
The Economic Crisis in Greece and Its Effects on Culture (2010-2015). The Case of Museums and Art Galleries

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ABSTRACT

The strong economic recession that hit Europe in 2009, as a result of the collapse of banks in the United States in the late 2008, has seriously affected the economy of many countries. Effects have been particularly hard on the fragile Greek economy and they became immediately apparent in 2010. Greek governments have had to enter into three financial agreements (the so-called “memoranda”) in 2010, 2012 and 2015 with the European Union, the European Central Bank (ECB) and the International Monetary Fund (IMF) in order to prevent Greece’s disorderly default. The implications of this economic collapse are still uncertain, with the exception of austerity, which represents the new reality for the Greek people. Consequences have been particularly severe also for culture. However, the climate had been negative even before, due to the excessive borrowing by Greek governments for decades and to the irrational expenditure that followed the Olympic Games held in Athens in 2004. In the area of culture, the spearhead has been the Cultural Olympiad. Today, several cultural institutions and museums are underperforming or have suspended their operation.

Keywords: economic crisis and memoranda, Athens 2004 and Cultural Olympiad, austerity and museums.

INTRODUCTION

All over the world, the latest economic crisis (2008-2009) has considerably changed the situation in the areas of art and culture, has had severe effects on artistic production and has been at the origin of great difficulties in the uptake of contemporary art by the public. The recourse of museum managers, considered to be the “custodians of cultural heritage”, to the market to ensure sponsorships has become inescapable and necessary (Foster et al, 2013). The financial crisis has created an uncertain future, thus raising questions about the role of artists in contemporary society, the sustainability of several cultural institutions, the degree of synergy between art and the current political and economic system, such that the latter may also lead artistic production into recession and, lastly, about whether there are any prospects about coming out of this multifaceted crisis. There is no easy answer to these questions (ibid).

In Greece, the seriousness of the economic situation was revealed in May 2010 by then Prime Minister George Papandreou. Indeed, it was made known that Greece’s budget deficit amounted to at least 8.5% and that, consequently, it would no longer be possible for the country to borrow from the markets. However, Greece being a member of the Eurozone, a special mechanism to support the Greek economy was put in place, in order to safeguard the stability of the European economic architecture. This mechanism involved the European Union, the European Central Bank (ECB) and the International Monetary Fund (IMF) (commonly known as the “troika”) and it imposed on Greece a memorandum of understanding. Since then a period of strict austerity has begun accompanied by a policy of cuts in public expenditure.

The crisis has many causes. Economists primarily underline the fact that, in the past decades (since 1980), Greek governments have been borrowing excessively, citizens have been spending more than they produced, whereas the State has made very few interventions in structural matters in order to make the Greek economy more competitive and to achieve better growth rates (Vagianos et al. 2010, Korres, et al. 2014). Unfortunately, in spite of the original forecasts about a recovery of the Greek economy, structural problems have remained like obstacles hindering growth and this led to the

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imposition of two new memoranda, in 2012 and in 2015, under different governments and different Prime Ministers. Austerity has persisted and public investment has further decreased.

Based on the economic data from the budgets of the past five years, funds allocated to culture have been constantly declining, so much so that in the 2014 budget – for example – culture only represented 0.13% of GDP. Referring to such data, on 5 December 2013, newspaper *Eleftherotypia* ran an article entitled “The poor becomes poorer” accompanying it with the following comments: “The government is ‘investing’ in the death of culture – by reducing all funding relating to museums, cultural associations, even the projects co-financed by the European Union – with the ensuing consequences for all those who expected it to undertake some activity in the areas of cultural heritage or contemporary culture.”

Reduction of the expenditure for culture is also officially confirmed in the country’s budget proposal prepared by the Ministry of Finance for financial year 2015. The same proposal includes a comparative table of expenses per ministry for the past three years, where the constant decline in the financial support granted to them may clearly be seen, in particular with respect to the expenditure for the Ministry of Culture.

As a result of the drastic cuts of public expenditure, museums and cultural organisations have suspended their operation faced with the inability to implement their programmes. The question of their sustainability was put on the table. The most notorious example is the suspension of the operation of the Macedonian Museum of Contemporary Art in Thessaloniki, the oldest museum exhibiting works of contemporary art in Greece (it was founded in 1979), which includes great collections of works of the Greek and European artistic avant-garde. The Museum’s management issued a terse statement announcing that this historic museum would close its doors from July 1st, 2015 for an indefinite period of time due to the economic crisis. Its entire staff has been laid off (Lymperopoulou, 2015). This unfortunate development has brought an important issue to the forefront, i.e. the inability of cultural institutions that have made great contributions to the country to meet their basic obligations and to promote cultural heritage due to the economic crisis that Greece faces. Another issue, also resulting from the current conjecture, is the almost total lack of sponsors for the critical reason that both private individuals and companies are no longer able to financially assist the operation of museums, and *a fortiori* invest in art, due to the financial difficulties they themselves face.

ATHENS 2004. THE EXCESSES OF THE CULTURAL OLYMPIAD

Notwithstanding the above, there have been periods in the past, during which expenditure for culture –and in other areas – have been amazingly high, when the State together with the local authorities have undertaken considerable initiatives to promote art and culture. Cultural institutions were greatly reinforced. Metropolitan municipalities have founded art galleries and all sorts of museums (historical, folkloric, etc.), private individuals have turned their collections into museums accessible to the public in particularly luxurious settings, whereas the State has founded new museums to host both the ancient and the more recent cultural heritage. The best known examples are the foundation in 1997 of two museums, dedicated to modern and to contemporary art, in Athens and in Thessaloniki. In addition, in 2000 the Greek government purchased the Costakis Collection including works of the Russian Avant-Garde, for the account of the newly-founded State Museum of Contemporary Art in Thessaloniki. The Greek State paid approximately 35 million US Dollars for this purchase, an unprecedented amount, even by international standards, for the purchase of works of art (Papanikolaou, 2013). Furthermore, in 2009, the New Acropolis Museum became operational in Athens.

The policy of supporting culture continued unhindered without the slightest suspicion about what was about to ensue, apparently there being full ignorance of risks.

It is undoubtedly very encouraging to have the State and the competent bodies help promote culture. However, the boundary between investment expenditure in favour of cultural institutions and uncontrolled prodigality may be easily crossed and the results may be particularly painful. This requires good strategy, timely planning and know-how in terms of management of the cultural product.

One of the greatest events for Greece in the years following World War II has been the organisation of the Olympic Games in Athens in 2004. On this occasion and to meet with Greece’s contractual

obligations towards the International Olympic Committee (IOC), the Cultural Olympiad was organised (2001-2004), which has been the spearhead in the area of culture (Papanikolaou, 2015). For the country hosting the Games, the Cultural Olympiad is a “feast of culture”, a *panegyris* within the Ancient meaning of the word (Garcia, 2012, Gold and Gold, 2011). It lasts for four years and it is undoubtedly an opportunity for host cities to promote culture and to set up the necessary infrastructure. The purpose in Greece was to leave behind a great cultural heritage for future generations. In Athens, the Cultural Olympiad comprised many cultural actions, ranging from visual arts and literature to drama, music and Op Art. The total number of events held is particularly high and some of them were also held outside the Greek borders. The central message of the Cultural Olympiad was “For a Culture of Civilisations” and the events were organised by both public and private entities.

The cost of the Cultural Olympiad was rather high. Its calculation should also include the expenses incurred to create infrastructure to promote cultural heritage. Fifteen years later, the debate around this question is still on-going. Some have associated the economic crisis with the high cost of the Olympic Games, although one of the main figures of the Olympic cause, Gianna Angelopoulou-Daskalaki, refutes this claim by putting forward her own arguments. However, she has noted herself that Greek rulers lacked any strategic planning for the future (Angelopoulou-Daskalaki, 2013).

The total costs of the Olympic Games have exceeded 10 billion Euros. According to some, the figure varies between 6 and 13 billion Euros. Approximately 150 million Euros have been allocated just to the events of the Cultural Olympiad (ATHOC, 2005, Kissodi, 2008, Gold, 2011, Papanikolaou, 2015). The issue of the Olympic heritage has been raised by many sides in a critical manner, and there can be no doubt that the Greek State should be held accountable for it.

The Olympic heritage has also been largely doubtful in terms of culture, in spite of the financial generosity. The Cultural Olympiad programme, spanning over a four-year period (2001- 2004), was very rich, including many categories and genres of cultural expression, it was characterized by its historical intertemporal nature and it was also extended to Thessaloniki, one of the five Olympic cities. However, the programme was flawed from the beginning. First of all, there existed no central steering body having an advisory role and being accountable to the government. Proposals put forward by entities were approved at will and their financing did not follow the rules of sound management (arts management), thus resulting in a waste of public funds. Indeed, no provision was made for recovery of part of the expenditure through procedures and activities, such as an increase of visitors and tickets, of sales of relevant material, and the protection of intellectual rights of each event and of the relevant actions. Apparently, there was no control in matters of scientific management of the cultural product generated. Furthermore, the necessary evaluation was also absent.

There exist examples from the Cultural Olympiad which are characteristic of the excessive expenditure incurred and where the persons in charge of the particular actions were not required to submit any detailed tables featuring the intangible and tangible benefits therefrom.

Based on the records of the Cultural Olympiad (Papanikolaou, 2015), in mid-2001 (28 June) a music event took place at the Temple of Olympian Zeus, in the centre of Athens, under the name “Mythodea”, which cost 3,525,863.72 Euros. However, not a single Euro was collected. The following month (6 July), the National Theatre of Greece put on a performance of Oresteia at the ancient theatre of Epidaurus, which cost 657,373.45 Euros, but generated no revenues at all. The “Socrates International Year” (European Cultural Centre of Delphi, 13-21/7/2001) cost the Greek State 601,614.09 Euros, but no revenues had been foreseen in this case either. At the International Book Fair held in Frankfurt in 2001, promotion of Greek literature cost 876,431.43 Euros.

The following year (18 May), the Greek National Opera put on “Zorba the Greek”, which cost 937,561.40 Euros. Admission must have been free, since the records show no revenues. The Greek National Opera also put on the play “The siege of Corinth” on 21-23 June 2002, which cost 2,980,758.03 Euros, without collecting, one again, a single Euro. The opera “The woman without a shadow” (Athens Concert Hall, 11-19/10/2002), which cost 2,236,590.00 Euros, also generated no revenues at all.

In the same vein, there have been several high-cost productions that did not provide for any revenue at all during the four-year period of the Cultural Olympiad.

There have been, however, some other events that generated revenue, albeit meagre.

Some examples are cited below.

New York, Metropolitan Opera (20/5- 11/7/2003), “All Around Is Light”, which cost 1,721,090.14 Euros. It generated 81,652.00 Euros.

Museum of Cycladic Art, Athens (3/6-1/10/2003), the archaeological exhibition “Sea Routes” cost 1,401,690.73 Euros and generated 43,969.72 Euros.

The “Outlook” art exhibition (Athens 24/10/2003-25/1/2004) had a budget of 4,612,378.60 Euros. Its revenues have amounted to 198,741.15 Euros.

Another exhibition, “Six leading sculptors” (National Gallery, 9/6-3/9/2004), cost 1,589,757.00 Euros and generated 244.301,51 Euros. The expenditure/revenue ratio was somewhat better in this case than in many others.

The play “Half a Century of Aristophanes” (Ancient Theatre of Epidaurus) put on by the Greek Art Theatre Karolos Koun cost 1,175,891.22 Euros and its revenues amounted to 109,392.42 Euros.

“The Labours of Hercules”, a play which was put on for two performances (6-7/11/2003) at the Olympic Stadium in Moscow had a budget of 1,249,297.54 Euros and its box office was 16,410.32 Euros! This negative example is not an exception. It demonstrates precisely the policy applied, which did not include any scientific control or evaluation as part of the strategy, both at the initial phase and at the end of the event. Such extravagances happened to be the rule and not an exception during the entire Cultural Olympiad which has involved a total of 112 official actions, apart from those organised by other bodies (Cultural Olympiad, Report, 2002, Papanikolaou, 2015).

CULTURAL ACTIVITIES IN GREECE DURING THE ECONOMIC CRISIS. THE IMPACT ON MUSEUMS AND ART GALLERIES

It cannot be denied that, through the Cultural Olympiad, many cultural bodies in Greece, and in particular in Athens, which was the centre of implementation of the new institution, have acquired experience in organising large-scale events. However, at the same time, they have also become accustomed, in a certain manner, to high expenditure without applying the fundamental rules of sound management. Indeed, performers are paid excessive fees, staff grows to inordinate proportions, and buildings are extended, without any forecasting for future expenditure. Thus, the economic crisis has found cultural institutions – among others – totally unprepared for the new and painful reality.

In Greece, museums, art galleries and cultural institutions, in general, are either State-owned or private. All archaeological museums, the National Gallery, as well as those museums governed by private law but falling under the authority of the Ministry of Culture, such as the new Acropolis Museum, are State-owned. Museums and art galleries owned by local authorities are governed by public law. The two new museums of contemporary art, i.e. the National Museum of Contemporary Art in Athens and the State Museum of Contemporary Art in Thessaloniki, are governed by private law, but they fall under the supervision of the Ministry of Culture which finances them.

Private collections owned by individuals and turned into public institutions, opening their doors to the public and to research, are entirely private museums and art galleries. There also exist remarkable collections owned by associations and societies, which may also be somehow associated with the State. There also exist art galleries created by artists and managed by members of their families. Lastly, large banks also have collections, having obtained a special legal status for exploiting them. Cultural heritage is also promoted through various festivals, such as the art biennials, organised as a rule by local authorities or other bodies.

Private art galleries form a distinct category which commercially promotes contemporary artistic creation. This category also includes fine art auction houses.

Greece has many of the above categories of cultural bodies. However, the economic crisis has hit hard both the private and the public entities. The direct adverse effects have been (a) the decrease in artistic production, (b) the financial difficulties facing the artists, (c) the increase of unemployment among those working in the industry, and (d) the inability to promote the pedagogical function of art. At the same time, sponsorships, which had always been scarce, have considerably decreased.

The first to be hit by the crisis have been the private entities. Many private art galleries have closed and others have suspended their operation. For example, in Thessaloniki more than ten private art

galleries were operating until 2010, whereas today there are only two or three left and they are no longer fully operational. Furthermore, well-known private museums with privately-owned buildings hosting large and very valuable collections have suspended their operation, as is the case of the “Emfietzoglou Museum” in Marousi, Athens. The economic crisis has also had serious consequences for museums operating under the legal form of an institution which used to receive financial support from the State. This was the case of the “Macedonian Museum of Contemporary Art” in Thessaloniki which is no longer operating and whose future remains uncertain.

The cultural institutions of banks, such as the National Bank of Greece, Piraeus Bank and Alpha Bank, which own large collections, are also under-performing. They used to be the most solid financial institutions. The decrease of funds allocated by the State and the municipalities has had adverse effects on the operation of important art galleries, such as those in the Municipalities of Athens, Thessaloniki, Larisa and others. The decrease of funding has also had serious effects on the operation of well-known festivals, such as the “Demetria Festival” in Thessaloniki, the “Prespes Festival” in Florina and others of less renown.

Public museums are in a somewhat better situation, although they have suffered cuts of more than 60%. This has resulted in halting artistic productions, scientific publications, conferences and all activities related to the proper functioning of a museum. The New Acropolis Museum and a few other renowned archaeological museums with very high numbers of visitors have escaped this fate. Nevertheless, even those museums are prevented from realising new productions in the absence of any financial support from some type of sponsorship. State assistance is limited to paying the staff and, in part, to maintenance of the antiquities.

Safeguarding the cultural heritage depends to a large extent on European programmes, such as those implemented under the national strategic reference framework (NSRF). The Thessaloniki “Biennale” originated from such a programme, as part of an initiative by the city’s main museums. Three biennials have been implemented until now (since 2010) and this has reinvigorated culture and offered an international experience to the public. However, its future is also uncertain, just like the future of the corresponding Athens Biennale, which originated from a private initiative. These two important artistic events, held in Athens and Thessaloniki, are actually the main proposals in terms of contemporary art. Strangely enough, though, the two Biennale, according to their official name, are held at the same time.

It is not possible to capitalise from the consequences of the crisis and turn them into an opportunity for a new start, since, to this day, the sustainability of many State museums is doubtful, whereas the fine art trade has stagnated to very low levels, given that many private art galleries have ceased their operation and fine art auctions have become increasingly rare.

CONCLUSION

There can be no doubt that the economic crisis which has hit Greece since 2010 has not only had an impact on the everyday lives of people, jeopardising social cohesion, but has also adversely affected culture. The memoranda entered into by Greece with its partners have imposed strict austerity, unprecedented in times of peace. The cuts in State grants to cultural entities, such as museums, art galleries and art festivals, have resulted in the decrease of their artistic activity, whereas the drastic cuts in expenditure have left them with barely enough to survive and avoid closing down. Private museums, galleries and all types of art institutes have not been so fortunate and many of them have had to close their doors or suspend their operation. This misfortune is not only attributable to economic austerity. There exist many inherent problems affecting cultural life, such as bad management of the institutions’ finances, lack of any kind of evaluation from some competent authority, and lack of any elementary strategy when planning and establishing an organisation, be it private or public. Many questions arise out of the new situation. Will Greece be able to safeguard its cultural heritage and promote contemporary culture? Will it be able to offer the public access to an intellectual world through the institutions that have been entrusted with enhancing public culture? The current recession may prove to be an opportunity to implement a new policy for culture.

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