Nicos Souliotis, 2013, *Cities*

Cultural economy, sovereign debt crisis and the importance of local contexts: the case of Athens

Abstract
This paper presents an overview of the cultural economy of Athens during the last three decades and a preliminary assessment of how it is being affected by the current sovereign debt crisis. Drawing upon the concept of embeddedness and using a combination of statistical and ethnographic data we examine the cultural economy in relation with social stratification and urban policy dynamics. We argue that the cultural economy of Athens acquired a consumption- and imported-oriented character. Manufacturing activities shrunk as a result of competitive pressures from both post-Fordist advanced economies and emerging ones. Consumption-oriented activities developed through the meeting of new middle classes' cultural demand with micro-entrepreneurship and large-scale investments of economic elites in a context of deregulation in urban cultural policy and public investments in urban mega-projects. The restructuring of cultural economy was a part of a broader political-economic arrangement, established following the affiliation of Greece to the EC/EU, where public spending (based on public borrowing and EU Structural Funds) sustained both middle classes' income and corporate profits. The 2010-11 sovereign debt crisis threatens the whole political-economic arrangement of the last few decades whose symbolic aspect was the restructuring and growth of the cultural economy.

Introduction
The rise of cultural economy in the cities of the advanced world has been approached critically already in its early stages. In late 1970s Zukin showed how the cultural economy's dynamics fueled gentrification in Manhattan's SoHo (Zukin, 1989) and later criticized the transcription of social power relations in asepticized spaces of middle class consumption and elites' cultural institutions (Zukin, 1991, 1995); Harvey in his famous 1989 article situated contemporary urban cultural strategies in a turn from the post-war era's 'managerial' urban governance to an 'entrepreneurial' one which emphasizes urban competitiveness (Harvey, 1989). The more recent 'creative city' discussion raised criticisms on policy models proposed by authors like Florida (2002) and Landry (2008) regarding the potential contribution of 'creative industries' to urban growth. Scholars focused upon social inequality, arguing that creative city strategies favor elite workers (Peck, 2005) and establish an individualized perception of cultural production (Pratt, 2008a). Critics also assail the voluntarism that underlies these policy recipes, stressing that the attraction of 'creatives' does not suffice to render a city 'creative'; that requires long-term developments entailing a complex interweaving of traditions, relations of production, work and social life in urban context (Scott, 2006; Pratt, 2008b). Critical scholars argue further that creative city strategies use culture in an instrumental manner for the attraction of the creative class and put excessive emphasis on cultural consumption rather than production (Pratt, 2008a, 2008b; Peck, 2005). The overall effectiveness of creative city strategies is questioned as it is found that specific projects of urban creative clusters rely excessively on public subsidies and volatile private capital (Evans, 2009; Scott, 2008) and the expected employment growth is not achieved (Evans, 2009). Last, a growing body of case studies on urban cultural economy and creative industries rendered clear has shown that all cities do not coincide with the archetypal models as depicted in

popular recipes for making a city ‘creative’. From a methodological point of view, there is a need to more systematically take into account local and national contexts within which cultural economy and policies are embedded (Bassett, 1993; Mommaas, 2004; Evans, 2009; Kong and O’Connor, 2009; Pratt, 2011).

The current financial and sovereign debt crisis brings into question the relation of cultural/creative economy with the city in a more dramatic way. What is at issue is the relation of the cultural economy with the financial sector, the leading activity of what we used to call the ‘new economy’, and state finances. An analysis of this relation focuses upon the *systemic position* of the cultural economy. In this paper we discuss the case of Athens, the capital city of the country which came at the epicenter of the sovereign debt crisis in the Eurozone since 2010. Methodologically we draw upon the problematic of the socio-political embeddedness of the urban capitalist economy (Polanyi, 1944; Brenner and Theodore, 2002) and the sociological approach of the cultural economy as a system of actors (Bourdieu, 1979, 1992; Zukin, 1995). By the term ‘cultural economy’ we mean, following Bourdieu (1992), the set of economic sectors which produce ‘symbolic goods’, that is, those products ‘with two aspects, merchandise and signification’ (Bourdieu, 1992, 234) which serve the construction of different lifestyles, cultural identities and the accumulation of the capital of social recognition by individuals[1].

Overall, we argue that the rise of the cultural economy in Athens has been a part of wider processes in the advanced world (tertiarization, growth of middle classes and enhancement of cultural capital, aesthetization of consumption, neoliberalization associated in Europe with European Union policies) mediated by the position of the city in the international division of labor and domestic traditions and structures like political clientelism, dispositions of micro-entrepreneurship and economic elites’ inclination to patronage of the arts. In what follows we first correlate the formation of cultural demand with the transformation of the social structure of the city; in the second part we overview the field of cultural producers emphasizing the micro-entrepreneurship in night economy, the gallery and theater scenes and the economic elites’ symbolic strategies; the third part examines how city competitive strategies affected the cultural economy; we last present some concluding remarks on contrasting perspectives of the Athenian cultural economy.

1. The social genesis of cultural preferences

During the first three post-war decades Athens, along with Thessalonica, has been the basic field of economic development of the country. The population of the city more

[1] I also draw upon Zukin’s definition of urban ‘symbolic economy’ (1995, 23-24) which puts in a unified analytical perspective the system of production of space (which involves capital investment and cultural meanings) and the system of production of symbols (which constructs a currency of commercial exchange and language of social identity). The question of which sectors are to be considered as parts of the ‘cultural economy’ must be approached in a context-sensitive manner. In general, as Scott notes (1997, 323) the activities of the cultural economy may emanate from traditional manufacturing sectors (clothing, furniture, jewelry), service sectors (tourism, restaurants, theater, advertising, design and so on) or they may have a hybrid form (music recording, publishing, film production). But there are significant differences in the composition of the cultural economy between cities according to their history as well as to their position in the globalized division of labor (Scott, 1997, 327). In this paper, I follow the above-mentioned broad definition of Scott and I focus especially on activities with specific weight for the consumption-oriented cultural economy of Athens: night economy activities (bars, restaurants, cafes), theater, galleries, media and nonprofit organizations.

than doubled (Kotzamanis, 1997), and reached four million by the late 1970s (where it remains today). Urban growth was driven by light manufacturing industry in housing-related consumer goods and building materials, rural-urban migration and a building boom. Public administration, personal services and invisible assets from shipping, tourism and emigrant remittances were also significant components of the city's economy (Maloutas, 2010; Leontidou, 1990).

This economic structure has changed significantly since the mid 1970s. The secondary sector shrunk and underwent a slow and difficult restructuring due to the oil crisis, the opening of the Athenian economy to international competition following the affiliation of Greece to the European Community and other domestic economic factors (wage increases, rising bank rates, low corporate profitability and reduced private investments, Stathakis, 2010). The end of migration flows in the early 1980s and the return to slow rates of population growth deprived Athens of yet another major resource that had fueled it post-war economic vitality.

In the 1980s and especially in the 1990s, a new framework of economic development and social reproduction has been gradually established. The Athenian economy started recovering based on traditional but henceforth liberalized and internationalized activities (Stathakis, 2010). Deregulation and privatization gave banks, media and telecommunications a new dynamic (Stathakis, 2010; Leandros, 2000). The construction sector and the real estate services thrived due to the mega-projects implemented since the mid 1990s and to the growth of the housing market (Tarpagkos, 2010; Maloutas et al., 2009). Leisure and tourism activities benefited from the increase in local and international demand.

For a long stretch of time Athens has been a rather introverted national metropolis due to historical circumstances (difficult Greek-Turkish relations, Cold-War isolation from northern neighbours), a feature which is still reflected in the paucity of foreign corporate investment (Maloutas, 2007, 737). Since the mid 1980s it was the transfer of European Union resources through the Structural Funds and private and public borrowing (which was facilitated by banking deregulation, monetarist policies and entry to the Eurozone) that fueled the economy at all scales, from the financing of mega-projects, to the housing market and private consumption. After 1990, waves of immigrants from the Balkans and Eastern Europe offered low cost labor and contributed to the viability of small family businesses (Maloutas, 2010). Last, the growth of the public sector offered middle class employment opportunities in the tertiary and the widening of access to higher education created opportunities in liberal professions.

The main feature in the mutation of the city's social structure was an impressive growth of the upper and upper-middle socio-professional segments (large employers, professional, administrative and managerial occupations): these categories increased from 11.7% of the active population in 1971 to 18.3% in 1981, 21.7% in 1991 and 32.7% in 2001 (Maloutas, 2010). The middle and low-middle occupations grew at a lower rate, while the lower occupations (lower white-collar, skilled and routine occupations) have been reduced significantly (from 45.3% in 1971 to 30.1% in 2001, Maloutas, 2010).

This transformation increased the social segments with enhanced cultural resources and financial means, as well as the population which was ‘released’ from manual work. The first important outcome regarding the cultural economy was the widening of the social base for the cultural markets. Table 1 illustrates the considerable increase of expenditure in commodified leisure and cultural goods and services since the mid 1970s to the late 1990s by all social strata, especially the middle and upper strata.

[TABLE 1 AROUND HERE]

The demand for cultural goods and services in Athens has been shaped by three major processes which develop at different historical and social levels: 1) the long-term dynamics of the low class cultural practices which were constantly hybridized since the 1930s through their meeting with the cultural industries (notably the music industry) and the entertainment economy (Economou, 2005); 2) the individualization and hedonism which emerged in a period of relative prosperity and the shrinkage of the interest in social and political collectivities that followed the restoration of democracy in 1974 and the normalization of the political life; and 3) the experience of social mobility which allowed wide segments of the population into the upper and middle classes and the service sector. We can distinguish three main patterns of cultural demand associated with these processes: a ‘luxury’ segment, ‘modernized’ versions of low class leisure practices and the appeal of ‘urban’ cultural identities.

The widening of access to urban cultural and leisure markets for persons experiencing upward mobility (more often inter- than intra-generational) fueled practices seeking distinction from entertainment tastes of the lower classes. In a city of the European periphery this distinction takes the form of appropriation of symbolic goods coming from Western Europe and the US (genres of music, cuisines, garments etc.). Ethnographic research (Souliotis, 2003) showed that young consumers in middle class as well as low class areas of the city avoided visiting popular leisure places (cafes, taverns), transcribing symbolically this practice of distinction in youth vernacular (distinguishing, for example, young persons according to music preferences and the relevant sub-cultures, while keeping a class qualification for the older persons calling them *laikoi*/popular, Souliotis, 2003). When middle class consumers do visit popular leisure places (taverns or clubs), they describe their experience as a rather cynical search of ‘fun’ (*chavales*) disconnected from their cultural identities, or as a romantic search of ‘authenticity’ (Souliotis, 2009; Ioannou, 2001). In both cases, they adopt a strategy of condescension (Bourdieu, 2001) implying that their social position is superior to that of the cultural practice which they appear to approve.

Distinction from lower classes’ entertainment coexists however with an interest for ‘luxurious’ versions of the latter. Social mobility creates a tension between the dispositions and the tastes (*habitus* in Bourdieu’s terms) that correspond to the previous lower social position and the expectations stemming from the current higher social position. The cultural markets respond to this tension by inventing ‘modernized’ ways of popular entertainment: the history of the Athenian leisure market during the last three decades has been largely that of production of middle class entertainment spaces and music with reference to popular classes, including neo-traditional taverns, clubs with popular Greek music and a neo-popular (*neo-laiko*) genre of music.

Masses of young consumers who reached their twenties and thirties and obtained their own purchasing power in the 1980s and the 1990s issued from families installed in Athens during the large rural-urban migration waves of the 1950s-1970s. Their cultural practices, formed in the above-mentioned context of tertiarization and social mobility, also acquired a strong urban dimension. Native-born Athenians negotiated common cultural identities with reference to different versions of urbanity. This tendency took the form of attraction to cultural products claiming to be 'urban' (mainly magazines and music genres) and by the historical center which became the locus of 'trendy' entertainment.

The social conditions within which demand for cultural goods and services grew, depended on public borrowing. Public borrowing sustained employment growth in the public sector; it also allowed the state to tolerate extended tax-evasion by the upper and middle occupations and to implement a complex and segmented taxation system with privileges for numerous upper and middle occupations in both the private and public sectors (Stathakis, 2010; Pelagidis and Mitsopoulos, 2010; Lapavitsas et al., 2010). Through these more or less clientelistic practices the political elites contributed to the social reproduction of several occupations and established a new socio-political arrangement in a context of painful economic restructuring. The demand for cultural goods and services was the symbolic aspect of this socio-political condition, mediated by the experiences of social mobility and urbanization.

Thus, in terms of demand the growth of Athens' cultural economy was associated, as elsewhere in the advanced world, to the growth of the middle classes. However, mainly due to the relative introversion of the city's economy, these were not the well known 'new middle classes' occupied in business services, high technologies and R&D (Maloutas, 2007, 737). They rather issued from self-employment, liberal professions and the public sector whose reproduction was linked with increased public borrowing. To the degree that the latter has been facilitated by EU-promoted monetarist policies, the growth of cultural demand owes to the over-inflation of the financial sector, although this relation has been infiltrated by local traditions of political clientelism and local social stratification dynamics.

2. Dispositions and strategies of producers

During the last few decades total employment in the cultural product sectors in Athens grew (see table 2). However, the most important change concerned the distribution of employment between the different cultural product sectors. Employment in almost all manufacturing activities (with the notable exception of publishing) fell dramatically, manifesting the decomposition of the pre-existing productive tissue. During the post-war period, the manufacturing sectors of the cultural economy were dominated by labour-intensive, small family businesses serving the national and international markets (Liberaki, 1991; Vaiou et al., 1999). The decline of the manufacturing sector of the cultural economy dates to the late 1970s and resulted from a double pressure: on the one hand, competition from low-cost Eastern European and Asian production, and on the other, competition from the high-quality, innovative and brand name industries of USA and Western Europe. Imports from developing countries into the European markets, especially in clothing and shoes, negated the low-wage advantage of the Greek manufacturing. At the same time, Greek businesses did not manage to adapt to the new knowledge-intensive production that characterizes Post-Fordist economies.

[TABLE 2 AROUND HERE]

Athens, placed at the periphery of the advanced world, experienced the growth of the cultural economy and cultural consumption, but lagged regarding the development of activities that are typically considered to be the most dynamic sectors of the 'creative economy'. High-technology industries (e.g., computers, telecommunications and electronics), design-intensive manufacturing activities (e.g., garments and cosmetics) and cultural industries (e.g., film production) are mainly import-oriented (Vaiou et al., 1999; Sifaki, 2003; Gospodini, 2009). On the contrary, activities which benefited from the widening of access to higher education and the rise of middle class cultural capital such as the arts (and especially literature and theater) have thrived without being linked to high technology and branding (on theater see Mavromoustakos, 2005). Other dynamic sectors depend upon micro-entrepreneurship and economic elites' symbolic strategies. Micro-entrepreneurship, a basic feature of the post-war Athenian economy, met the growing demand of the middle and low classes for leisure and renewed the night economy of the city. The economic elites, transformed themselves through the process of the restructuring of the Athenian economy, investing in the cultural economy (media, shopping malls, nonprofits) in the search of symbolic and/or economic profits. The thriving activities of the cultural economy drew largely upon the transformation of urban space: the rehabilitation of the historical center, mainly in its first steps, allowed new players to enter into various markets (art galleries, theater, nightlife, retailing) offering a combination of low rents and high symbolic potential; investments in mega-projects and preparations for the Olympic Games favored large-scale investments in the cultural economy. In what follows we focus upon micro-entrepreneurship in the entertainment market, art galleries and theaters, and the economic elites' strategies in the cultural economy of Athens.

Micro-businesses in the night-time entertainment market: During the 1990s and early 2000s, the leisure markets responded to the increased cultural demand through a 'spontaneous' adjustment of micro-businesses[2] (Souliotis, 2009). New entrepreneurs entered the market city-wide. In the western lower class suburbs the decline of manufacturing 'released' new generations of economic actors. Young people were re-oriented towards services like restaurants, bars and cafes rupturing the continuity with parental occupations. They created small entertainment businesses in the 1980s and early 1990s with minimum financial resources and based on personal work and aid from their social networks (Souliotis, 2003). They thus mobilized cultural and economic dispositions which were inscribed in the pre- and post-war experience of do-it-yourself construction of illegal housing. The new micro-businessmen were ex-employees in the entertainment sector, but they also came from very different occupations (such as small retailers, motor mechanics and civil servants). Their employees and clients were often drawn from local social networks. We find a middle-class version of new micro-entrepreneurship in the entertainment market in the historical center in the 1990s (Souliotis, 2009). Quite well-off liberal

[2] Sectors of the night-time entertainment economy are characterized in Greece by very small size and low concentration of ownership. In a total of 79,660 businesses in 2005 in the sectors of bars, restaurants and catering, one third (26,338 firms) employed one person, two thirds (51,079 firms) employed between 2 and 9 persons and only a about 3% of businesses (2,243 firms) employed more than 9 persons (Source: Business register, NSSG).

professionals, small retailers and artists opened bars and restaurants in derelict historical neighborhoods (Psirri, Gazi, Metaxourghio), launching processes of land use change from manufacturing to leisure. Both types of 'pioneer' entrepreneurs in the suburbs and the historical center were followed by more established entertainment entrepreneurs (and, in the suburbs, by national and multinational restaurant and café chains) who were attracted by the opportunities offered from the emerging urban markets (Souliotis, 2003, 2009). These processes created several clusters in the suburbs and the historical center, forming the new landscape of the Athenian night-time entertainment market.

Micro-enterprises in the entertainment market are based on face-to-face interaction with consumers. Their services incorporate the performance of the employees, while the employers very often participate in the interaction with clients and contribute personally to the formation of the place's 'climate'. Micro-entertainment businesses are particularly demand-sensitive: face-to-face interactions are coloured by the fact that the cultural dispositions of entrepreneurs match those of consumers. The pioneer entrepreneurs of the historical center and the suburbs created their restaurants and bars according to their personal tastes. They introduced innovations in the market (types of neo-traditional restaurants with references to the Athenian low-class taverns of the 1940s-50s) drawing upon their personal preferences and those of friendly milieus (Souliotis, 2009). From a general point of view, the micro-entrepreneurs of the 1990s, sharing similar class positions with their clients, re-appropriated the cultural dispositions of the middle classes and of a part of the lower classes and circulated them back in the form of commodified services. Certainly, the cognitive structures of both entrepreneurs and consumers were strongly affected by the national media and the globalized cultural economy. But the urban entertainment markets, being dominated by numerous micro-businesses, were also shaped by an 'auto-regulated' coordination between consumers and producers which is based on common social experiences and dispositions.

Art galleries and theaters: During the last two decades art galleries and theaters multiplied as well. New galleries and theaters were mainly located in the derelict neighborhoods of the historical center of Athens contributing to the unplanned, rather 'organic' emergence of cultural clusters (Karachalis, 2011)[3]. Galleries and theaters benefited from flows of visitors created by the concentration of entertainment micro-businesses, while at the same time they enhanced the space's cultural identity and favored land use change. Their strategy consisted in connecting artistic innovation with marginalized localizations as a means for contesting cultural hierarchies in the art world (Souliotis, 2009). Until the late 1980s, Athenian theaters and galleries were organized symbolically and spatially in distinct poles. The dominant distinction in theater was between 'commercial' or 'bourgeois' companies located in some parts of the city-centre (Acadimias Street, Patission Street, Syntagma Square) and 'experimental' ones which were dispersed in other quarters of the city-centre (Ilissia, Kipseli) and in suburbs (Nea Ionia, Kallithea, Kessariani, Zografou, Mavromoustakos, 2005). Since the post-war period, galleries were concentrated in the upper class city centre quarter of Kolonaki, while a smaller number followed the upper classes into the northern suburbs during the suburbanization of the 1980s. The creation of new

[3] See also Souliotis, 2009. According to the calculations of Mavromoustakos (2005, 258-260) in the center of Athens there were 22 theaters in 1954-55, 29 in 1974-1975 and 66 in 1998-1999.

clusters of galleries and theaters in the downgraded quarters of the historical centre since the mid 1990s disturbed these distinctions and permitted the entrance of new players into the market. Young dealers promoting artists of their generation created a new pole of ‘contemporary art’, with internationally-oriented galleries. On the theatrical scene, since the 1970s, competition between young actors to find a job in established companies became harder as a result of the multiplication of private drama schools. The creation of new theaters by companies composed exclusively of young actors allowed them to enter into the market and start a career. Somewhat similar to what happened in the entertainment market, at a second stage, ‘commercial’ theatrical companies and art dealers followed young pioneers, using the ‘alternative’ allure of the historical centre to renew their profile and achieve a repositioning in the market.

Art and theatrical markets are less demand-sensitive than the entertainment market. Artistic trends follow longer cycles and depend more on the internal logic of the art world’s complex mechanisms linked to the succession of artistic ‘generations’ and to the interaction of artists, dealers, critics, collectors and museums (Bourdieu, 1992). In this process urban space may be used as a frame of perception for works of art and theatrical plays that contributes to the construction of their symbolic value. The pioneer galleries and theatrical companies of the historical center used the ‘marginal’ localization in order to create a loyal public. The information on galleries and theaters which are located in downgraded neighborhoods is passed through word-of-mouth between people sharing similar preferences. This process leads to the construction of a more or less specific and coherent public. When galleries and theaters multiply, information starts to circulate through more formalized marketing means. The public becomes more ‘massive’ and tends to make choices influenced by the media and advertisement. Localization in the historical centre is also a means to break from dominant aesthetic rules. The industrial/artisan aesthetic offers a ‘non-commercial’ framework for the display of works of art and the theatrical plays. Thus, the latter become more ‘difficult’ and require more attention from the public, than in the pleasant environment of the luxurious theaters and galleries of the wealthy quarters of the city centre. Particularly in theaters, an industrial aesthetic is often directly integrated into the performance. Actors and directors attempt to integrate the ‘memories’ and the ‘history’ of buildings into the aesthetic of the play by minimizing additional stage elements so that the industrial aesthetic underpins a more ‘symbolic’ and ‘experimental’ direction and stage design.

Economic elites and the cultural economy: Economic elites entered the cultural economy of the city with strategies seeking to take control of systems of symbolic production and to reinvest economic capital accumulated in other leading sectors of the city’s economy. They developed a presence notably in media, mass entertainment and shopping and nonprofit organizations.

The deregulation of TV and radio in 1989 allowed businessmen to pursue control over public space through investment in mass media. Initially newspaper publishers and later investors from sectors such as shipping, telecommunications and construction established powerful media groups including TV and radio stations and publishing endeavors (Leandros, 2000). The new groups replaced the familial-type newspaper publishing and constituted one more step towards the commodification of the systems of symbolic production. Media became one of the most dynamic sectors of the city’s economy, following in the city space the location pattern of other leading sectors of the 1990s (telecommunications, finance, insurance) along the high-end arteries in the Northern part of Athens (Gospodini, 2009).

During the period 1995-2004 construction companies had the opportunity to grow and to differentiate their business plans through expansion in the cultural economy. The implementation of mega-projects in transport and environment (Athens international airport, metro and tram lines, peripheral highway, metropolitan waste water treatment plant) and preparations for the 2004 Olympic Games led to the establishment of a small number of powerful groups (Tarpagkos, 2010; Delladetsima, 2006). The planning for the reuse of the Olympic Games venues foresaw their conversion in leisure and tourism spaces by private investors through long-term leases. The absence of strong competitors from the entertainment market allowed companies from other sectors to bid for renting the OG venues - especially construction companies which gained the necessary financial means from the previous round of growth[4]. These investments, along with other similar recent projects, clearly represent an increase in the size of investments in retail trade, leisure and tourism (Delladetsima, 2006). Regarding the entertainment industry, this evolution led to a segmentation of the market, with new developments representing 'mainstream' middle class consumption and micro-businesses inclining more to 'alternative' and neo-traditional identities. This market segmentation has a strong spatial basis: the large-scale leisure centers are located in highly accessible sites in the city's periphery while the micro-businesses form clusters in the city-center, monopolizing the spatial identity of the latter.

Beginning in the early 1980s and increasing after the early 1990s, businessmen from media, shipping, constructions and banking, upper middle class professionals and older private nonprofits (founded in the 1930s and in the first post-war decades) established new cultural nonprofit institutions and installations in Athens (Souliotis, 2008). In total, ten new cultural institutions have been founded and three older institutions expanded their installations. Founders are often art collectors and the installations include museums, exhibition spaces, galleries and concert halls some of which stand among the most influential cultural institutions of the country (Benaki Museum, Planetarium of Eugenides Foundation, Goulandri Museum of National History, Athens Music Hall, Foundation of the Hellenic World, House of Arts and Letters of the Onassis Foundation). The installations are located in upper class suburbs – where the founders make use of family properties – in the main cultural axis of the city (Vas. Sofias Avenue) and in other main avenues which offer further opportunities for prestigious location (Sygrou Avenue, Piraeus Avenue) often in ex-industrial buildings (Souliotis, 2008). Currently a new nonprofit-sponsored cultural mega-project is under construction including an opera, a National Library and a green park in a 200,000 sq. m site at Faliro bay, designed by Renzo Piano. The financing of the project, estimated at 560 million euros, is a donation of the Stavros Niarchos Foundation (created by the Greek shipping tycoon who died in 1996) to the Greek State. According to the agreement signed in 2007, the foundation undertakes the financing and exclusive control of all phases of the project (including choice of location and architectural designs), while the new installations will bear the name of

[4] The venues conveyed by lease to private investors include two leisure and commercial centers, one amusement park, one tourism marina and two theatres-performing arts centers. Tenants consisted of five construction companies, one real estate developer, a car retailer, one multinational shopping mall and amusement park developer and only two companies originating from entertainment activities (Maloutas et al., 2009).

S. Niarchos. The state procures the site and assumes management of the institutions after the accomplishment of the project.

Through the creation of cultural nonprofits (as well as through art collecting and cultural sponsorships) members of business elites and upper middle classes convert into symbolic the accumulated economic power and establish cultural distinction from the growing middle class leisure markets. This strategy draws upon a specific socio-cultural tradition. The rhetoric that accompanies the private cultural nonprofits (the official discourse of nonprofits and the discourse of art critics, journalists and artists) refers to globalized schemes of 'social responsibility' and cultural 'flagship' projects. They also incorporate references to the 'national benefactors'' (*ethnikoi evergetes*) tradition, meaning by this term the wealthy merchants and ship owners of the Greek Diaspora (installed in Eastern Europe, Russia, Turkey and Egypt) who, animated by a nationalist-modernizing ideology, financed during 19th and early 20th century the construction of a large part of the cultural and educational infrastructure of the young Greek national state. Despite the historical discontinuity with today's non-profit activity (the phenomenon almost disappeared after 1920s-30s following the destruction of Diaspora communities), the appeal to the 'benefactors'' tradition is a strong symbolic resource (see also the next section)[5].

3. Policies and the construction of urban cultural markets

During the first few post-war decades the central government integrated the cultural resources of Athens, mainly heritage, into strategies of tourism development. The most characteristic public intervention of the period was the pedestrianization of a part of the historical center and the restoration of the Herodium Theater (which has been used thenceforth for theatrical pieces and concerts). Tourism development in the 1960s also increased public interest in the neighborhoods of the historical center and launched the first debates on the implementation of preservationist policies (Filipidis, 1990).

After decades of quite aggressive pro-growth urban policies in Athens, growth management approaches started to gain ground in the late 1970s and increasingly during the early 1980s. Preservation of architectural heritage was among the priorities of the Master Plan of Athens presented in 1979 by the conservative government. The socialist party which came in power in 1981 implemented more decisively Keynesian-type urban and cultural policies: apart from preservation of architectural heritage, emphasis was put on subsidies to arts (mainly to the theater) and on decentralization of cultural activities in favor of the regions of the country (foundation of Municipal Peripheral Theatres and subsidies to local cultural associations). In practice, these policies restricted interventions in the Athenian cultural economy with the only important initiative being the rehabilitation of a tourism quarter located at the foot of the Acropolis (Plaka) in the early 1980s.

However, these political dynamics did not mesh with economic circumstances: the implementation of growth management policies coincided with the recession of the 1980s and the socialists were pressed to adopt policies that could revitalize the city's

---

[5] Thus, Giorgos Alogoskoufis, as Secretary of Treasury, stressed in 2007 that the financing of the cultural complex in Faliro by the S. Niarchos Foundations 'takes up and is inspired by the tradition of the national benefactors', while A. Drakopoulos, member of the Foundation's Board, compared the project with 'analogous [mega] projects which are in progress around the world' (Rigopoulos, 2007).

economy and render it more competitive within the EC. Since the mid 1980s the policy framework started to change and the goal of transforming Athens into an international center of services and culture came up on the policy agenda (Romanos, 2004, 154); in 1987, the central government announced the construction of Athens' metro and of a second airport in eastern Attica (Spata); from 1988 to 1990 Athens campaigned – unsuccessfully – to become the site for the 1996 Olympic Games.

The pro-growth turn brought the expansion of the private sector in the cultural economy. We have already mentioned the EC-promoted deregulation of TV and radio. In the late 1980s the central government increased funding for the construction of the Athens Concert Hall, an institution with mixed public-private administration; it rapidly became the most prominent cultural institution of the city and an emblematic case of PPP in the cultural domain. In 1990, as a result of the lobbying of a business-led association promoting cultural sponsorship (the Association for Communication between Culture and Economy), the new conservative government legislated tax advantages for businesses that sponsored cultural activities (exemptions up to 15% of a business's taxable revenue).

Since the early 1990s the preservationist policies have had some unexpected, but crucial effects. A public debate between central and local government, planners and the press on rehabilitation of the historical center pushed night-time entertainment micro-businesses to concentrate in some of its neighborhoods (Psirri, Thissio). Urban rehabilitation projects created an attractive structure of opportunities for micro-businesses: micro-businesses speculatively anticipate actions of actors such as the central government and the municipality, while the preservation legislation is expected to exclude large investors and to establish strong spatial identities linked to the city's history. During the 1990s and early 2000s this interaction between urban policies and night economy micro-businesses became more intense, as the elaboration of rehabilitation projects, realization of localized interventions (pedestrianizations, remodeling of squares) and increase in accessibility (new metro stations) canalized hundreds of bars, restaurants and cafes in the historical neighborhoods (Gazi, Metaxroughio, Keramikos).

By the mid-1990s, difficulties in public finances and the influence of EU policies (Chorianopoulos, 2008) led the Greek government to foster more systematically the private sector's expansion in the cultural economy. Drawing on the 'benefactors'' tradition, the Ministry of Culture developed various forms of cooperation with private nonprofits, from ad hoc support (procurement of sites, subsidies) to permanent PPPs. EU programs favored these cooperation schemes and offered financial resources. Through PPPs major private or semiprivate cultural institutions in Athens (Benaki Museum, Museum of Natural History, Athens Concert Hall) spectacularly expanded their activities and locales (Konsola, 2006). New and old state cultural institutions including major ones (National Theater, National Opera-House, National Center of Book, National Museum of Contemporary Art) acquired the legal form of state-supervised private entities through laws in 1994 and 1997. Economic management according to private law was also applied in municipalities, the larger part of their cultural authorities being transferred to municipal enterprises. Last, after a rollback of private cultural sponsorships following a restriction of tax incentives by the socialists in 1997, the conservatives reestablished lucrative forms of cultural sponsorship in

2007 (exemptions up to 30% of taxable revenue and, for the first time, establishment of incentives for sponsorship in the realm of heritage).

Major public interventions in the cultural economy ensued from the repositioning of culture within a wider framework of urban competitive strategies, although a specific ‘creative city’ strategy was never formulated. Interactions among central government, economic elites and planners about the allocation of EU funds, reform of the Athens Master Plan and preparations for the 2004 Olympic Games produced a relatively coherent developmental vision for Athens focusing on international competitiveness (MEPPW, 1999; GSRA, 2006; Economou et al., 2001). The idea was to compensate for the negative effects of the entry of Greece to the European market (e.g., the partial destruction of productive tissue, further peripherilization of the country) by using the advantage of EU-membership to assume a leading economic and political role in the post-communist Balkans and Eastern Mediterranean. Athens was at the epicenter of this policy, based on banking, telecommunications, transportation, shipping, culture and tourism. Other crucial activities of the new economy like R&D and producer services were omitted based on the implicit assumption that Greek capital lacked competitive advantages.

Regarding the cultural economy, the new Athenian urban policies focused also on activities that were already dynamic. There were two goals: First, promote large firms in leisure and retailing that could gain shares in growing domestic markets. Second, reverse the trend of reduced tourist flows which began in the 1980s when the role of Athens was downgraded to serving as a transit point to the islands.

The 2004 Olympic Games was the main occasion to implement large-scale investments in leisure and retailing (see section 2). The reuse of Olympic venues would contribute to the diversification of the city’s tourist sector, creating infrastructures for convention and sport tourism. Another major public intervention was the implementation of an extended rehabilitation program in archaeological sites and the historical center. A state-controlled private company founded in 1997 (the Company of the Unification of Archaeological Sites of Athens) promoted the construction of a four kilometers pedestrian way linking the most significant vestiges of ancient Athens, pedestrian malls in a number of historical neighborhoods, a refurbishment of facades and the remodeling of central squares. A last ‘flagship’ project, was the opening in 2009 of the New Museum of Acropolis; located at the foot of the Acropolis and designed by Bernard Tschumi, the museum added a new attraction to the cultural infrastructure of the city[6].

Concluding remarks

The contemporary cultural economy of Athens emerged through the restructuring of the city economy, as the latter was shaped by Athens’ position in the international division of labor and by local political, economic and social dynamics. Placed at the periphery of the advanced world, the Athenian cultural economy is consumption- and

[6] These two projects were initially conceived in relation to very different agendas for bolstering Greek national identity. The first, the idea of creating an archaeological park in the center of Athens, dates to the 19th century when, after the founding of the Greek state, the possibility was discussed of removing eastern parts of the city in order to ‘liberate’ the space of the ancient city. The second, that of building a new Acropolis museum, was conceived in the 1970s in order to provide the Greek Government with an additional argument in its claim for the repatriation of the Parthenon marbles from the UK.

import-oriented as a result of the combination of relative economic prosperity and competitive pressures from both rich and emerging economies. The particular position of Athens in the European cultural imaginary as locus *par excellence* of the ancient Greek civilization still defines the specific symbolic resources of the city and favors a heritage-centered tourism policy. At the domestic level, cultural demand has been shaped by social mobility and urbanization experiences; supply has been largely constructed through micro-entrepreneurship and symbolic strategies of economic elites; neoliberal urban cultural policies integrated micro-entrepreneurship in urban rehabilitation projects, favored economic elites' strategies and implemented flagship projects in heritage. From a macro-economic point of view, public borrowing had a central role in the dynamics of the cultural economy as it sustained financially both middle class demand and public investments in urban infrastructure.

Within the crisis conjuncture, the deep economic recession and the austerity measures implemented by the IMF-EU-ECB stabilization program menace not only middle class cultural consumption, but also the reproduction of economic elites (the banking sector being among the basic lenders to the Greek state and the construction sector being significantly affected by the shrinkage of public investments). Urban cultural policies linked to the strategy of internationalizing Athens become, in practice, obsolete. The post-crisis Athenian cultural economy will be altered: it probably will become smaller and less consumption-oriented. However, we also can presume that it will continue to be a basic part of the city's economy if only by virtue of Greece's difficulty to restructure its economy through public investments and industrial policy – both are restricted by the recession and participation in the open European economy. The question then, is whether the crisis will 'release' the Athenian cultural economy from structural deficiencies (e.g., its consumption-orientation), or whether, as Bourdieu notes (2000), the policies of 'structural adjustment' will lead to a further intensive and extensive exploitation of city resources (public property, the natural environment, urban symbolic capital) by national and international investors, a view which is currently presented by elites as the only possible developmental path.

References

Bassett, K (1993) Urban cultural strategies and urban regeneration: a case study and critique. *Environment and Planning A* 25, 1773-1788.

Bourdieu, P (1979) *La Distinction. Critique Sociale du Judgement*, Minuit, Paris.

Bourdieu, P (1992) *Les Règles de l'Art. Genèse et Structure du Champ Littéraire*, Seuil, Paris.

Bourdieu, P (2000) *Les Structures Sociales de l'Economie*, Seuil, Paris.

Bourdieu, P (2001) *Langage et Pouvoir Symbolique*, Seuil, Paris.

Brenner, N and Theodore, N (2002) Cities and the geographies of "actually existing neoliberalism" Antipode 34 (3), 349-379.

Chorianopoulos, I (2008) Institutional responses to EU challenges: attempting to articulate a local regulatory scale in Greece. International *Journal of Urban and Regional Research* 32 (2), 324-343.

Delladetsima, PM (2006) The emerging property development pattern in Greece and its impact on spatial development. *European Urban and Regional Studies* 13 (3), 245–278.

Economou, D, Getimis, P, Demathas, Z, Petrakos, G, Piryiotis, Y (2001) *The International Role of Athens*, University of Thessaly Press, Volos (in Greek).

Economou, L (2005) Rebetika, laika and skyladika: limits and shifts in the perception of 20th century popular music. *Dokimes. Review of Social Studies* 13/14, 361-398 (in Greek).
Evans, G (2009) Creative cities, creative spaces and urban policy. *Urban Studies* 46 (5&6), 1003-1040.
Filippidis, D (1990) *On the Greek City*, Themelio, Athens (in Greek).
Florida, R (2002) *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*, Basic Books, New York.
General Secretariat of the Region of Attica (GSRA) (2006) *Revised Regional Operational Programs of Attica 2000-2006*, Athens (in Greek).
Gospodini, A (2009) Post-industrial Trajectories of Mediterranean European Cities: the case of Post-Olympics Athens. *Urban Studies* 46 (5&6), 1157-1186.
Harvey, D (1989) From managerialism to entrepreneurialism: the transformation in urban governance in Late Capitalism. *Geografiska Annaler. Series B, Human Geography*, 71 (1), 3-17.
Ioannou, A (2001) The '*skylotita*' outside '*skyladiko*': consumption and identities in Piraeus Esplanade, *Dokimes. Review of Social Studies* 9/10, 239-262 (in Greek).
Karachalis, N (2011) The regeneration of inner city neighbourhoods and the role of cultural industries: The case of Psiri in Athens. In Cremaschi, M and Eckhard, F (Eds), *Changing Places, Urbanity, Citizenship, and Ideology in the New European Neighbourhoods*. Techne Press, Amsterdam, pp. 142-159.
Kong, L. and O'Connor J (Eds) (2009) *Creative Economies, Creative Cities: Asian-European Perspectives*, Springer, Dordrect and New York.
Konsola, D (2006) *Cultural Development and Policy*, Papazisi, Athens (in Greek).
Kotzamanis, V (1997) Athens 1848-1995. The demographic emergence of a metropolis. *The Greek Review of Social Research*, 92/93, 3-30 (in Greek).
Landry, C (2008, 1st edition 2000) *The Creative City. A Toolkit for Urban Innovators*, Earthscan, London.
Lapavitsas, C, Kaltenbrunner, A, Lindo, D, Michell, J, Painceira, JP, Pires, E, Powell, J, Stefors, A, Teles, N (2010) *Eurozone Crisis: Beggar Thyself and Thy Neighbour*, RMF occasional report, www.researchonmoneyandfinance.org.
Leandros, N (2000) *Political Economy of Media*, Kastaniotis, Athens (in Greek).
Leontidou, L (1990) *The Mediterranean City in Transition*, Cambridge University Press, Cambridge.
Liberaki, A (1991) *Flexible Accumulation: Crisis and Restructuring in Small Industry*, Gutenberg, Athens (in Greek).
Maloutas, T (2007) Segregation, social polarization and immigration in Athens during the 1990s: theoretical expectations and contextual difference. *International Journal of Urban and Regional Research* 31 (4), 733-758.
Maloutas, T, Sayas, J, Souliotis, N (2009) Intended and unintended consequences of the 2004 Olympic Games on the sociospatial structure of Athens. Paper presented at the 2009 ISA-RC21 Sao Paulo Conference: Inequality, Inclusion and the Sense of Belonging, August 23-25.
Maloutas, T (2010) Mobilité sociale et ségrégation à Athènes: Formes de séparatisme social dans un contexte de mobilité spatiale réduite. *Actes de recherche en sciences sociales* 184, 2-21.
Mavromoustakos, P (2005) *The Theater in Greece. A Review*, Kastaniotis, Athens (in Greek).
Ministry of Environment, Planning and Public Works (MEPPW) (1999) law 2730 on the Planning, Integrated Development and Implementation of Olympic Projects and Other Provisions, *Government Gazette* 130 25 June (in Greek).

Mommaas, H (2004) Cultural clusters and the post-industrial city: towards the remapping of cultural policy *Urban Studies* 41 (3), 507-532.
Peck, J (2005) Struggling with the creative class. *International Journal of Urban and Regional Research* 29 (4), 740-770.
Pelagidis, T and Mitsopoulos, M (2010) *The Turning Moment for the Greek economy. How Progressive Pragmatism May Put It Again on a Developmental Path*, Papazisi, Athens (in Greek).
Polanyi, K (1944) *The Great Transformation. The Political and Economic Origins of Our Time*, Beacon Press, Boston.
Pratt, AC (2008a) Creative cities: the cultural industries and the creative class. *Geografiska annaler: Series B – Human geography* 90 (2), 107-117.
Pratt, AC (2008b) Creative cities? *Urban Design* 106, 35.
Pratt, AC (2011) The cultural contradictions of the creative city. *City, Culture and Society* 2, 123-130.
Rigopoulos, D (2007) A donation that transforms Athens. *Kathimerini*, 17 Jul. (in Greek).
Romanos, A (2004) *Athens. The Urban Question from a Citizen's Point of View*, Potamos, Athens (in Greek).
Scott, AJ (1997) The cultural economy of cities. *International Journal of Urban and Regional Research* 21 (2), 323-339.
Scott, AJ (2006) Creative cities: conceptual issues and policy questions. *Journal of Urban Affairs* 28 (1), 1-17.
Scott, AJ (2008) Inside the city: on urbanisation, public policy and planning. *Urban Studies* 45 (4), 755-772.
Sifaki, E (2003) Protections of Popular Culture Through the Study of the Cinema Market in Contemporary Greece, Paper presented at the 1st LSE PhD Symposium on Modern Greece: Current Social Sciences Research on Greece, June 21.
Souliotis, N (2003) Propriétés sociales des entrepreneurs et propriétés économiques du marché : le cas de loisir dans une banlieue populaire d'Athènes. *Regards Sociologiques* 25-26.
Souliotis, N (2008) Collecting activity and creation of cultural institutions in Athens. basic hypotheses and a case study. *The Greek Review of Social Research* 127, 103-139 (in Greek).
Souliotis, N (2009) Cultural strategies and urban regeneration in the historical center of Athens: local conditions and global trends. In Kotzamanis, V, Kougoulos, A, Beriatos, I, Economou, D, Petrakos, G (Eds), Proceedings of the 2nd Pan-Hellenic Congress of Regional Planning and Development, Dept of Regional Planning and Development, University of Thessaly, Volos, 24-27 September. University of Thessaly Press, Volos, vol. 2, pp. 665-674 (in Greek).
Stathakis, G (2010) The sovereign debt crisis of the Greek economy. A historical view. *Sinchrona Themata* 108, 5-9 (in Greek).
Tarpagkos, A (2010) Technical constructions: from the 'golden decade' (1995-2004) to accumulation crisis (2004-2008) and collapse (2008-2010) *Theseis* 113, 133-144 (in Greek).
Vaiou, D, Labrianidis, L, Golemis, C, Chatzimichalis, K, Chronaki, Z (1999) Displacement and return of the industrial production in Athens. In Petrakos, G and Economou, D (Eds), *The Development of Greek Cities: Interdisciplinary Approaches to Urban Development and Policies*. Gutenberg-University of Thessaly Press, Athens, pp. 62-89 (in Greek).
Zukin, S (1989, 1st edition 1982) *Loft Living. Culture and Capital in Urban Change*, Rutgers University Press, New Brunswick, New Jersey.

Zukin, S (1991) *Landscapes of Power. From Detroit to Disney World*, University of California Press, London.
Zukin, S (1995) *The Cultures of Cities*, Blackwell, Oxford.

Table 1: Household expenditure in selected leisure services* classified according to the occupation of head of household (prices 1998, drachmas). Urban areas.

	High professionals	Large employers and managers	Clerical occupations	Self-employed and sales occupations	Lower services occupations	Self-employed in agriculture	Lower technical and routine occupations
1974	30,405	36,176	15,045	17,852	11,670	7,948	14,193
1981/2	44,536	57,131	43,280	46,445	36,002	32,975	36,667
1987/8	57,202	65,106	44,231	49,204	37,214	41,313	33,964
1993/4	64,228	49,916	45,467	50,375	35,298	34,407	30,814
1998/9	73,864	83,510	63,861	64,592	54,675	35,420	42,236

* They include restaurants/taverns, bars/clubs, cafes, canteens, cinema, theater, concerts, museums, libraries, art galleries and sports.
Source: Calculations based on data from NSSG, HES of 1974, 1981/2, 1987/8, 1993/4 and 1998/9.

Table 2 Employment in selected cultural product-sectors in Athens (1991-2001)

STAKOD*		1991	2001
17	Production of textile materials	12,727	7,733
18	Apparel, fur treatment and tincture	32,651	22,994
19	Leather tannage, travel articles (luggage), saddles and shoes	9,436	5,680
22	Publishing, printing, production of DVDs and CDs	17,336	25,258
245	Soaps, detergents, cleaning and glazing products, perfumes, cosmetics	2,090	2,375
361	Furniture	13,728	11,290
362	Jewelry	4,781	4,454
553	Restaurants	18,169	30,327
554	Bars	8,739	16,395
555	Canteens and food delivery businesses	1,711	4,297
742	Architects, engineers and technical advisors	14,140	18,020
744	Advertisement	3,829	8,379
921	Motion picture and video recording activities	1,761	1,939
922	Radio and TV	4,474	7,646
923	Other leisure activities	9,357	9,011
925	Libraries, archives, museums and other cultural activities	1,151	1,867
	Totals:	156,080	177,665

* Statistical Classification of Economic Sectors Activity.
Source: National Statistical Service of Greece, Census of population, 1991, 2001.