1921.

28 Op. cit.

and the stylobate during 1902-1908 (Mallouchou-Tuffano 1998, 127 ff.) (figures 33-35).

The rendering of ancient Greek subjects on the banknotes' entire surface reached its peak in the design of the 50-drachma note (figure 36), which bore ancient Greek motives even on the back side's background. For the surface on which the signatures by the Bank's Governor, the Cashier and Royal Commissioner were to be affixed, were to appear a design taken by a Greek vase²⁹. The columns followed those from the Erechtheum on the Athenian Acropolis. As central piece of its obverse was selected part of the relief decoration of the so-called Alexander sarcophagus that presented the battle of Alexander the Great at Issus. The prototype's faithful reproduction, namely without additions or restorations, was a basic concern which constituted a basic difference in comparison to the previous renderings of sculpture pieces. The subject matter was drawn from a plate published in Osman Hamdy Bey's and Théodore Reinach's, *Une Necropole Royale à Sidon, Paris 1892* (figure 37). It is noteworthy that the final result in terms of drawing as well as colour was remarkably close to its prototype: the photograph published in 1892. Furthermore, there was no drawing reconstruction of the missing parts from the original piece of sculpture (e.g. part of the front right leg of Alexander's horse). The head of Alexander from a Tarsus coin in Sicilia which adorns the note's back side was drawn, apparently, from the same publication (figure 38). The subject's engraving was preceded by the creation of a cast. The manufacture of a cast from an image that was to be engraved in order to be used as a banknote

29 HANBG, series "Nomismatika", file 55, doc. 59/8/25.10.1921.

vignette was a typical practice exercised by the engravers of ABNCo, especially for images drawn from medals and coins. A prototype in as much a clear and deep relief as possible was preferably being used for the construction of the cast. A photograph of such a cast is included in the exhibition of the Historical Archive of the National Bank of Greece in Athens (Notaras 2005, 166). The basic goal of the procedure was the negative which came from the cast's photograph. On its surface, the image's most important lines-shadows were incised. These incisions worked as a guide for the engraver in order to have the impression of the relief accurately executed³⁰.

The issuing of the 50-drachma bank-note (design: 1921-23) coincides with a short, yet historical period of the Greek Archaeological Society. During the Greek-Turkish War of 1920-1922, Greek archaeologists reside in Asia Minor, collect ancient remains and moved them to Smyrna³¹. Choosing the relief decoration from the Alexander sarcophagus with the Macedonian king defeating the Eastern enemy, which was in fact kept at the Archaeological Museum in Istanbul, reflected the expansive course of the Modern Greek state, especially the redoubling of its territories after the end of the Second World War. Apparently, it was not accidental that in contrast to the up to that time iconographic references to peace and economy, this note expressed the dash of a country that had recently been successful in a number of diplomatic parleys, such as the Peace Conference in Paris (1919), the Venizelos-Titoni Agreement (1919) and the Treaty of Sèvres (1920).

30 I thank Mark Tomasko for explaining to me this procedure. A negative from the cast of a medallion with the head of Alexander the Great produced for the 50-drachma note (P66) is included in his collection.

31 Kokkou (1977), 139-142; Mallouchou-Tuffano (1998), 165.

The gradual turn to more and more faithful reproductions of ancient remains on the Greek banknotes was continued with a remark in a 1923 document from the National Bank to ABNCo, according to which no decorative border should surround the coins³². Indeed, from the 10-drachma note P88 onwards the ancient coins bore no framing and maintained their original appearance (figure 39).

Once again, a photograph by Fred Boissonnas was used as prototype for the engraving of the central vignette for the reverse of the 1000-drachma note (figures 41a-b, 42). The first phase of the restoration works that altered decisively the appearance of the Acropolis had already been completed. By the time this note was engraved, the 1902-1909 restoration of the Erechtheum (figures 43-45) and the cleaning of the Caryatides have been performed (figures 47-49). The 1911-1917 interventions of the Propylaea had also come to an end (Mallouchou-Tuffano 1998, 166-174) (figures 45-46).

The gradual annexation of new territories in the Greek state is also reflected on the banknotes' iconography, e.g. on the composition of the 10-drachma note that bore subjects from the ancient remains in Crete³³. The two coins depicted on the reverse, Labyrinth and Minotaurus, as well as the motives around them derive from the archaeological finds in Knossos which were recently published by the excavator, Arthur Evans (figure 40). On the obverse stood out the motives from the acclaimed inlaid ivory draught (figure 50) which Evans described as "the most magnificent relic discovered in the whole course of the excavation" (Evans 1921, 387). A spiral from

32 HANBG, series "Nomismatika", file 60, doc. 18/19.3.1923.

33 The island of Crete was united with Greece in 1912.

pattern at the periphery of the reverse reproduced the decoration of the painted stucco fragments found in an area above the so-called loom-weight basement (Evans 1921, 371-372). Not only its design, but also the colouring derived from Evans' description (figures 51-54).

The banknotes' iconography is perforce formed within a thematically conservative and stylistically academic frame, since it addresses all the citizens of a country. For Greece in the early decades of the 20th century it became the platform for either direct or indirect reference to historical facts, national expectations and self-perceptions of a country which was experiencing intense and conflicting developments both in its interior as well as in terms of an international framework.

Grexit

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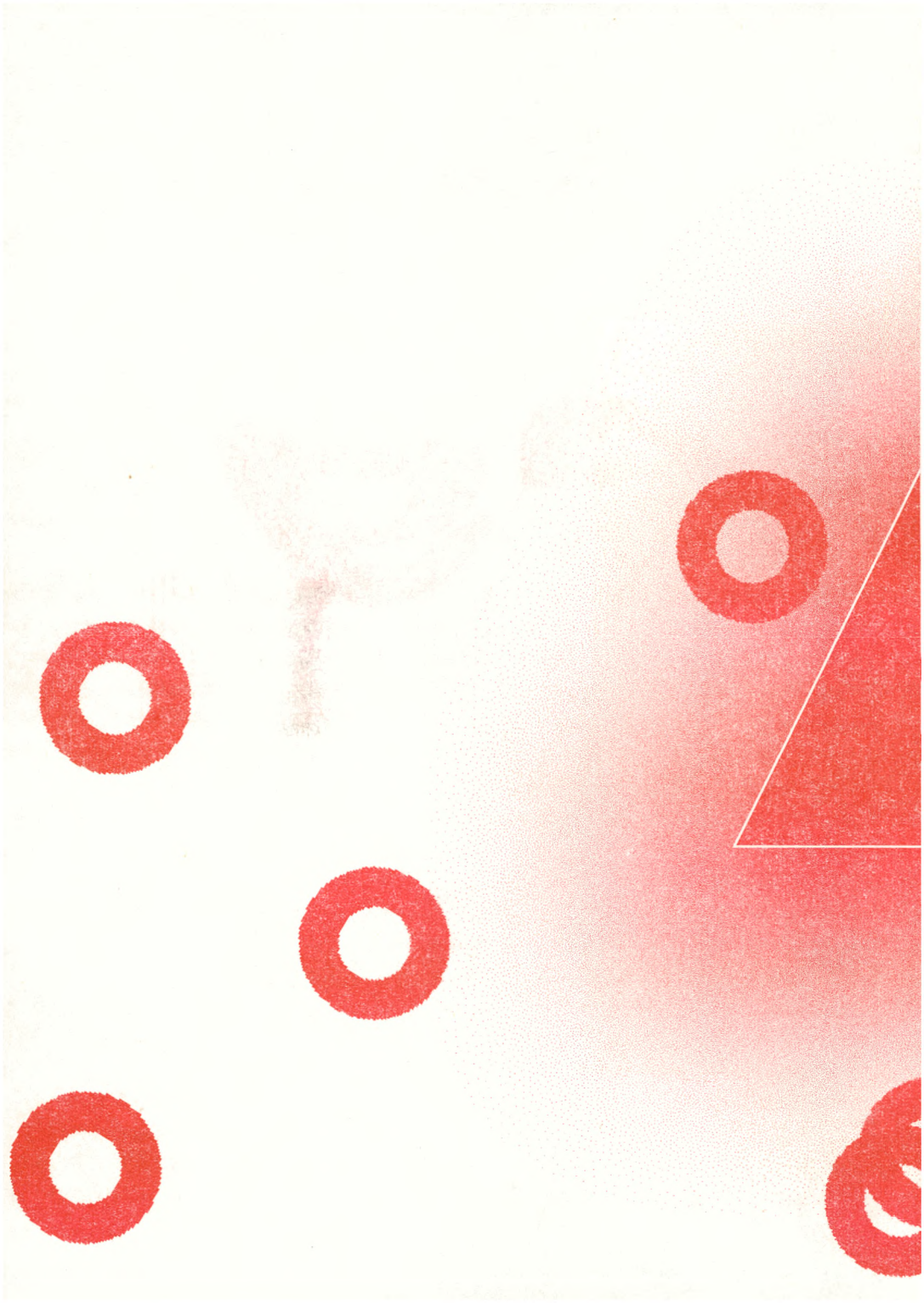
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Identity, Crisis, Money and Public Debt in Greece and Beyond

Ilia Roubanis

If politics is the continuation of war by other means and vice versa, then the managements of the assets of a polity is as cohesively totalitarian as war. In certain circumstances, this has to be the case. Indeed, in a state of war, every government, every political authority, must try to maximize the human and material resources it can draw from society, since there is a direct correlation between wealth and power. And such "emergency situations," generated by military mobilization, drive by necessity innovation in governance. Of course such innovations will often outlive the emergency, for once political authority gets its hold on the power to amass wealth and power, thereby acquiring a strategic "edge," it is hard to let go. And in this scheme one may claim that banknotes are precisely such an innovation in governance, created in the context of war, laying the foundations for novel administrative practices, that is, a technology of power a la Foucault (MacKinley, Strakey 1998) permanently changing the relation between state and society. This infrastructure might even be called "national," as in the nation-state.

Let's place banknotes in context. We may call this a "historical context" but it is unfortunately the underlying theme of very "current-affairs" issues emerging currently in Europe's public debt and, coextensively, monetary crisis. For the real question at hand is the relation between public debt, mass mobilization of societal resources and governance. And, starting a story from the beginning, we should begin with Renaissance Italy. Decades or even

centuries before the first nation-states of Europe were established, between 1340 and the middle of the 1400s, Florence was engaged in a series of expansionist wars. Such a prolonged state of war came hand-in-hand with a prolonged crisis in public finances, which forced the emblematic Renaissance City-State to innovate. Florence issued bonds, with no guaranteed margins of returns, which its citizens were forced to buy. From that point onwards, the future of the polity was irrevocably connected with a considerable share of the citizen's personal wealth (Coleman: 2005: pp. 458-460). In time, this link between public debt and private assets transformed the nature of the Florentine political system as such. Florence evolved from being a Corporatist Republic to being a de facto a Banker's Monarchy where the Medici prevailed.

An even more ancient link between private wealth and public assets is the institution of the coin. Florence's greatest rival, Venice, created a coin that was for centuries considered the most reliable in the world. The Ducat was characterized by an unmatched alloy purity of gold (0,99), which meant that it was perceived as stable, trustworthy and, therefore, unreservedly acceptable in every transaction in every part of the world. Of course the difference between the inherent value of the coin as gold and the actual exchange-value or nominal-value of the coin as such is called "the seignorage tax." This tax is supposed to prevent the bearer from melting down the coin; but, it also replenishes the coffers of the minting authority. Widespread use thus leads to hefty revenue. And as "great coins" were a reflection of great revenue and equivalent to great power, it comes as no surprise that many kings and emperors, from the Netherlands

to Saxony and from there to the Ottoman realms, attempted in vain to mint coins that would compete with and in time replace the Ducat, to the benefit of their coffers and their prestige (figure 55). But the Ducat was a brand beyond competition, dominating high value transactions until Napoleon stormed Venice in 1797.

At this point, what became clear was that although France did not have the great coins of the Venetian Republic, it did have a citizen's army, which seignorage charges simply could not buy. This was a new era. While the troops of Napoleon entered the streets of Venice, the problems for the Bank of England were just beginning to emerge. In 1797, rumors of a planned invasion of the British Isles by French troops caused a relatively new phenomenon known as "run-for-the-bank," with citizens storming the pre-ATM bank outlets seeking the fulfillment of a promise: "we promise to pay the bearer in gold."

Much like Venice, Britain was a naval power without a citizen's army. Of course, unlike Venice, it did have the protection of the sea. But, what the troops of Napoleon could not achieve could be made possible by panic, as the noted of the Bank of England that had for all purposes been treated until 1797 as promises that were 'as good as gold,' could now be seen as just pieces of finely printed paper. And if everyone called in their promise at the same time, just in case Napoleon could make it, the banking system would collapse. And so the governors of the Bank of England did something unprecedented: the "temporarily" called their promise off by conniving with the government. The message from the bankers and the government to the citizens was one: "we are in this together, we sink or float together, the paper you hold in your hands,

dear investor/citizen, is worthless beyond these isles, especially if Napoleon's troops come marching in."

And for 22 long and temporary years, banknote convertibility was suspended (Fetter 1965). For better or worse, the suspended promise of the Bank of England was now tied with national destiny.

In Greece, as in Britain, the bank note was initially a privately issued corporate tender. And, coextensively, the value of these notes had nothing to do with trust in the state. In fact, during the last quarter of the 19th century the Greek banknotes were directly convertible in French Five Franc silver pieces, that is, the unit base of the Latin Monetary Union. This effectively meant that Greece was in the monetary sphere of influence of France, since its coins along with all the coins of the LMU were to be minted in Paris, in proportion with the size of the population. Of course Greece never had the silver required to mint its share of the coins quota.

Subsequently, most of the LMU Francs circulating in Greece was in fact in the form of nominal paper promises. Coins of lesser value, often demonetized (i.e. not official currency in the place originally minted and retaining only their value as silver) made their way into the coffers of the National Bank of Greece. There, they were turned into reserves, against whom, the bank would issue sound LMU Francs, albeit, nominal. In reality, these nominal paper promises dominated monetary circulation from the end of the 19th century until well into the interwar period, since the state three times attempted to establish and three times failed to establish a national currency based on "sound" coins (figure 56).

Moreover, there was a less obvious dependency of the social contract we call currency from the Great Powers of that period. For the soundness of the

“promise to pay the bearer” was always connected with the quality of their engraving and printing. Because paper is a material of relatively insignificant exchange value, from the moment paper currency is issued, the issuer finds himself in a technological race with the shadowy “private sector” of falsifiers. And because cutting edge printing technology was not available in 19th century Greece, but Paris, Vienna, London and New York, this is also where Greek banknotes were printed. Consequently, printing companies such as Bradbury & Wilkinson, Thomas de La Rue and the American Banknote Company made a good client of the National Bank of Greece and, later on, the Bank of Greece, until the state acquired its own printing capacity, well after the Second World War.

This fact also had certain aesthetic consequences. One could say this one of the omitted chapters in Said’s “Orientalism” or Todorova’s “Balkanism” thesis or, more generally, the narrative of incorporating the image of the “western other” into the West’s image of itself. ABNC is still around today in the security printing industry. The company takes pride on its long history, dating back to 1823, when it was founded by the brothers Cyrus και Asher Durant. Cyrus is considered the inventor of several security features that we use to this date. Asher on the other hand, has a different claim to fame, since he was one of the aesthetic fathers of neoclassical monetary iconography.¹

Aesthetically, neoclassicism was a tradition interwoven with the naturalist tradition, that is, the notion that the object of scientific knowledge — nature — was also the source of a higher aesthetic pleasure. Coextensively, the celebration of nature in its ideal form, as represented in ancient Greek art, was also

¹ www.abncompany.com

the dominant cultural mode of expression in 19th century Europe, or indeed, "the West" (Leoussi, 1998). Therefore, it is hardly a surprise that Britannia was depicted as Minerva, or that "motherlands" of nation-states in Europe were adorned with togas. And the same aesthetic motif was spreading from the capitalist core to the periphery, from producers to consumers of high technology products, paving the way for a high global culture of neoclassicism. That is, before Hollywood, television of the World Wide Web (figure 57).

But, the parallel growth of hegemonic mechanisms of value — as in exchange value — and values — as in beliefs in truths that are accepted as self-evident — was gradually being questioned in Greece, already since the last quarter of the 19th century. And, of course, it is all because of the crisis. From 1878 to 1893 Greece's public debt grew exponentially. The reason was the will of the state to participate in grand modernization projects, to prepare an army that would allow the state to fulfill its irredentist visions, without of course discounting the role of political clienteles which then, as now, had to be nourished. The end of this road was bankruptcy; a fate shared by many states of the capitalist semi-periphery in that period, as now.

How was the state to respond in this sudden liquidity and public debt crisis, gradually escalating? Already since 1868 the state had threatened the privately owned National Bank that Greece would emulate the Ottoman's lead in printing state currency, storming the market and competing with the existing banks, but also threatening to discredit paper-credit as a medium altogether. This is the equivalent of threatening to issue state credit-cards these days. The

bank did not like it. And a compromise was reached. Banknote convertibility was suspended, following the British example with roughly a century's delay. And the same symbiotic relationship was build between banks, state and society, harnessed in Britain much earlier. In the future, in Greece, as in Britain, the bearer of the note would have to trust the bank as much as he trusted the state. Not much, that is, but there were hardly any other options available.

This bond of public and private confidence did have a more "sincere" material foundation since the 1880s, when the first petty-currency notes came into circulation. These small in size and petty-denomination notes were issued by issuing banks (there were more than one), in volumes proportional to the loan they were forced to lend the state. In the following decades, this bond of trust expanded, since the banks were forced more and more to make their reserves available to the state for lending. We were thus left with an indivisible bond of trust, binding state and banks, citizens and investors/ taxpayers, in a network delineated politically, normatively and territorially. In sum, towards the end of the 19th century, we have the emergence of national monetary communities (figure 58).

Greece is not of course a special case. Not then, not now. All states in crisis tried at one point or another to create an exclusive monetary bond between the state and the citizen, binding private and public wealth. The reasoning was rather simple, and reflected in the words of the Canadian nationalist Buchanan in 1882:

A currency based on a universal form of money such as gold (...) was seen as 'disloyal' and 'unpatriotic' one because it would serve only an 'alien' class 'whose boast is that money capital owns no allegiance to a country.' As he put it 'patriotic' policy

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should thus be governed by the idea that money should be a thing of or belonging to a country, not of belonging to the world.” (Helleiner 1998).

As currencies were gradually being de-globalized and nationalized, stripped from their “objective” or cosmopolitan exchange-value quality of precious metallic content, as value in itself became a politicized notion in the realms of the ascending nation-state, the banknote was also transformed aesthetically. In a world without television and radio, where education was a privilege rather than a right, when communication media could hardly address the masses, those in power could not fail to understand the instrumental utility banknotes could have for propaganda. Specifically, in 1863, during the American Civil War, the Federal government of the United States is forced to issue non-convertible paper currency. At which point, a clerk of the treasury did note that what seemed as a “desperate measure,” taken in desperate times, could, potentially, be a blessing in disguise with collateral benefits:

“{They} would tend to teach the masses the prominent periods in our country’s history. The laboring man who would receive every Saturday night, a copy of the ‘Surrender of Burgoyne’ for his weekly wages, would soon enquire who General Burgoyne was and to whom he surrendered. This curiosity would be aroused and would learn the facts from a fellow laborer or from his employer. The same would be true of other National pictures, and in time many would be taught leading incidents in our country’s history, so that they would soon be familiar to those who would never read them in books, teaching them history and imbuing them with a national feeling.”

(Helleiner, 1998, figure 59)

Indeed, it is the rule rather than the exception that banknote iconography is nationalized during the

course of a war. However, banknote imagery does not simply serve the purposes of nationalist catechism, whereby each nation comes with its own unique message. On the contrary, one could argue that there are certain common denominators, certain recurring themes, a certain structure in national banknote iconographies. We can even speak of "a school" of artistic expression rather than merely a series of distinct and unique sets of national pictures. There is one prevailing metaphor dominating and underlying all these iconographic narratives, that is, the familial metaphor: there are motherlands, there are "founding fathers," there are national cradles and patriotically sanctified "national landscapes," there is culture as "national patrimony," etc. As a narrative, nationalist iconographic narratives are designed to transpose the feeling of intimacy from the context of the family to the public space. Much like the word economy — as in "oikos" meaning house — this imagery is the means by which the public colonizes the private.

From this perspective, the banknote becomes a totalising or totalitarian infrastructure of mass governance with both an economic and an aesthetic dimension. An attempt to construct such a totalising infrastructure was attempted by the French revolutionaries, who experimented with the issue of their own *assignat*; the same example was emulated by the Ottomans that issued their own *Kaime*. In each of these cases, the state-issued debt as currency, with or without the complicity of banks. This paper money was cheap, not worthy of trust at all. But, was what the state offered to pay with; nothing else was on offer: take it or leave it. This was a form of violence on the part of the state, which in times of war and financial collapse had little to offer other than

“promises,” while citizens had no option but “to take it” (figure 60).

As revealed by archival sources, the national designers of these rather inflated and cheap currencies were perfectly conscious of their “patriotic mission.” The first national designer of banknote imagery in Greece, Michael Axelos, operated as a member of a series of networks devoted to the construction of national narratives: he consulted with archeologists, museum curators and librarians; he supervised and picked fights with foreign engravers for their failure to produce “authentic Greek art,” whatever that means (Angelopoulos 1984, Estia 1928). And as soon as his images ended up upon banknotes, they acquired a life of their own, becoming part of the narrative that people, institutions and companies took ownership of in order to express themselves in a patriotic manner. Take for example the images designed by Axelos, originally copied from a museum exhibit, ending up as an engraving for money, proliferating its presence in the public space by making its way onto a corporate logo, that is, Health Services consortium called *Ygeia* (health) (figure 61). There are dozens of similar examples.

It is no accident that Axelos himself was hired by the National Bank of Greece in 1918, whilst the first banknote he had designed was delivered by ABNC in 1921 (figure 62). During those years Greece was just coming out from the First World War and was looking to expand against the defeated Ottoman Empire. These first banknotes, celebrated the idea of a Grand Greece, which might have been economically devastated, but was nevertheless celebrating its own glory while building a new language of patriotism to be shared by its newly acquired subjects. That is

why the most interesting part of the archives of the National Bank of Greece is the "Numismatic Series" and, more specifically, referring to the designs of banknotes that would have circulated had Greece won in the Near East campaign against Turkey in 1921-1922 (Roubanis 2010).

What is of interest is that Axelos himself was not specifically trained for the design of banknote vignettes. At the time, he was one of the few painters in Greece trained in Paris, having the credentials of a modern artist. The companies he was dealing with were not accustomed to having their designs amended by their clients or to be responsive to their national aesthetic preferences. And these exchanges of letters between Axelos and those elite engravers, reflect an early stage of nation-branding discourse that is open, blunt, sincere and truly unique. And what comes out clearly from these discussions is that the familial metaphor is a clearly an underrated dimension of national identity.

The banknote is in this sense an ideal object of study for this material culture/archeological approach to the study of nation-state modernity, because as a financial and political infrastructure it evolved in parallel with the development of the nation-state. In general, the administration of public confidence has not been treated as a fundamental dimension for the emergence of what Anderson calls "imagined communities" (1983). Imagined here does not denote "fake" but rather impersonal, meaning societies being able to mobilize militarily, politically and financially individuals completely unknown to each other, who nonetheless feel intimate with each other, since they are bound both normatively and aesthetically by ties approximating very closely those of a family.

And at this point it is worth noting a paradox in modern liberal tradition. While the liberal tradition places an emphasis on the separation of the public and the private, presenting essentially the state as a "necessary evil," that is, a "contract guarantor," the aesthetic and economic history of banknotes reveals an altogether different narrative. For only the state could historically bridge the gap between the private and the public, that is, to create a society that may be impersonal, normatively regulated, but at the same time familiar. And this familiarity becomes ever more evident when contracts, such as currencies, collapse. It is precisely when the national tender is not the reliable facilitator of a national community, that people become disoriented, turning their loyalty towards the next available reference community, that is, the farm, the school, the Council, the Church, etc. Look for example at promissory notes flourishing when the Ottoman currency collapsed with hyperinflation during the last quarter of the 19th century (figure 63).

One of course may argue that not too much should be made of national currencies. After all, how many of us could bring to their minds the images of banknotes circulating merely one decade ago, prior to the emergence of the European Monetary Union. But, this is the wrong question, since by the same token very few of us can immediately bring to mind the advertisement of the products we daily consume, not merely we like them or need them, but because we have associated this product with a specific aspect of our identity. And the analogy is valid, because banknote iconography, much like advertising, does not transmit specific knowledge, but aims at affecting perception as such, that is, the way we see ourselves in this world. Gottschalk explains the issue at hand:

“...Scientific observation, like so-called ‘practical’ activity, employs perception as a means to a further end, in its case the verification of a description or an explanation of features of observed situations. Knowledge is the end — grounded and tested information — and perception is incidental to this. (...) Now aesthetic experience reverses this pattern of scientific observation as fully as it does that so-called ‘practical activity. Knowledge, like action, is a means, and aesthetic experience employs knowledge, some times large stores of it, to light up points of within the perceptual field and to help to establish a full and amplified perception of all that is perceptible there. But perception is the end” (Gottschalk 1962).

Therefore, the point is not to remember the sequence of images of an advert, like Coke. The point is to associate Coke with youth, care-free life, exciting and refreshing moments. By the same token, a picture of the Parthenon is not placed onto a note in order for the Greeks to learn about the classics, or to familiarize themselves with the dominant picture on the Athenian landscape. The idea is to see the Parthenon because it is globally famous, to remind the Greeks of their great heritage, that is, their patrimony, to make them feel once again as members of a great family, which is less than any Euro-note has every achieved.

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18.6.12 The financial markets initially responded with relief on Monday as elections in Greece ushered in a party that supports the outlines of an international bailout. But the reaction was short-lived as borrowing costs in Spain and Italy reminded investors that the troubles facing the euro zone were far from resolved. It was a familiar pattern after more than a year of sovereign debt troubles bubbling up in the euro zone. The Greek legislative election on Sunday handed victory to the center-right party, New Democracy, which supports the broad outline of an international bailout intended to keep Greece in the currency union. That had eased fears that the country would leave the euro and unleash further turmoil on the currency. (*The New York Times*)

15.6.12 Greece's conservative leader has warned voters that they face a choice of sticking with the euro or a "nightmare" return to the drachma.

Antonis Samaras has been addressing thousands of supporters ahead of Sunday's parliamentary election re-run. His New Democracy party, which backs the country's international bailout, is running neck and neck with the radical left Syriza party. Syriza's fresh-faced leader is threatening to tear-up the strict terms of the 130 billion euro debt deal. No party is expected to come away with an outright win. There will be negotiations to form a pro or anti- bailout coalition. (*Euronews*)

13.6.12 Golden Dawn has risen in profile after it won just under 7% of votes, or 21 seats, in

parliamentary elections on 6 May, amid deep anxiety about recession, unemployment and high levels of illegal immigration. The party's staunch anti-immigration policy has led to accusations of racism and instigating violent attacks against immigrants. Golden Dawn's leader, Nikos Michaloliakos, has also denied the existence of gas chambers at Auschwitz and questioned the Holocaust, but he rejects the label neo-Nazi. Polling data seen by the Daily Telegraph shows that Golden Dawn is on course to perform just as well or even better in the new election, which was called after the first failed to produce a government. Immigrants groups have said that attacks in Athens have risen in recent weeks, backing up an increase in anecdotal reporting, and fear that once established in parliament the party's black t-shirted vigilantes will feel further emboldened in their campaign of intimidation. (*The Daily Telegraph*) 5.6.12 As Greece gears up for its second election in as many months, companies and citizens are grappling with the possibility the nation will be forced to return to the drachma, 11 years after swapping it for a German-designed single currency meant to be an irrevocable step in European economic integration. A post-euro Greece may face defunct banks, collapsing businesses, skyrocketing import prices, soaring national debt, food rationing and even violent demonstrations, according to a dozen economists, analysts and professors. "A moonscape scenario, one where everything that is mobile leaves, is certainly one you can anticipate," Michel Spence, a Nobel laureate in economics and professor at New York University's Stern School of Business, said in an interview in Milan. (*Bloomberg*) 1.6.12 There's a lot of buzz in the City this morning after traders discovered that there is

now a code for the Greek drachma on Bloomberg. The code in question is 'XGD CURRENCY', which is described as "Greek Drachma Post EUR spot". It doesn't appear to actually link to a tradable currency unit — the message "Access to this security is restricted by its supplier" appears if you click on it. It's also not clear if it's just been created, or if there's another reason why it's just been spotted today. (*The Guardian*) 29.5.12


Banknote printer De La Rue has refused to comment on speculation that it has drawn up plans to print drachma notes again if Greece quits the eurozone. De La Rue reported financial results this morning, but chief executive Tim Cobbold wouldn't be drawn on whether Athens had asked his firm to prepare for a new currency to be issued. (*The Guardian*) 22.5.12

Worries that Greece might default on its debts or even leave Europe's currency union have deepened since May 6, when Greeks voted in shocking numbers for a left-wing party willing to tear up Greece's \$170 billion international bailout agreement. These days, even though 80 percent of Greeks say they want to stay with the euro, talk of "drachmageddon" can be heard in conversations all around Athens — in executive suites, at mom-and-pop shops and even in nightclubs. Any departure from the euro, if it did occur, would not come quickly, even if a new government repudiates Greece's bailout terms; orchestrating the exit would be legally complicated and lengthy. European leaders may also move to prevent a Greek default or exit at the 11th hour, considering the almost unending uncertainties. (*The New York Times*) 21.5.12

We keep hearing that Greece cannot impose exchange and capital controls — as Iceland did — to contain the damage from Drachma Day, restore stability, and prevent a devaluation overshoot. We hear too that

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Greece would have to leave the EU if it is ejected from/withdraws from the euro. Both assertions are wrong. The danger for EMU is that Greece's trajectory may look tempting to others once the dust settles. By then Portugal, Spain, and Italy will be further into their austerity death spirals, and further into self-feeding debt deflation. Their own internal Greek tragedies — less extreme perhaps, but equally relentless — will be unfolding. It is not contagion. It is replication. (*The Telegraph*) 20.5.12 If or when policymakers finally decide Greece should leave the euro, the exit could happen so quickly that "new drachma" currency notes might not be printed in time. In principle, some of the long-term consequences of Athens leaving the currency bloc are not unappealing. The euro zone would no longer have to worry about what has always been its weakest link. But the short-term effects would be brutal, both domestically and on the global economy. A post-euro Greece could find itself struggling to import food and fuel, with everyday life reduced to barter in goods and services and the government unable to pay workers in anything they would want to receive. The cost of managing what is increasingly being termed "Grexit" — with its resulting global market turmoil and colossal financial pressure on Spain and Italy — could dwarf the cost of keeping Greece on financial life support. World leaders meeting at the G8 at Camp David recommitted themselves to keeping Greece in the euro zone, underlining worries over the costs of an exit. Not everyone believes that will prove enough. (*Reuters*) 11.5.12 Banks are quietly readying themselves to start trading a new Greek currency. Planning behind the scenes has been underway since Europe's debt crisis erupted in Greece in 2009. The



elections threw into doubt the EU/IMF aid package that came at the price of harsh austerity measures, and was reached only after much haggling between banks and politicians over a 100 billion euro debt reduction. A Greek departure from the euro would create legal and practical problems for the banks which would dwarf the relatively straightforward technical job of dealing in a new currency. For Greece itself, it certainly won't pose a problem. The country's national bank has its own banknote printing press and mint and has continued to print euro banknotes ever since joining the single currency in 2001. (Reuters) 5.4.12 He lived, said neighbours, an 'everyday' life. But in death Dimitris Christoulas has become an extraordinary symbol of how Greeks are struggling to cope as their country falls apart under the burden of austerity measures. On Wednesday morning, the 77-year-old former pharmacist walked into Greece's Syntagma Square, where he shot himself, just yards from the nation's parliament. His death has shocked Greece, even though the nation has already seen suicide rates increase by around 20 per cent in the past two years. Yesterday, police clashed with demonstrators for a second day at the site where Mr Christoulas killed himself in downtown Athens. The public suicide quickly resonated in a country where successive rounds of salary and pension cuts have created a mood of national despondency, and one in five adults is unemployed — twice the European average. (The

Daily Mail) 13.2.12 Over the weekend, more than 45 buildings across Athens were set ablaze by violent protesters. The fires began as the Greek Parliament passed a new strict package of austerity measures, in an effort to meet demands by the European Union and the International Monetary Fund. The measures, which were prerequisites for a \$170 billion bailout, included steep public-sector job cuts and a 20 percent reduction in the minimum wage. More than 80,000 Greeks reportedly demonstrated in the streets of Athens -- among them, a small, violent group that hurled firebombs at riot police and set dozens of fires. More than 120 police and protesters were injured. (*The Atlantic*) 15.11.11 Following three days of anti-immigrant violence in Athens, questions are being asked about possible far-right involvement in the murder of Bangladeshi migrant worker Alim Abdul Manan. The attacks on immigrants started on Tuesday 10 May after Manolis Kantaris, a 44-year-old Greek man, died after a stabbing in what appeared to be a street robbery in the Kato Patissia neighbourhood of downtown Athens. Residents blamed the killing on the institutional neglect of their neighbourhood and an 'immigrant crime wave', although to date, no evidence has emerged that immigrants stabbed Kantaris. On 12 May, following a 2,000-strong demonstration which was quickly overrun by ultra-nationalists, riot police were called in as far-right youths rampaged through immigrant neighbourhoods, clubbing and pummelling victims to the ground. On the same day, in the Patissia district, 21-year-old Bangladeshi worker Alim Abdul Manan was chased by two men on a motorbike who then stabbed him and fled. (*Athens News*) 5.11.11 Greek prime minister George Papandreou has abandoned his plan to hold a

referendum, amid scenes of open warfare in his own Pasok party. Finance minister Evangelos Venizelos forced the move in an early morning speech, saying Greece's eurozone membership was too important to risk. Opposition leaders are resisting Papandreou's efforts to create a caretaker government of national unity and are calling for his resignation instead. A vote of confidence will still take place on Friday night, but Papandreou may quit even if he wins. (*The Guardian*) 31.10.11 Papandreou flies to France today to face European leaders surprised by his decision to put the bailout plan to a national vote and call a confidence vote in parliament. Papandreou's decision to seek the support of Greek voters is a fresh challenge to a European Union-led bailout agreed last week that involves a 50 percent write-down on Greek debt and further austerity measures in that country. The risk is that rejection by a referendum would spark a disorderly default and call into doubt Greece's membership of the euro. The new round of political turmoil throws into doubt Greece's ability to access the emergency funding that's keeping its finances afloat. (*Bloomberg*) 10.10.11 The impact of cuts on medical services appears particularly troubling. HIV infections rose significantly in 2010, with injecting drug users accounting for half of the rise. The numbers are on course to rise by 52% this year. Many new infections are also linked to rises in prostitution and unsafe sex. Heroin use reportedly rose by 20% in 2009, according to estimates from the Greek Documentation and Monitoring Centre for Drugs. Budget cuts in 2009 and 2010 have meant the loss of a third of the country's outreach programmes. Since January 2011 we have seen a more than 1000% rise of HIV among intravenous drug users. Overall, the picture of health

in Greece is concerning. In the efforts of the government to cut the budget, ordinary people are paying the ultimate price: losing access to care and preventive services, facing higher risks of HIV and sexually transmitted diseases, and in the worst cases losing their lives. Greater attention to health and healthcare access is needed to ensure that the Greek crisis does not undermine the ultimate source of the country's wealth — its people. (*The Guardian*) 5.9.11

The suspension of an EU, International Money Fund and European Central Bank mission to Greece late last week has raised questions over whether Greece can cut its budget deficit enough to secure the next instalment of bailout funds. The head of a Financial Crisis Special Committee, MEP Wolf Klinz, told euronews: "Greece is not meeting the conditions of the (austerity) plan and the Greeks need to put some convincing proposals on the table on how to come back to the plan they had created before — and which is the basis of their second bail-out." Greece has blamed a deeper than forecast recession for not meeting its austerity targets, but in Brussels and at the IMF they are growing frustrated at delays in the implementation of reforms. (*Euronews*) 29.6.11

The Greek parliament has voted in favour of a drastic package of austerity measures intended to save the country from defaulting on its debts. The proposed tax hikes and spending cuts have been deeply unpopular with the Greek public. A nationwide 48-hour strike is under way and violent clashes are continuing in the streets of the capital, Athens. The EU welcomed the bill's passage, by 155 votes to 138, as a "vote of national responsibility". Greece is heavily in debt and the package is needed to win the latest tranche of a 110bn-euro (£98bn) loan from the EU and IMF. Once

news that the vote had passed trickled out to the streets of Athens, fighting broke out with a new level of brutality. The air outside parliament was thick with plumes of tear gas and smoke as clashes continued near the square between masked protesters — armed with rocks and sticks — and riot police firing tear gas and stun grenades. (*BBC News*) 23.5.10 Greece has formally asked for the activation of an EU-IMF financial rescue package to help pull the debt-ridden economy out of its crisis. It had hoped that just the promise of EU support, agreed last month, would have been enough to reassure markets and help its recovery. But Greece's problems have continued to hit investor confidence in the euro and other European economies. Earlier this month, a deal was agreed under which eurozone nations would provide emergency loans of up to 30bn euros (\$40bn; £26bn) in the first year, with a further 10bn euros coming from the International Monetary Fund (IMF). The European Commission and the IMF said they were optimistic that the exact details of a loan could be worked out quickly. Greek Prime Minister George Papandreou, on a visit to the Aegean island of Kastellorizo, said the markets had not responded positively to the austerity measures designed to reduce the country's debts, as he had hoped. Confidence in the Greece economy has continued to fall, pushing its cost of borrowing to record levels in recent days. (*The New York Times*) 14.5.11 The New York Police Department arrested Mr. Strauss-Kahn at 2:15 a.m. Sunday "on charges of criminal sexual act, attempted rape, and an unlawful imprisonment in connection with a sexual assault on a 32-year-old chambermaid in the luxury suite of a Midtown Manhattan hotel yesterday" about 1 p.m., Deputy

Commissioner Paul J. Browne, the department's chief spokesman, said. Mr. Strauss-Kahn, a former French finance minister, had been expected to declare his candidacy soon, after three and a half years as the leader of the fund, which is based in Washington. He was considered by many to have done a good job in a period of intense global economic strain, when the institution itself had become vital to the smooth running of the world and the European economy. His apprehension came at about 4:40 p.m., when two detectives of the Port Authority suddenly boarded Air France Flight 23, as the plane idled at the departure gate, said John P. L. Kelly, a spokesman for the agency. *(The New York Times)* 5.5.10

Swarms of violent groups overtook a general protest against austerity measures in Athens city center on Wednesday, lashing out at the government and security forces and hurling gasoline bombs that, according to the police, set fire to a bank building and killed three workers. In midafternoon, a firebomb was flung into the Marfin Egnatia Bank, trapping at least 20 people. Firefighters worked to evacuate them, but the police said a man and two women stranded on the second floor died from smoke inhalation. Colleagues sobbed in the street. The deaths shocked many in Greece, where demonstrations have been a way of life for decades and played a pivotal role in the overthrow of military rule in 1974. *(The New York Times)* 7.8.04

A week before the Olympic Games come to town after seven problem-plagued years of preparation, Greece has a new set of landmarks and the punters are staying away. Greece's new emblems are the glittering sports venues where 10,500 athletes will perform after next Friday's opening ceremony. All have become the temples to

modern Greek achievement. They are undoubtedly spectacular, but Greece's determination to stage the Olympic Games has also come at a spectacular cost. Official government figures show that the initial £3 billion budget has increased by half as much again. But government economists admit in private that the end figure may be nearly £7 billion. (*The Telegraph*)

4.8.04 "The Olympics are a brand — a brand which stems from Ancient Greece, but which in 2004 will provide the new images that Greece needs. For so long Greece has been a funny little country between Europe and the Middle East, with a little bit of the Balkans thrown in. But these Games will push Greece definitively west, to Anglo-American attitudes. After the Games, Greece will be in a great position, not financially, but in the regard of the people around the world looking at us with new eyes." (*Theodoros Grigoriadis*)

3.1.02 It has been a long fight but the battle is finally over. The Euro and the Greeks have won, and the drachma will again slide into obscurity. As one of the major coinages of the ancient world, it enjoyed an extraordinary run until Ottoman times, when it was removed from circulation. In the 1830s, with the restoration of Greek independence, the drachma was restored as the official currency of Greece.

Now, after a determined battle by the Greek government to stabilize the country's economy sufficiently to become a full financial partner in the European Union, something that was initially denied Greece, the Greek Euro yearning is fulfilled. Merchants in Greece will officially accept drachmas at least through February, 2002, though there may be

individual variations as individuals favor either euros or drachmas. Expect continued use of drachmas to linger longest in more remote areas, and to clear out of more popular tourist destinations earlier than the target date. Greek financial institutions are expected to continue exchanging drachmas for Euros through July 2002, but it would be unwise to wait that long to take care of any outstanding exchanges. While some versions of the Euro will feature images of Greek cultural objects, the rich array of Greek historical figures which now adorn various denominations will disappear. The Euro is determined to be politically acceptable, and any images which another nation might be uncomfortable about are excluded from the design process. As can be imagined, this leaves the number of acceptable subjects rather limited. The average traveler won't see much of a difference. Prices are officially supposed to shift to Euro-only in January, but expect drachma-equivalent price listings (and old price tags) to persist beyond that time. While the Euro is a stabilizing influence for Greece, its own up and down swings have been greater than expected. But both EU and non-EU travelers will still find excellent bargains on travel in Greece. The prices aren't going up — they're just being expressed in a different, more stable currency. In financially volatile periods, visitors to Greece could see a 20% swing up or down in the value of their home currency against the drachma during an average trip. Those wild, sudden changes should be a thing of the past. The changes in the value of the Euro tend to be much less drastic. Finding out "Today's Exchange Rate" won't be as crucial a part of making major purchases in Greece, since it will generally be pretty much what it was yesterday, or last week, or next week. (*Business Today*)



Greece and the Euro: From Vision To Despair

Panos Tsakaloyannis

In April 1973, Constantinos Karamanlis, self-exiled in Paris since 1963, made a scathing public attack against the Greek military regime in the form of an "open letter" published in the Greek daily *Vradyni*, on 23 April, 1973. The gist of this dramatic appeal was that the military Junta bore the responsibility before the nation for Greece's ostracism from the European Community. It should be recalled that at that time the latter appeared to make impressive strides — such as its first enlargement — from Six to Nine (with the adhesion of Great Britain, Denmark and Ireland). Enlargement was accompanied by the commitment of the Nine member-states at the Paris summit of December 1972 to complete Economic, Monetary and Political Union (EMPU) by the end of that decade as well as by their initiation of the mechanism of European Political Cooperation (EPC); a stepping stone towards political union. Last, but not least, as far as Greece was concerned, was the Nine's commitment to map out a "Global" Mediterranean policy. The realization of this objective would have left Greece in the cold, since the EC had "frozen" its Association Agreement with Athens, following the seizure of power by the Colonels, in April 1967.

Hence, for Karamanlis, Greece's European vocation had assumed the proportions of a near-destiny. As he put it in his "open letter", Greece's accession to the EC would have fulfilled three fundamental objectives: Economic parity with the rest of "Europe"; the country's social and political modernization; and last, but not least, the safeguarding of her national security that would terminate the ever present nightmare of a

military confrontation with Turkey. The Turkish threat had compelled Greece in the past "to seek strong protectors, to the detriment of her independence". Accession to the EC would have anchored Greece into a European system of inter-dependence among equals, which would have ended a long history of subservience to foreign powers. In other words, Karamanlis concluded, "the Europeanization of Greece", could have become "the nation's new Great Idea". The previous "Great Idea", it should be recalled, had been shattered in the killing fields of Asia Minor, following Greece's disastrous military adventure of 1919-1922.

What is striking, is the extraordinary expectations Karamanlis, and his supporters, placed on Greece's adherence to the European venture. And if Karamanlis, a politician with a reputation for a down to earth practical bend, could set Greece's European aspirations at such a high pitch, one can imagine the kind of day-dreaming most ordinary Greeks were indulged in. Such expectations reached new heights over the following fifteen months — as the political crisis in Greece deepened, reaching a crescendo with the events of the students' occupation of the Polytechnic School of Athens, in November 1973, and Turkey's invasion of Cyprus, in July 1974. Those events provided the backdrop for the ensuing debate concerning Greek accession to the EC, following the return to democratic rule. Cumulatively, a number of factors moulded Greek attitudes to the EC/ EU. One of them had to do with the enormous socio-political transformation that Greece had undergone since the 1950s. Rapid urbanization had gone hand in hand with political radicalization — fed by the legacy of the Greek Civil War (1946-49) and the anti-

Communist backlash of the early post-civil war era. The radicalization was facilitated by the experience of hundreds of thousands of Greeks (most of them of rural background) who emigrated to Western Europe, North America and Australia in the 1950s and the 1960s. Those immigrants were exposed to the political radicalization and the anti-Americanism of the 1960s and early 1970s, (due to the Vietnam War, anti-colonialism, and American support for dictatorial regimes). The May events in Paris, in 1968, represented the apogee of such political radicalization and youth revolt.

For Greece the cumulative effects of those processes were far reaching. The year 1974 was the *anus mirabilis* for modern Greece. Political radicalization had affected the vast majority of the people and contributed to the blurring of the ideological divide between the Communist Left and the anti-Communist Right. Such convergence was manifested in fundamental issues, including Greece's Constitution. The abolition of the Monarchy was coupled with the legalization of the Greek Communist Part (KKE) and the adoption of a "progressive" profile in domestic politics. This was in stark contrast to Karamanlis's anti-Communist past- that is to his Premiership during the pre-Junta period (1955-63)¹.

Another turn around by Karamanlis in 1974, which proved to have more lasting effects, had to do with Greece's economic orientation. In the early 1950's Karamanlis introduced a package of economic reforms, under American guidance, whose aim was first to stabilize and gradually to liberalize the Greek economy, as a plank to sustained economic growth

1 It may be recalled that it was under Karamanlis's premiership of that era that a left wing Member of Parliament was murdered by right-wing thugs, an event which formed the theme for Kostas Gavras celebrated movie "Z".

and development. The aim of those policies was to stabilize prices, to improve competitiveness and to liberalize the Greek economy. The results of those reforms were impressive. Over the following twenty years (1953-1973) the Greek economy registered impressive rates of growth — on a par with those of Japan — which pulled it out of its perennial poverty trap and provided the material conditions for Greece meeting the European Community's "acquis économique". Noticeably, this economic course introduced in 1953, was followed by all Greek Governments, up to 1974, irrespective of political twists and turns. Those economic advances enabled the Karamanlis's government, in the mid-1970s, to make a bid for membership in the EC, as the gap between Greece's per capita income to the EC average had narrowed considerably. In fact the Greek economy, in the mid-1970s appeared to be in a better shape compared to most countries of the EC, as the latter were beginning to feel the effects of the oil crises and "stagflation". However, after 1974, Karamanlis embarked upon a policy of "etatism", nationalizing private banks, key industries, public utilities and transport (including Olympic Airways). Karamanlis' embrace of "Socialomania", as the Financial Times labeled it in 1977, was in tune with the public's radical sentiment, which was hostile to private initiative and entrepreneurship. Hence, since 1974, we observe the following paradox: at a time Greece was embarking upon its ambitious goal to join the European Community — a largely economic grouping whose main thrust was the abolition of internal tariffs among its members and the introduction of a common external tariff, which implied that Greece had to streamline her economic structures and become

more competitive so that it could be able to withstand economic competition from the most advanced economies of Northern Europe and from third countries, it was embarking upon economic policies which were to lead it to other pastures. Under this new frame of mind the state's role in the running of the economy was extolled, whereas private initiative and market competitiveness became an anathema. The cumulative effects of such changes in policy amounted to a "systemic change", to use the jargon of Political Science. The radical departure from the past initiated in 1974, carried by far greater significance than the seemingly irreconcilable differences between Greece's two major political formations: The New Democracy founded by Constantinos Karamanlis and PASOK, founded by Andreas Papandreou, which monopolized power from 1974 till the elections of the 6th of May, 2012.

Between 1974 and 1981, the year Greece joined the European Community, the reins of power were held by Karamanlis (1974-1980) and by his successor George Rallis (from May 1980 to October 1981). Rallis's tenure in office was a transition phase marked by a number of paradoxes and ambiguities. The starkest ambiguity concerned the Greek public's lack of orientation as regards its place in the world. To be sure the resentment towards the United States allowed the Soviet Union and its satellites, especially East Germany, to make certain inroads in Greece. Yet, for historical, geo-political and economic reasons, the Soviet bloc, did not appeal as an attractive alternative to the West, for most Greeks, with the exception of the pro-Moscow Communists. Hence the debate focused between the "EC option", pursued by Karamanlis' New Democracy and the parties of the Center as well

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by the splintered Communist Party of the Interior (of Eurocommunist leanings), on the one hand and the option of an independent and self-reliant national growth policy, supported by Andreas Papandreou populist PASOK, on the other.

The thrust of Andreas Papandreou's platform during his years in opposition was to appeal to the xenophobic reflexes of the "non-privileged Greeks", most of them of rural background who had recently become politically radicalized. Papandreou's form of populism resembled most agrarian populisms. Its clarion call was encapsulated by an American agrarian populist in early 20th century by the cry to "grow more hell than corn". In other words its goal was to

dismantle the post-war political edifice and to replace it with one based on his "non-privileged Greeks". The operative world was "Change" (Alagi), which in effect meant the re-moulding Greece's social, economic and political structures and the creation of a new class to cater for the "non-privileged Greeks" — the hitherto victims of local and foreign exploitation. The driving force was self-reliance, under the guidance of PASOK. Only thus Greece could escape from the economic and political dependence that reduced it to an "unfenced vineyard" (xefrago ambeli) at the mercy of foreign exploitation and tutelage. Translated into a political platform self-reliance and autarchy meant breaking the fetters of American and West European monopoly capital dependence.

Hence during the transition period (1974-1981)

when PASOK was in opposition, Andreas Papandreou pursued an anti-European rhetoric. Greece, according to this narrative, shared more characteristics with the under-developed economies of the "periphery" than with the advanced industrialized economies of Northern Europe. Therefore, the accession to the European Economy would have impeded the economic development and perpetuated Greece's dependence. The same applied, to varied degrees, to the other southern European countries, namely to Spain and Portugal. As Andreas Papandreou put it in his speech at the first Congress of the Socialist Parties of the Mediterranean countries, held in Malta, in June 1977, "the countries of southern Europe had better not join the European Common Market", because the latter was "the common market of monopoly capital, hence their participation in it would have assured their long term dependence as peripheral and marginal regions of international capitalism" (Papandreou 1977, 26). It would be impossible for such countries to have their own economic policies, if they lost control of their foreign trade and of capital movements.

Yet, Papandreou's seemingly uncompromising stance was moderated by the caveat that the above constraints would have ceased to apply "once Western Europe achieved her socialist transformation" (Papandreou 1977). Such a proviso, as subsequent developments showed, offered Papandreou a safety valve to extricate himself from this seemingly uncompromising posture vis-à-vis the EC. A change of course did not take long to become evident; on October the 25th, 1981, one week after PASOK's landslide electoral victory, Papandreou, in an interview with the American ABC TV Network, reassured Greece's Western allies that he had no intention of pursuing

an "adventurist" policy and sever the ties with NATO or other Western structures (Papandreou 1981). As regards Greece's pulling out from the European Community, a theme on which PASOK had taken an unequivocal stance when in opposition, his new take was that this issue should have been settled by a Referendum, so that the Greek people could decide. However, since the prerogative for calling such Referendum rested with the President of the Republic — that is with Karamanlis, the man who had staked his political reputation on anchoring Greece into the EC — Papandreou could do little on this.

The practical significance of Papandreou's artful casuistry was that the issue of Greece's membership of the EC was downgraded and before long buried. The reasons for this change of track were multiple, related to domestic and international factors. On the domestic front the most obvious reason for PASOK's soft-pedaling was that, once in power, it could capitalize on the economic benefits Greece could draw from EC membership, especially from the Common Agricultural Policy (CAP) — which in the early 1980s absorbed nearly two thirds of the Community's budget. Considering that at that time Greece's agricultural sector accounted for about one third of its labour force and that a large part of the population was of rural background, plus the fact that it was in this part of the population that PASOK's appeal was stronger, it is no surprise that Papandreou could not afford to take rush decisions and forfeit those people from the benefits of EC membership. At the same time membership of the EC implied the filling-in by Greek nationals of hundreds of jobs in Community institutions. As Greece had joined the EC only nine months before PASOK had assumed power, most of those positions were still

vacant. Hence, the EC offered a unique opportunity for PASOK functionaries and sympathizers to secure jobs at the EC with salaries and other perks which far exceeded those in Greece. Generally Greece's accession to the EC opened up new vistas to Greeks, especially to those of the nascent political class of the PASOK era. Hence, for those sections of the Greek population the incentive now was on how to maximize the economic benefits stemming from the EC participation.

At the same time developments in the late 1970s and early 1980s on an international as well as on a European level rendered the political discourse of the post-1974 period somewhat passé. The political sentiment in Greece in the early post-1974 period had been moulded by the political climate of the late 1960s, early 1970s, as well as by the economic affluence whose chief features were full employment, low inflation and high consumption. On a European level, the period coincided with high expectations from the European Community, following De Gaulle's departure, the first enlargement and an ambitious agenda which was endorsed in the early 1970s. However, by the late 1970s, the situation, domestic and international, had been transformed. The Soviet invasion of Afghanistan and Moscow's troubles with its east European satellites, not least with Poland's "Solidarity" movement, coupled with the Islamic Revolution in Iran and mounting tensions in the Middle East, Africa and Central America, had delved a blow to détente and paved the way for a "Second Cold War" that intensified with the advent of Ronald Reagan to the American Presidency.

In Europe the effects of those developments were far-reaching. On the economic level, the oil crises of

1974- 79 spelled the end of post 1945 prosperity and the advent of "stagflation" — high inflation, high unemployment and negative rates of growth. The effects of the crisis on the EC were crippling — namely the onset of "Euro-sklerosis" and institutional inertia. In spite of repeated attempts to provide new dynamism to the EC, those endeavors at institutional reform- from the "Tindemans Report" (1976) to the "Genscher-Colombo" Plan (1981-3), or the "Spinelli Report" by the European Parliament (1982-1984) — failed to produce tangible results. On the contrary, the trend in the EC was towards drift and "going along". The most remarkable divergence concerned their economic policies. Beginning with Margaret Thatcher, the economies of the EC North (Great Britain, the Federal Republic of Germany, the Netherlands and Denmark) switched from Keynesian economics to Neo-liberal "Reganomics". However, in Southern Europe the opposite trend was fashionable. By early 1981 the nascent democracies of Greece, Portugal and Spain had gone through their "teething" phase — that is their transition from authoritarian rule to democratic consolidation. Democratization was accompanied by the advent of Socialist parties to power in those countries and signaled the departure of the Socialists from radical rhetoric and a toning down of the earlier anti-Western posturing to the endorsement of the European project².

In the early 1980s the common stance among the Socialists of Southern Europe was confined to ideological utterances and to displaying political solidarity. On a European level, however, there was little common ground amongst them for addressing

2 It may be recalled that the most passionate advocate for the anti-NATO vote in Spain, in the Referendum campaign, was Xavier Solana, who later became Secretary General of the Atlantic Alliance.

the Community's acute problems. That was the case till 1984, when the French Government embarked upon the realization of its "great European project". President Mitterrand announced in his New Year message for 1984 was going to be "the year of Europe". The reasons for what was tantamount to a complete U-turn by the French President had to do with the failure of his Socialist programme which he had striven to implement since May 1981. By March 1983, the deterioration of the French economy, manifested by a sluggish growth, widening budget and trade deficits and by high inflation, had eroded the value of the Frank. The most dramatic monetary crisis occurred in March 1983, marked by a running on the French currency and a drastic devaluation, which in turn caused an "agonizing reappraisal" not only with regards to France's economic policy but also to her overall European strategy.

The crisis in March 1983 split the French Socialist Party into two fractions, the ideological wing, led by Chevenement, who urged for the Party's adherence to its Socialist principles, even if that meant France's withdrawal from the European Monetary System or even the introduction of protectionist steps in order to shield the French economy from harsh competition. The other wing calling themselves the "modernizers" — headed by Michel Rocard, the Prime Minister, Laurent Fabius, the Budget Minister, and Jacques Delors the Minister of Finance — called for an end to the Keynesian policies of the previous 22 months and the adoption of tough economic policies, in order to win "the economic battle" (March 2009, 98-102). Mitterrand, after some vacillations, backed the "modernizers". Undoubtedly this, as David March observes, marked "a turning point" in European

integration, not least with regards to monetary union. Mitterrand's U-turn meant "the death knell of the slogan 'Europe will be Socialist or nothing'"'. (De la Serre 1996, p. 25).

The effects of those developments on the

Socialist Governments of the other Mediterranean countries of the EC were far-reaching. Mitterrand's change of tack was accompanied by an ambitious bid to reclaim France's leading role in European integration. Hence, 1984, "the year of Europe", was the year of bold French initiatives which aimed at infusing new momentum to the faltering EC. To that end Jacques Delors was appointed President of the EC Commission (De la Serre, 1996)³. The EC was reinvigorated by a number of institutional initiatives, especially by the adoption of the Single European Act in 1986, which set the ambitious goal of completing the "Internal Market" by 1992. The impressive success of the "1992" project was that it promised pecuniary rewards to all parties, including Margaret Thatcher, who could not resist the attractions of "1992", promising the creation of a bona fide European-wide Internal Market along new-liberal lines⁴.

For Greece those developments at European level were of particular significance. The EC's rejuvenation in

3 For Delors' role in those developments see (Rose, 1995).

4 The attractions of the "1992" project were so tempting that they had had a magnetic effect to the peoples of Eastern Europe, even to reformers in the Soviet Union, including Michael Gorbachev who became a convert to the idea of the construction of "a common European House" whose foundations would rest not on the crumbling Communist system but on the European Community.

the mid-1980s coincided with signs of serious strains in the Greek economy, manifested by high inflation, growing budget deficits, a widening of the trade deficit and a sharp increase of foreign debt. Hence Papandreou was compelled to clip his spendthrift proclivities. He appointed in the Ministry of Finance Constantinos Simitis, whose first act, in June 1985, was to devalue the Drachma by 15 percent and to introduce an austerity programme. In this context, the developments in the EC such as the inception of the Integrated Mediterranean Programmes and of the "Cohesion Funds" were of great value to Athens. Not surprisingly PASOK's anti-EC rhetoric of earlier years had evaporated by the mid-1980s. Henceforward different kind of "battles" were to be fought in Brussels aiming at extracting maximum pecuniary benefits from the EC, necessary to keep the Greek economy afloat and to sustain the unsustainably high standard of living which PASOK had promised.

Papandreou's resolve, in 1985, to address Greece's economic malaise proved short-lived and by 1988 he relapsed to his familiar populist style, plunging Greece to political instability and to a further deterioration of the economy. Hence, at the time the Berlin wall was about to crumble Greece was in the throes of economic collapse. Between June 1989 and April 1990 three General elections were held. The first two failed to produce a clear majority, leading to the formation of a hybrid Government comprised by the Centre-Right New Democracy Party and the Parties of the Communist Left, that is the Stalinists Communist Party of Greece (KKE) and the Euro-communists, who assumed key Ministerial Portfolios. At a time when Soviet Communism was about to be consigned to "the dustbin of history" in Europe, in Greece it was

gaining access to power. These political exigencies in 1989-90 encouraged further inroads by the state on the economy, at the same time as the newly liberated countries of Central-Eastern Europe were embarking upon strenuous efforts to streamline their economies and rid themselves off the shackles of the "state-planned economy". The contrast in political trajectory was also discernible in the perplexity most Greeks felt for the demise of Communism.

These developments coincided with the time that Greece had to respond to the new exigencies in Europe, not least to the ambitious goals set in April 1990 for the realization, by 1992, of Political, Economic, and Monetary Union, in the EC. This set in motion the so-called "Maastricht project". For most Greeks, especially for Mitsotakis' Government, who assumed power in April 1990, this development offered a unique opportunity for Greece to extricate herself from her dire situation. There are in fact some similarities in the way most Greek politicians responded to European developments in the early 1990s to their response two decades before — that is in the early 1970s. In both cases Europe appeared to be the *deus ex machina*, which miraculously could have taken care of Greece's intractable economic, political, and social problems. The only difference — and an extremely important one — was that whereas in the early 1970s the problems were largely confined to the political realm — namely to the restoration of democracy and to Greece's socio-political transformation — in the early 1990s the economic dimension was paramount. If anything, the Greek version of a 'historical compromise' in 1989-90, with the creation of an Ecumenical Government, meant the granting of pensions to hundreds of thousands of

Communists (and their extended relatives) who had fought against Government forces during the civil war (1946-49), or they were accused of "subversive activities" between 1949 and 1974⁵.

As Greece was reaching the point of economic insolvency the only salvation could come from outside — in this case by embracing the cause of the common European currency — formed the backdrop for embracing the latest "vision", namely Greek accession to the common currency. Before long this assumed the character of a "national crusade". Stefanos Manos, the Minister of Economy and Finance, and a politician renown for his pragmatism, smartened up Greece's prospects during the parliamentary debate on the ratification of the Treaty of Maastricht and the adoption of the common European currency:

"We will then substitute our drachmas for ECU. As a result of that Greece will become overnight a country of low inflation, stable prices, low interest rates, and currency stability. We will accomplish what we have been trying to since the creation of the Greek state: a country of economic and monetary stability"⁶.

In short, Greece's Euro-enthusiasm in the early 1990s, was propelled by the determination of the Greek political class to preserve its privileges with a European support mechanism. The fact that Greece's accession to a common currency would have entailed

- 5 Government Gazette 204A/18-9-1989. Noticeably this Law, which in effect supplants PASOK's Law 1295 of 1982- which granted pensions to veterans of the National Resistance against the Axis powers between 1941-44- bears the signatures of Antonis Samaras, currently Prime Minister, then Minister of Finance and Photis Kouvelis, currently leader of the Party of "Democratic Left" who shares power with New Democracy and PASOK). This new round of extravagance was hailed as proof of Greece's democratic transformation. In effect it was race between New Democracy and PASOK for ensuring the good will of the Communists.
- 6 Hellenic Parliament, Minutes of Parliamentary Session, II, 27 July 1992, p. 19, cited in (Tsakaloyannis 1996, p. 205).

severe limitations to the exercise of her economic and fiscal policies did not seem to matter⁷, for it was crystal clear that the economic foundations on which its power rest were crumbling. If anything, by the early 1990s, in spite of huge transfers of funds to Athens from Brussels the economic gap which separated Greece from the advanced economies of Northern Europe was greater than of the time of her accession. The most disturbing feature was that the Greek economy had lost the dynamism of the earlier years and was becoming more and more dependent on hand outs from Brussels, or on foreign borrowing, in order to preserve an artificially high standard of living which did not correspond to the country's real productive capacities. To be sure, in the early 1990s, some half-hearted attempts were made to come to grips with these problem. However, the vested interests that felt threatened by the implementation of the drastic economic reforms were so entrenched that they aborted initiatives of that kind. The obstacles became evident during Mitsotakis' tenure in 1990-93. His attempts to reform the Greek economy, especially to streamline the ailing public sector, failed to produce tangible results.

7 Indeed a common currency, according to some Euro-skeptics, like Margaret Thatcher, could have "posed a more immediate threat" to national sovereignty, especially for the weaker economies which faced the threat of being "devastated" by the adoption of a common currency. Nevertheless, the attraction for Greece of joining this exclusive club, and the temporal benefits which it held out, not least the ability to borrow cheap money, fueled the enthusiasm of the Greek political class. In fact the Greeks' enthusiasm was so unrestrained that caused Mrs Thatcher ire. As she puts it in her Memoirs: "I became all too used to a Greek chorus of support for whatever ambitious proposals (in the IGC) Germany made". Thatcher (1993, 765).

The tenure of his successor, Andreas Papandreou, was beset by health and personal problems. Nevertheless Papandreou made some efforts to set Greece on a new course. On external relations he proved to be quite astute — not least by realizing quite early that the United States was emerging as the undisputed arbiter in European and Balkan affairs. Hence his successful openings to President Clinton, which implied reduced expectations from the EU's political capabilities, especially in the Balkans. Papandreou became less enthusiastic than his predecessor about the EU's blueprints. On the economic front Papandreou was aware that Greece's most acute problem was the spiraling foreign debt, whose effects could have been catastrophic, if it not checked. This, he likened to a beast, which if it was not tamed, was bound to devour the country. However, Papandreou's belated conversion to more sound economic policies and his admission for Greece's economic predicament, were not enough; his populist legacy combined with his poor health set limits to what he could achieve.

Constantinos Simitis, his successor, had built over the previous years a reputation for being a "Europeanist" and a "modernizer". The epoch-making events in Europe and the high expectations they galvanized for the creation of a new "European architecture", gave him a further fillip with the issue of EMU providing an ideal platform for promoting his political project of modernization (Simitis 1992, 29- 46). For Simitis, "modernization" was the only cure for tackling Greece's mounting problems as well as for joining the common currency. To that end a European strategy was urgently needed, the contours of which he analyses in his next article entitled "For a European Strategy" (Simitis 1992). However, while he seemed

to be aware of the long-term adverse implications for the Greek economy by joining the common currency, his policies were largely confined to, "creative statistics" and to the streamlining of the necessary legislation in Greece, in order to achieve its "financial liberalization", as one of the proponents of this policy put it⁸. By 1996, when Simitis assumed power, it had become abundantly clear that the prospects for the common European currency were determined more by political than by economic imperatives, and in the view of the sorry state of the Greek economy political manipulation was the only means available to Athens for getting an entry ticket.

David Marsh has rightly remarked that the whole history of the making of the EURO, since the 1980s has been marred by "political tantrums" (Marsh 2009, 186- 205). The antagonism that plagued the establishment of the EURO reached a crescendo in May 1998, in Brussels, where the leaders of the EU gathered to work out the final touches for the inauguration of the common currency, set for the following January. It was taken almost for granted that the first President of the ECB would have been the Dutch Wim Duisenberg, who enjoyed the full backing and trust of the German Government. Jacques Chirac,

- 8 According to Pagoulatos the implementation of Greece's "financial liberalization" would have had "momentous implications". On a "state sovereign level", it would have completed "the alignment of the domestic economy to European and global financial markets" and on a macroeconomic level, "the erosion of expansionary policies". On a "socioeconomic level", "a significant reallocation of economic (and thus one might say, political) resources from ... manufacturing industry, SMEs, agriculture, to an increasingly emboldened financial sector and mobile, globalized business capital. On a "political and ideological level" it would have generated forces that would "buttress the disinflation or stabilization state" (Pagoulatos 2003, 200). In short, financial liberalization amounted to nothing less than "a transition from the primacy of politics that had dominated the postauthoritarian era (sic) to the primacy of policy and the constraining impact of economics" (Pagoulatos 2003, 201).

however, in a display of political defiance, spoiled the party by insisting on his own candidate for the job, the Frenchman Jean-Claude Trichet. Such a political setting confirmed Athens' conviction that there was plenty of room for political maneuvering so that Greece could ensure her entry in the EURO. The "Maastricht criteria" defined the economic conditions for accession, namely on inflation, the budget deficit and foreign debt. Yet, few EU members met the Maastricht criteria for membership of the EURO. Hence, since the mid-1990s, there was a process of whittling down the conditions for accession, so that by May 1998, all those EU members willing to join-in did so, with the sole exception of Greece. However, Greece's exclusion was more for the sake of appearances than as a proof that that the Maastricht criteria were taken seriously. Hence, while Greece was excluded it was nonetheless offered the opportunity to join the EMU "in its second stage", due to begin in 2001, provided she completed two years in the EMS without devaluing. In effect the parity of the drachma became the sole criterion for Greece's joining the Euro. In 1998 Athens entered the EMS mechanism with a central rate of 357 Drachmas to the ECU. By the time of Greek accession to the EURO, in 2001, the Drachma had been revalued and it was irrevocably locked at 340.75 Drachmas to the EURO. This was hailed as evidence that Greece had put its finances in order and that had gained it entry ticket in her own right.

In Greece the celebrations for joining the Euro reached the level paroxysm. In no other country of the Eurozone there was such ecstatic joy like the one Greeks expressed for "getting rid of the drachma", incidentally the oldest currency still in use. The transition to the EURO ushered in a new phase

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in recent Greek history, marked by unrestrained consumerism, spiraling budget deficits, foreign debt, and a dramatic drop in Greece's productive capacities. The real effect was a transformation of Greeks into the best consumers of luxury goods, but also to the slackest producers in the Union. Such adverse effects were presumed to be offset by Greece becoming part of the "globalized business capital". A sense of unreality was fed by parallel developments which boosted the Greeks' megalomania, like the winning of the European Championship in soccer, in 2004, and the phantasmagoria of the Athens Olympics of 2004, for which, billions of EUROS were squandered. The combined effects of those events reinforced the conviction, not only in Greece but also abroad, that the cherished vision since the early 1970s had come into fruition and at long last the Greeks had reached their Promised Land. Such an attitude makes it so hard today for most in Greece to make sense of what went wrong and obscures the reasons why what appeared to be a dream a decade earlier has become a nightmare from which there does not seem to be an easy escape.

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fire-wa

“Grexit”; disengaging from the European Project Giorgios Papadopoulos

The ongoing, seemingly never ending financial crisis, has destabilized the operation of the monetary system and with it the confidence of the public in state sponsored currencies. Especially in the European Monetary Union, the Euro has transformed from the “crown jewel” of the European project to the locus of a never-ending economic and political disruption, fueling constant friction between the core and the periphery of the Union. Athens, is the most unstable, and thus the most visible of the epicenters of the financial turmoil in Europe. The cradle of European civilization has been transformed into a big bonfire, where hundreds of billions of Euros poured by the EU, by the IMF and indirectly by the ECB, are ceremoniously burned. None of this money ever reaches the Greek citizens, who live in ever-deteriorating conditions, facing unemployment, poverty, and social decay.

The place of Greece in the European project is naturally reconsidered along with the direction of the trajectory of the European integration. The question that condenses the significance of the financial crisis is if Greece (and possibly the other EU countries that are facing similar problems, often described by the acronyms PIGS or PIIGS¹) should remain part of the common European currency area and the Union, or if it should retreat to a pre-Euro configuration, trading its place in the monetary union and, the supposed monetary stability that this offers, for a monetary sovereignty that may help it to alleviate its debt and resolve some of the root causes of the crisis that has

1 PIIGS stands for Portugal, Ireland, Italy, Greece and Spain, while PIGS do not include Italy, incidentally a member of G8.

plagued the country for the last five years that the economy is in recession. The relation of Greece with the EMU (European Monetary Union), has been widely discussed by economists, politicians, journalists; it has been up for a referendum that when was announced has caused mayhem in the financial markets, only to be cancelled a few days later²; and was in the centre of the recent election campaign in Greece (May 6th and June 17th 2012).

Grexit, a combination of the words Greece and exit, is a term coined to describe the possibility of departure (voluntary or not) of the country out of the EMU and the domestic and international turmoil that will for sure accompany it. We decided to use this word as the title of the publication, both as a provocation and as a signal, of the motivation of our analysis. The task we set for ourselves in this publication, is not so much to evaluate the economic and social consequences of a possible disengagement of Greece from the European Union, but to speculate on the unconscious attachment to money, predominantly to the Drachma, but latently also to the Euro. Currency is studied as a node of affective tension, a screen for the projection of desire and through desire of subjectivity. Representation is central for the psychological investment in currency, and so is the illustration of the idea of value in the iconographic and symbolic elements of money. Such

- 2 “Greek Prime Minister George Papandreou touched off a firestorm last week when he proposed putting the austerity package designed by the “troika” (the IMF, the European Central Bank, and the European Union) up for a popular vote. The idea that the Greek people might directly be able to decide their future terrified leaders across Europe and around the world. Financial markets panicked, sending stocks plummeting and bond yields soaring. However, by the end of the week, things were back under control. The leaders of France and Germany apparently laid down the law to Papandreou and he backed off plans for the referendum. While the government is in the process of collapsing in Greece, the world can now rest assured that the Greek people will not have an opportunity to vote on their future.” *The Guardian*, 8.11.2011

representations legitimize and enforce to an extent the dominant ideologies of state, market, and culture. We intend to investigate, analyze, explain, and, hopefully de(con)struct the legitimizing operation of currency, but also to speculate on the possible means of disengagement of Greece from its attachment to the western economic ideology, of productivism, consumerism, economic growth, and free market enterprise. To that effect we try to investigate but at the same time to "deconstruct" currency, as it is instantiated in the relationship between the Euro and the Drachma, not only as an economic institution, but more as a cultural object and as an apparatus of subjectification; the *sithome*³ of the Greek tragedy.

Grexit focuses on currency, and in particular on the Greek banknotes, asking economic as well as ontological, social, and aesthetic questions that address the Drachma as a cultural object, a mirror-image of the Greek society. There is a contingency that informs the method of research; a quasi-random reencounter with the work of Vilém Flusser through the residency at the Flusser archive in the Universität der Künste in Berlin, supported by transmediale. Vilém Flusser has been a constant source of inspiration; both through reading and discussing his texts to develop concepts for the analysis of the banknote, but also in the different experiments in designing this publication, in (ab)using the visual material, and in speculating on new forms of visual-textual expression.

The publication is built upon two research hypotheses that come from the Flusserian theoretical corpus. The first is Flusser's claim that technical

3 The *sithome* is point of affective investment that designates "a kernel of enjoyment immune to the efficacy of the symbolic. Far from calling for some analytic 'dissolution', the *sithome* is what 'allows one to live' by providing a unique organization of *jouissance*". Evans (1996, 191)

images open a window to the functioning and the logic of the apparatuses that produce them⁴; *Grexit* presents some impressions of the Greek monetary apparatus from looking through this window. At the same time, Flusser is constantly struggling with the relation between technical images and texts, and the impact that this relation has on our being in the world, on our experiences and on our mode of thinking. The realization of the importance of the mode of production, dissemination, and reception of images in their relation to the discourse that frames them suggests the second research question of this publication, on how the arrangement of imagery and discursive representations intervene and support socio-economic relations. The answer to this question is developed theoretically in the text, in respect to the visual language of the drachma banknotes and in the relation between symbolic, iconographic and security elements, as it is applied in the design of the publication.

We could assume, as a working hypothesis, that the monetary system is indeed an apparatus in the Flusserian sense of the word. Money is a media technology to the extent that it represents reality by reducing all phenomena to the absolute quantity of

- 4 “If one looks more closely at the technical images, it turns out that they are not at all in fact images, but rather symptoms of chemical or electronic processes. A photograph indicates to a chemist, which reactions have been caused by specific photons on specific molecules of silver compound. A television screen indicates to a physicist, which paths specific electrons have followed in a tube. ‘Read’ in this way, technical images are objective representations of processes in the point-universe. They make these processes visible, like the path of a particle is made visible in a Wilson chamber. However this ‘objectivity’ gives rise to familiar epistemological difficulties. One is only able to see the particle when specific devices (media) are used, such as sensitive surfaces, cathode-tubes or Wilson chambers, which gives rise to the problematic question of whether these devices do not in fact influence the phenomenon that they make visible.” Flusser (2011, 41)

value⁵. The imposition of the economic logic on social reality passes through the re-constitution of society as a market. Prices communicate the content of social constitution, organizing an order of meaning where all commodities are inserted as signifiers of economic value in accordance to their prices. Signification is regulated by money, the master signifier of economic value, which supports and quilts the signifying chain of commodities, effectively constituting the system of prices. Economic value, the ultimate signified of all commodities, remains nonetheless elusive and ambiguous, an ambiguity that is never eliminated but always remains obscured by money.

The monetary apparatus produces banknotes in a similar way to that of photography producing photos; both currency and photographs can be treated as instances of technical images. What is particular to technical images is that they are produced on the basis of scientific theories; they are the outcome of a series of abstractions⁶. Technical images essentially change our view of reality by imposing theories and concepts as mediations through which we represent reality, giving images a peculiar agency that acts

5 “The rationality of the sign is rooted in its exclusion and annihilation of all symbolic ambivalence on behalf of a fixed and equational structure. The sign is discriminant: it structures itself through exclusion. Once crystalized on this exclusive character, the sign aligns its fixed field, resigns the differential, and assigns Sr [signifier] and Sd [signified] each its sphere of systemic control. Thus, the sign proffers itself as full value; positive, rational, exchangeable value. All virtualities of meaning are shorn in the cut of the structure.” Baudrillard (1981, 149)

6 “The technical image is an image that is produced by apparatuses. ... Ontologically traditional images are abstractions of the first order insofar they abstract from the concrete world while technical images are abstractions of the third order: They abstract from texts which abstract from traditional images which themselves abstract from the concrete world. ... Ontologically, traditional images signify phenomena whereas technical images signify concepts. Decoding technical images consequently means to read of their actual status from them”. Flusser (2000, 14)

upon our experience of the environment. Banknotes, seem to share some of the same ontological attributes of the technical images; they mediate between economic theory and the constitution of the system of prices, regulating our experience on the basis of the maxims of economic value. At the same time they try to incarnate economic value, providing a screen for the projection of desire and the constitution of subjectivity. This claim anticipates that an analysis of social reality via money may be possible through the deciphering of the symbolic and iconographic elements in banknotes and coins. We could argue further that money promotes the same kind of magical thinking as other types of technical images, but this time in relation to value. We could rephrase Flusser and claim that "the function of banknotes is to liberate their receivers by magic from the necessity of thinking on economic value, at the same time replacing historical consciousness with a second-order magical consciousness and replacing the ability to think conceptually with a second order imagination"⁷. Currency is mystifying the reality of economic value, by translating economic relations into absolute quantities of a substance that is always absent.

The analysis of the Greek banknotes, as technical images produced by the money-apparatus of the state, can trace the process of self-representation as it is articulated and communicated in currency. Issues like history, territoriality and nationality feature prominently in the iconography of money and these elements are used to communicate trust and value. At

7 "The function of technical images is to liberate their receivers by magic from the necessity of thinking conceptually, at the same time replacing historical consciousness with a second-order magical consciousness and replacing the ability to think conceptually with a second-order imagination. This is what we mean to say that technical images displace texts." Flusser (2000, 17)

the same time the investigation and understanding of the visual architecture of the banknote, as exceptional as it is kitsch, is important determinant on how all these elements function and as a precondition for the affective disengagement from currency. *Grexit* is an experiment in theory, as it is an exercise in design, but more importantly an attempt to intervene in the political debate, to articulate a critique of the neoliberal ideology, but also to point to a different kind of cultural criticism, which even though relevant does not reaffirm the maxims of rationality and efficiency but offers a new representation of subjectivity and desire.

Grexit is an attempt to reflect on how identity, community and value are articulated and represented on the Greek currency, and how these social coordinates play out in a network of economic cohesion. The history of the drachma is intricately connected with the establishment and the development of the Greek state, shaped by the struggle of liberation from the Ottomans, the hope for self-determination, but also from the heritage of the classical Greek civilization. Despite the aspirations stemming from the classical antiquity, the modern drachma remained a relatively weak and unstable currency, a shadow of its glorious past, constantly devaluating and suffering from more than one bankruptcies in the short history of the modern Greek state. It is no wonder that Greeks were happy to see the Drachma go, hoping that along with the Drachma a few other economic problems will magically disappear. The participation of Greece in the European Monetary Union and the substitution of the Drachma by the Euro has not terminated the economic hardships of Greece, it just masked them for a short

period of time. On the contrary it lead a wave of mindless consumerism and institutionalized corruption encouraged by the destabilization of the system of economic and social values that the new currency brought about. The consequent financial collapse of the Greek state and the deep economic and political crisis has created a context where identity, value and nationality are reconsidered. An investigation on the iconographies of the Drachma today is in itself a comment on national-identity and self-perception in a very particular historical juncture.

For Flusser, photography and technical images in general are not just a reproductive imaging technology but rather the dominant cultural trope through which reality is constituted and understood. As long as technical images substitute discourse as the main vehicle of representation and communication, they are transforming our mode of thinking in a similar fashion as typography and written language did in the past. The cultural shift is not just a matter of the sheer amount of images produced and disseminated, but rather on the ever increasing importance of apparatuses, i.e. camera, computers, and other media that regulate social interaction via the production of technical images. The flood of technical images is just a symptom of the ever-increasing importance of such apparatuses that now tend to be the dominant paradigm for techno-social institutions. The realization of this ongoing cultural transformation has inspired Flusser in his effort to engage critically with photography, effectively initiating the development of a philosophy of technical images.

The Flusserian prophecy about the cultural dominance of images has not been fully vindicated. The proliferation of social media has for sure

increased the production and the dissemination of technical images, mainly photographs, but at the same time has further encouraged the use of text. The substitution of television, and of the cinema by the network and computer technologies has enhanced rather than reduced the importance of texts. Furthermore, and possibly more importantly, machines have now the capacity to imitate humans in the production of texts. Text is now produced not just to be read, but in order to be circulated, shared, copied and pasted, creating new possibilities of meaning and of authorship, very much like the cultural impact that the proliferation of photography has brought about (Goldsmith 2011). The importance of such 'technical texts' is at par with that of technical images and it seems certain that written language is here to stay. What we experience is not the demise of the written word but rather a new structure for communication, where text and images, produced both by humans and by machines, have constituted a new multi-modal system of production of meaning. In some ways the design of the publication, tries to introduce some of the elements of this hybrid visual-textual form, often treating images as texts, texts as images, replicating the security elements from the banknotes at the same time as it deconstructs their visual composition. One of the motivations is to try to map this in-between space between text and image, reflecting on the antagonism and the synthesis of technical images and printed word following the experimental spirit of Vilém Flusser's philosophy.

Banknotes fulfill their function by going the long way. They are carriers of the conservatism of the state and of the monetary system; relics of a glorious past that oppresses a dispossessed present, promising an

affluent but always elusive future. Their design, as it should be clear by now, legitimizes political and economic power through imaginary representation of authority and cultural identity. The face of power is often repulsive, a repulsion that nonetheless is appealing; perversion, fetishism, fear, awe, and self-loathing. Banknotes look like tombstones; dead people, idyllic and quiet landscapes, emblems of a glorious history, which is called to oppress the present.

There is an excuse to the supposed sophistication of the banknote design. Sophistication is a way to prevent forgery but also to inspire trust, constructing a demarcating line between original and counterfeit. The omnipresence of the elaborate patterns and iconographies, the idiosyncratic coloring, the complexity of the visual composition, suggests a peculiar synthesis between style and function realized in the name of trust and security (as most state crimes are legitimized in the name of security). Nonetheless, the connection between adornment and purpose becomes tentative as more advanced anti-counterfeit technologies emerge. The very fact that such techniques are presently used along with the baroque design of banknotes, suggests that ornamentation is at best just one of the possibilities available to signal authority and to demarcate the genuine from the counterfeit.

Safeguarding the authority of currency constructs a screen of identification with the issuer (state, law, community), at the same time as it articulates the coordinates that regulate the market mechanism; subjectivity, community, power, desire and value. Identification is regulated by the fantasmatic management of enjoyment, while economic value exists as the mirror image of a promise of enjoyment that presents itself as a justification of value. The

content of money, if any, is the being-there of a desire, a crystallization of all the imaginary enjoyment that money can promise. Exactly because currency operates as the intermediary between the subject and its commodified object of desire, currency becomes the signifier of value and enjoyment. The elaborate design is an attempt to allude to the desire of the subject, to invest consumption and employment with a surplus of enjoyment. The subject needs to identify and to invest in the money form in the process of becoming an economic agent. We can recognize the condensation of desire in the markings on notes and coins as well as in the associations of the symbolisms of power that are omnipresent in money. Value is represented as enjoyment; the power to command commodities as well as the desire to be subjected by the power of the state.

The subject perceives itself in the market in terms of prices, income and money, both in relation to production/ work and to consumption/ enjoyment. The ascription of prices to all what it does, produces, or consumes, creates a matrix of meaning and consistency according to which it makes sense of itself and of its social reality. Prices provide the position of the subject and the meaning of social existence. Money arises as the prototypical case of a signifier in the constitution of the economic symbolic order. The general equivalent of all commodities, including the subject, represents the subject in the market and it is the signifier for which all commodities represent the subject. Money, and through money price, signify the subject qua producer in terms of economic value and insert it in a chain of relations to all the other producers and commodities that inhabit the symbolic order. Conversely, money enables all commodities to

represent the subject qua consumer⁸. Interpellation and symbolic identification come together through the subsumption of the subject under money, which connects the production process to consumption, the desire of the Other to the object-cause of desire, the ego to its immediate economic and social reality.

Value is a structure and not a substance that provides an ordering of things and a system of quantification⁹. Unlike other measures that are embodiments of the quantity they measure, neither money nor currency incarnate value; they only try to represent it. Economic value constitutes structural relations and currency functions as the symbolic substitute for the lack of substance that haunts economic value; the materialization of money in currency is nothing more than a way of representing value in market exchange. Signification follows the same principle. The signifiers are devoid of content, but the content can circulate only through signifiers, allowing the signifier to dominate communication. Currency is material, but remains substance-less, value-less, fiat; it is the fetish *par excellence* that commands all economic value.

Currency incarnates the idea of money in our day-to-day transactions, adding a graspable materiality to the signifier of economic value. The materializations of

- 8 "A signifier is that which represents the subject for another signifier. This signifier will therefore be the signifier for which all the other signifiers represent the subject; that is to say in the absence of this signifier all the other signifiers do not represent anything, since something is represented only for something else." Lacan quoted by Žižek (1991, p. 21).
- 9 "what we mean by valuation, its conceptual meaning, is something independent of this world; is not part of it, but is rather the whole world viewed from a particular vantage point. We are rarely aware of the fact that our whole life, from the point of view of consciousness, consists in experiencing and judging values, and that it acquires meaning and significance only from the fact that the mechanically unfolding elements of reality possess an infinite variety of values beyond their objective substance." Simmel (1900, 57)

money in coins and banknotes obscures some of the same mysteries of economic value — an incarnation of a substance that is always lacking. Currency is worthless as an object and it only becomes a means of payment as long as it is collectively accepted as such¹⁰. The purchasing power of money is not substantive but political; a consequence of the authority of the state that imposes taxes and enforces the currency as the legal tender against which all debts are to be remunerated. Authority imposes the medium that should be used in economic transactions furnishing the market with a unit of account and a means of exchange. Symbolic authority is always represented in the currency providing a clear indication of the source of the value of currency.

Banknotes can be read like a text and the text constructs the narrative of the fetish¹¹. The analysis of the signs — both iconographic and symbolic — that define currency creates the syntactic context, where the issues of economic value and collective identity are represented. Each coin or banknote can be broken down to its own visual-textual elements, the analysis of which can be extracted in symbolic and iconographic patterns that are reproduced historically. On the symbolic level, the alphabet, the date, the references, the names and the titles

10 “The analysis of economic exchanges shows that the notion of the *pure* symbol, in the sense of a disaffected substitute that can be perfectly arbitrary, conventional, and unmotivated, emerges of its own accord from the *circulation* and thus from the intensification of social exchanges. It appears at a precise turning point in the development of the extended exchange form. Indeed, its function as a simple medium of circulation and exchange, gold or silver currency can be replaced by any sign or symbol whatsoever that represents a certain quantity of the standard unit.” Goux (1990, 127)

11 “fetishism is [should be] problematized in its usage as ‘inferior or false consciousness’. Nonetheless it also appears that Baudrillard is offering us a universal fetishism wherein signs are everything. As a result, our belief in any reality behind (within) the sign could be seen as ‘ontological fetishism’ in a way that it begins to suggest Baudrillard’s move to simulation.” Hegarty (2003 ,25)

express linguistically the identity of currency. On the iconographic level, human figures and space references (landscapes and monuments), as well as secondary ornamental elements, supplement language with a pictorial narrative that is communicating the imaginary construction of economic power and national identity. An assortment of national and corporate emblems is added to instill the notes with the symbolic and imaginary authority of the state, suggesting direct references to power and community. Associative, unconscious relations between signifier and signified, between currency and value, based on origins, on culturally specific meaning and on shared presuppositions about historicity and tradition create the foundations for the affective investment in currency. The recomposition of all these textual and symbolic signs facilitates the investigation of the pictorial narrative of the currency and the interpretation of the imagery of value.

The iconographic elements that communicate the value and the authority of the official currency, effectively legitimizing money, construct a text that can support the associations between monetary value and political power. Currencies can be analyzed as a proxy in the process whereby a homogeneous identity is constructed and communicated. Anderson used the term "imagined communities" to explain the construction of a collective identity (Anderson 1983). If by imagination we can understand the propensity to perceive something that is absent, then monetary media facilitate the mass orientation of imagination towards a common and therefore objective perception of value and identity, replacing the necessity of social familiarity. Perception that is not based on immediate physical interaction is based on the re-cognition of

standardized symbols imbued with a shared meaning. Although the propensity to imagine may not have definitive borders, symbols are effective insofar as they facilitate social interaction or refer to a common narrative that supports the unconscious associations to value and authority. The fact that these symbols may be genuine or constructed does not have a bearing on their function in the iconographies of value and collective identity; they need only to be resonant with the preconceptions of the citizenry and align the expectations about the reliance and the acceptability of money. The effort is to align normatively defined cultural imagery to the social practices that individuals actually employ in the process of their economic interactions. The currency is a "normative procrustean table", expressing the operating assumptions on value and power held by the issuing authorities (Roumpanis 2007, 16 & 57-58). The success of supporting the fetishistic attachment to currency is decided by the ability to tap into the collective representations of these elements.

The circulation of monetary value remunerated in currency, the operative principle of the market system, subordinates commodities to currency in the same manner as the system of prices makes value subservient to money. Acceleration is the most obvious consequence of the new layers of mediation. The velocity of money is constantly accelerating, as the materiality of money is becoming obsolete. Transactions multiply indefinitely and currency is speeding up: the faster currency circulates, the greater the power of money. Financial speculation is only a symptom of this tendency with monetary value circulating faster and faster only to lose any pretense of reference to anything other than itself, at the

same time as currency disappears in virtual reality, completely immaterialized as it reaches for the speed of light. Fetishistic attachment to velocity replaces the fetish of money. Actually, what we experience today, is the passage from object, to image, to symbol, to electron. The Drachma is virtually here ... ¹²

12. "Traders around the world have been staring at their Bloomberg screens, hardly believing their eyes. The electronic information platform has been showing details for possible Greek Drachma trading. The Bloomberg help-desk described it as 'an internal function which is set up to test'. The news comes in the wake of the heated discussions over the future of the euro zone and the membership of Greece." *Russia Today*, 1.6.12, <http://rt.com/business/news/greek-drachma-bloomberg-trades-769/> accessed 19.7.12.

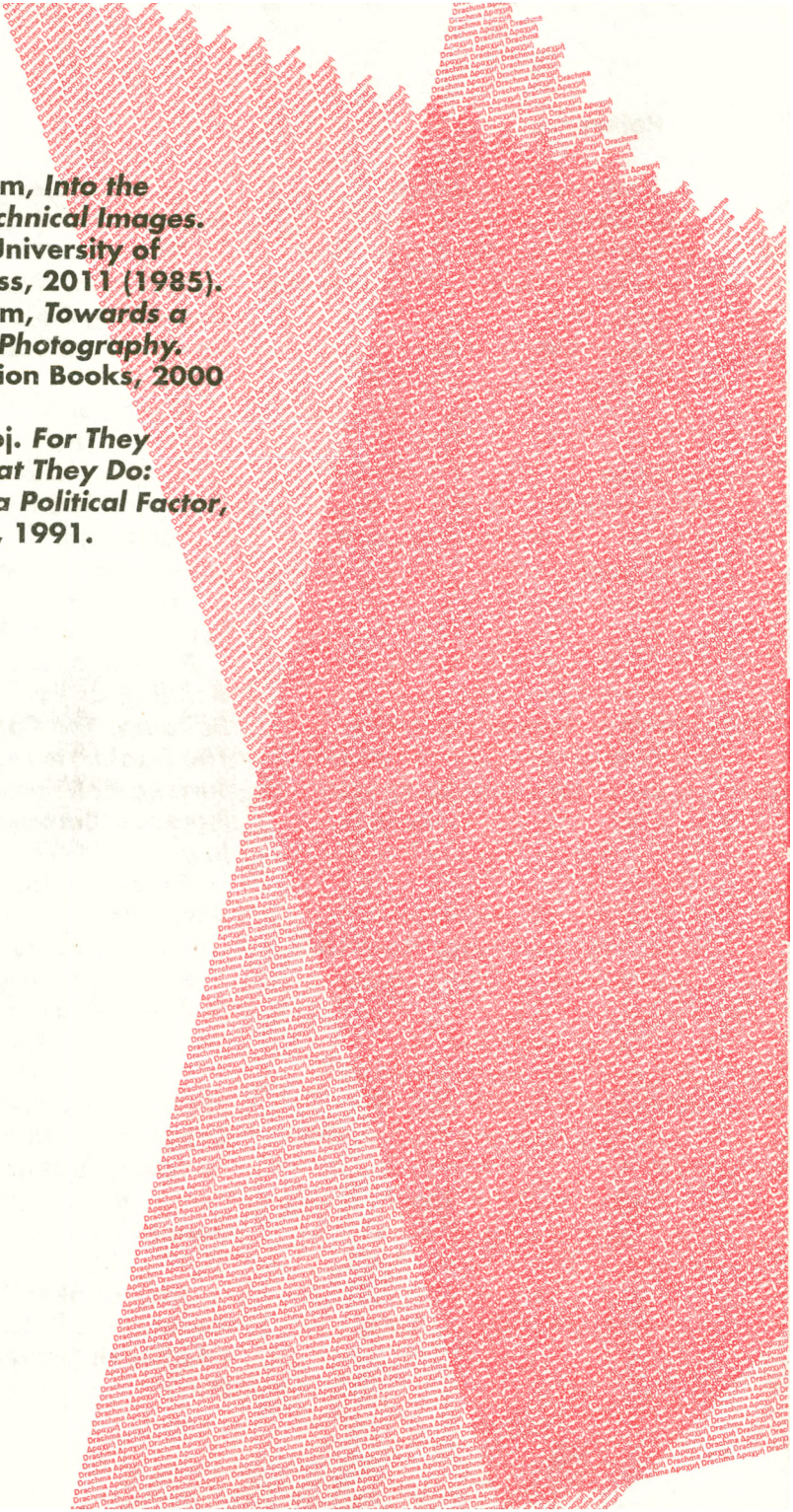
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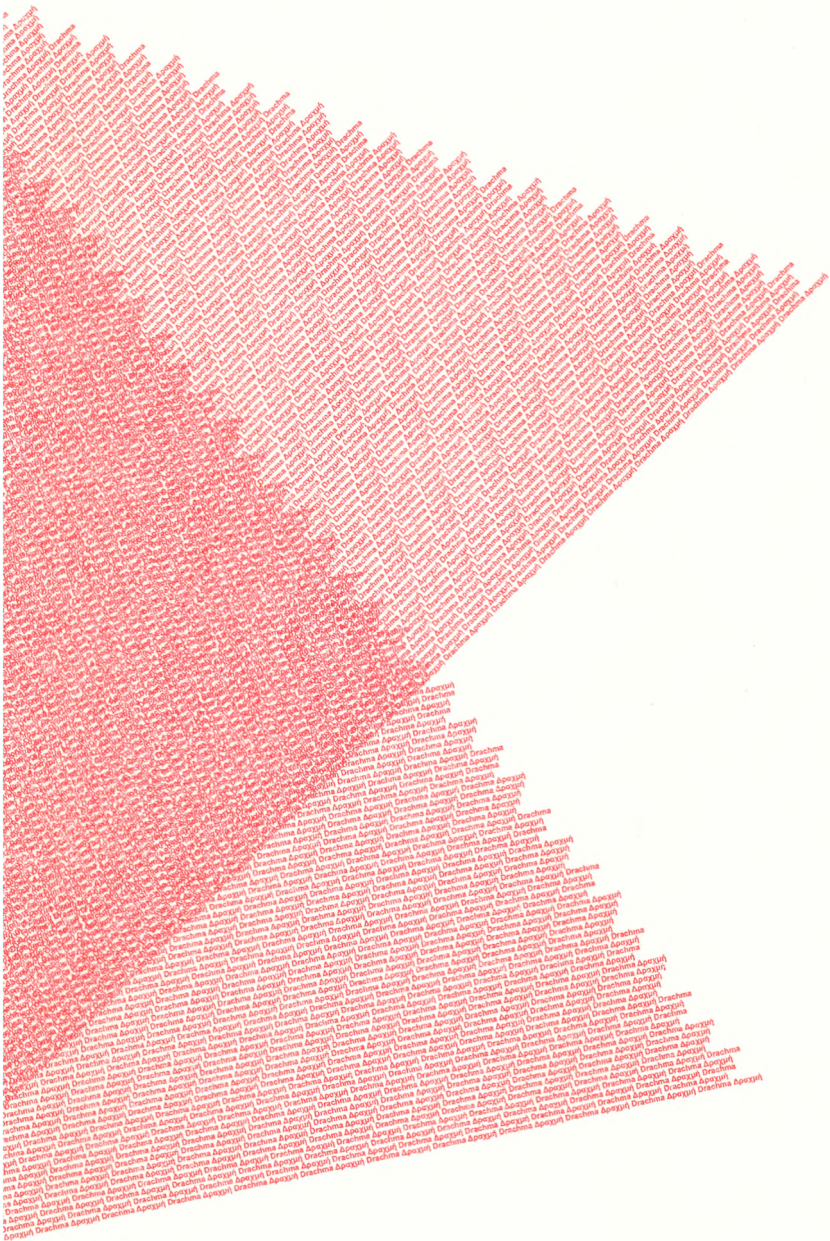
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Figures

1 - Document dated 16/28 February 1859 sent by the National Bank to ABNCo ordering the construction of the 25-drachma and the 100-drachma notes (source: Museum of American Finance, New York)



2 - Greek draft of a document sent to ABNCo by the National Bank (source: Historical Archive of the National Bank of Greece, series "Nomismatika", file 11, doc. 1/[1888])

Το Ανεξάρτητο και γεννηθέντα στην Ελλάδα
 πρώτον ΚΡΑΤΟΣ, του το Β. Παιδαγωγίου
 του Ιανουαρίου 1859, διατάσσεται να κατασκευασθούν
 και να κυκλοφορήσονται τρεις είδη χαρτονομισμάτων
 του πρώτου είδους ποσού 10000 δραχμῶν, του δεύτερου
 του ποσού 10000 δραχμῶν, και του τρίτου
 του ποσού 25 δραχμῶν.
 Ἡ ἀνάγκη του Κράτους, και το Β.
 Παιδαγωγίου, διατάσσεται να το Κράτος, εἰς
 ποσὴν ἀποδοῦναι (κατασκευάσει) τρία εἴδη χαρτονομισμάτων
 ποσού 10000 δραχμῶν, ποσού 10000 δραχμῶν, ποσού 25
 δραχμῶν, καὶ ταῦτα να κυκλοφορήσονται.
 Κατασκευάσει δὲ τὰς ἀνωτέρω τρεῖς καὶ το
 ἀποδοῦναι τῇ ἀνάγκῃ.

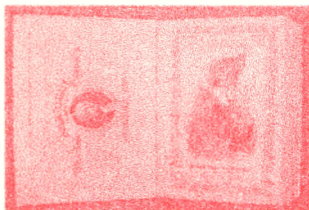
3 - The 25-drachma note (first circulation: 23.3.1860) (source: Notaras, G., Greek Banknotes, A Journey: 1822-2002, Athens 2005)



4 - Vignette included in Bank Note vignettes: American Bank Note Company vol. 1-9, New York [1850-1889;] (photo by the author)

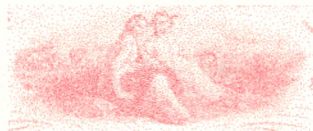


5 - Title page of the first volume of Bank Note vignettes: American Bank Note Company vol. 1-9, New York [1850-1889;] kept in the Public Library of New York (photo by the author)



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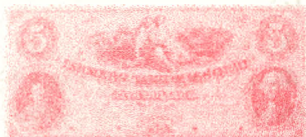
6 - The vignette on the front side of the 25-drachma note (source: Notaras, 2005)



7 - The Farmers Bank of Missouri, 5-dollar note, late 1850s (source: *Ancient, foreign and United States coins together with bank notes from the archives of the American Bank Note Company*, Christie's Auction

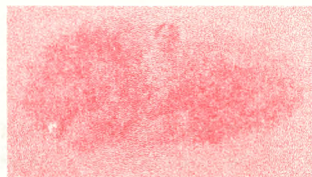
Catalogue, Jun 5, 1991)

8 - The Lewisburg Bank, 5-dollar note (source: *Important early American bank notes, 1810-1874, from the Archives of the American Bank Note Company*. Christie's Auction Catalogue, Sep 14-15, 1990)



9 - Banco de Londres Mexico y Sud America, 1000-sole note, 1870-1880 (source: Magan, R.M., *Latin American bank note records: American Bank Note Company archives, 2005*)

10 - Vignette depicting Agriculture (source: *Bank Note vignettes: American Bank Note Company vol. 1, New York [1850-1889?]*)



11 - Vignette depicting Agriculture (source: *Bank Note vignettes: American Bank Note Company vol. 1, New York [1850-1889;]*)

12 - The 500-drachma note (first circulation: 1.1.1902) (source: Notaras, 2005)



13 – The 500-drachma note (first circulation: 1914) (source: Notaras, 2005)



14: El Banco Nacional Hondureno, 1889 issues printing plate (source: *American Bank Note Company Archives part II: featuring stocks, bonds banknotes, banknote printing plates and production material*, Harmer Auction Catalogue, Oct 17-19, 2007)

15 – Caja de Credito Hipotecario, Chile, 4 different specimen bonds, circa 1890-1900s) (source: *American Bank Note Company Archives part III: U.S. and worldwide banknotes, stocks, bonds and security printing ephemera*, Harmer Auction Catalogue, Jun 2-4, 2008)



16 – The 100-drachma note (first circulation: 15.12.1910) (source: Notaras, 2005)

17 – Eirene and Plutos by Kephisodotos with the restorations by Cavaceppi (source: Collignon, M., *Scopas et Praxitèle*, Paris 1907)



18 – Eirene and Pluto by Kephisodotos after the removal of the Cavaceppi restoration (source: Beck, C.H., *Glyptothek München*, München 2005)



10-drachma note (source: Notaras, 2005)

19 – The 10-drachma note (first circulation: 11.2.1913) (source: Notaras, 2005)

20 – The vignette on the front side of the



21 – Hermes by Praxiteles (source: Collignon, M., *Scopas et Praxitèle*, Paris 1907)

22 – The 100-drachma note (first circulation: 31.5.1921) (source: Notaras, 2005)



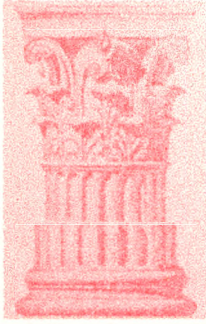
23a-b – The 500-drachma note (first circulation: 22.10.1922) (source: Notaras, 2005)



24a-b – The 1000-drachma note (first circulation: 11.4.1922) (source: Notaras, 2005)



25 – M. Axelos, Model for the front side of the 500-drachma note (source: Notaras, 2005)



26 – Capital from Epidauros (source: Luckenbach, H., *Kunst und Geschichte*, München & Berlin 1906)

27 – Vignette from the reverse of the 500-drachma note (source: Notaras, 2005)



28 – The statue of Athena Varvakeios (source: Luckenbach, H., *Kunst und Geschichte*, München & Berlin 1906)

29 – Vignette from the reverse of the 500-drachma note (source: Notaras, 2005)

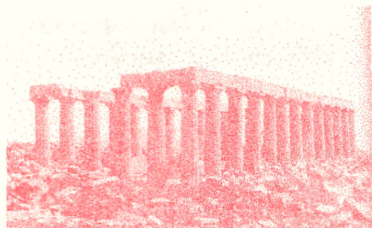


30 – The statue of Poseidon with its missing parts (trident, part of hair and beard, tail of fish) restored (source: Richter, G., *A Handbook of Greek Art*, London, New York 2006)

31 – Vignette from the reverse of the 500-drachma note (source: Notaras, 2005)



32 – The temple of Poseidon in Sounion photographed by Fred Boissonnas (published in Wells, H.G., *A short History of the World*, New York 1922)



33 - The temple of Apollo in Vassai
(source: Mallouchou-Tuffano, 1998)

34 - The temple of Apollo in Vassai after 1902-1908 (source: Mallouchou-Tuffano, 1998)



35 - Vignette on the reverse side of the 1000-drachma note (source: Notaras, 2005)



36a-b - The 50-drachma note (first circulation: 6.10.1922)
(source: Notaras, 2005)

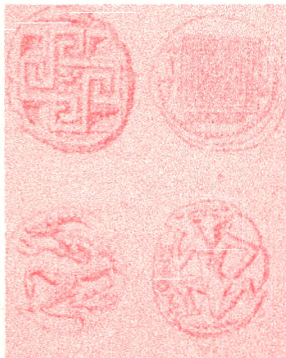


37 - Plate from the relief decoration of the Alexander Sarcophagus published in Osman Hamdy Bey and Théodore Reinach, *Une Necropole Royale à Sidon, Paris 1892*

38 - The head of Alexander from a Tarsus coin in Sicilia published in Osman Hamdy Bey and Théodore Reinach, *Une Necropole Royale à Sidon, Paris 1892*

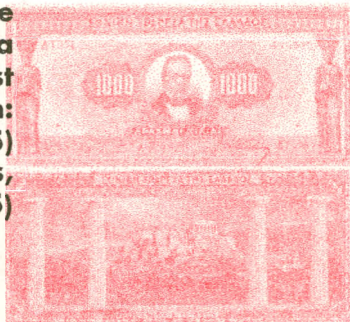


39 - The 10-drachma note (first circulation: 1.1.1927) (source: Notaras, 2005)



40 - Coins from Knossos published in Evans, A., *The Palace of Minos* vol. 1, London 1921

41a-b - The 1000-drachma note (first circulation: 19.9.1925) (source: Notaras, 2005)



42 - The Acropolis of Athens photographed by Fred Boissonnas (published in Wells, H.G., *A short History of the World*, New York 1922)

43 - The Erechtheum before 1902-1909 (source: Mallouchou-Tufanno, 1998)



44 - The Erechtheum after 1902-1909. The upper drum of the left column of the west propylon has been restored (source: Mallouchou-Tuffano, 1998)

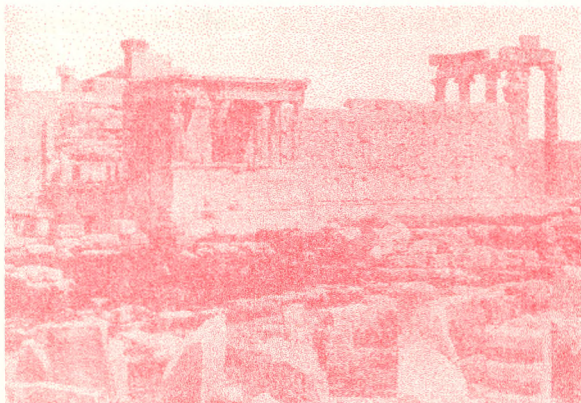


45 - Vignette on the reverse of the 1000-drachma note (source: Notaras, 2005)

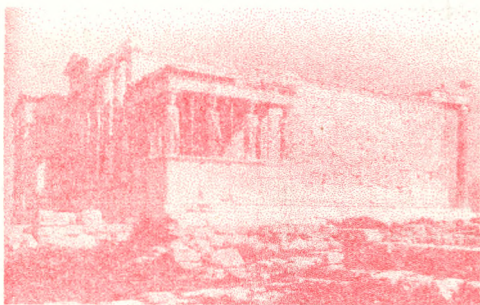


46 - The restored roofs of the Propylaia from the South after the 1911-1917 restoration (source: Mallouchou-Tuffano, 1998)





47 - The Southern propylon of the Erechtheum before the 1902-1909 restoration works (source: Mallouchou-Tuffano, 1998)



49 - The Southern propylon of the Erechtheum after the 1902-1909 restoration works (source: Mallouchou-Tuffano, 1998)

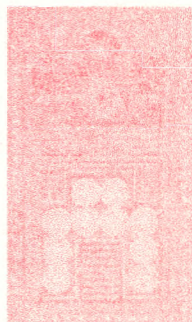


48 - Vignette from the obverse of the 1000-drachma note ((source: Notaras, 2005)

50 - Inlaid ivory draught from Knossos (source: Evans, 1921)

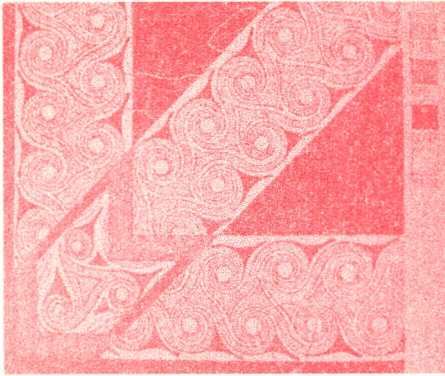


51 - Detail of the inlaid ivory draught (source: Evans, 1921)



52 - Detail of the 10-drachma note (source: Notaras, 2005)





53 – Decoration from stucco fragments found in Knossos (source: Evans, 1921)

54 – Detail of the 10-drachma note (source: Notaras, 2005)



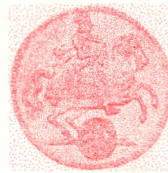
55 – The Ducat and its Rivals



Venetian Ducat (1284-1797)



Dutch Commercial Ducat 1586



Saxony Ducat 1711



Sultani, Mehmet III 1595-1603

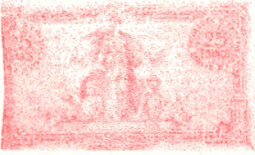
56 – 10 Latin Monetary Union Drachmas (Francs)



**Issuer National Bank of Greece (private bank)
Issued 05.10.1874,
Production of the Note: American Banknote Company New York.**

Grexit

57 - Classic Motherlans



**25 LMU
Drachmas, 1887**



100 DM Note, 1910

58 - Petty Currency Paper Notes, Towards National Monetary Communities



59 - The Surrender of General Burgoyne, 1777



60 – Notes of Mass Mobilization and Empty Public Coffers



**French Revolution
Note**



**Ottoman Paper
Currency, 1861**

61 – The National Discourse Network



62 – The First Nationally Designed Banknote



"We beg now to advice you that we have prepared by an artist specialized in Greek art a design for 1000 drachma notes, which we are forwarding to you by registered and insured parcel post (...)

In making and engraving the model, all the proportions should be kept, and all tints, of the whole and each part separately, be exactly given, without deviation from the general character of the greek {sic} style, which we wish to prevail hereafter in our notes of all denominations."

August 1920



Editing
Georgios Papadopoulos

Design
Neda Firfova, Jack Henrie Fisher

Printing
Berlin Risographique

Edition
50

Institutions
**Transmediale, Vilém Flusser Archive, Universität der
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Date
August 2012



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