From the flat to the city: the construction of modern Greek subjectivity

Autor(es): Issaias, Platon
Publicado por: Editorial do Departamento de Arquitetura
URL persistente: URI:http://hdl.handle.net/10316.2/43465
DOI: DOI:https://doi.org/10.14195/1647-8681_8_8


Conforme exposto nos referidos Termos e Condições de Uso, o descarregamento de títulos de acesso restrito requer uma licença válida de autorização devendo o utilizador aceder ao(s) documento(s) a partir de um endereço de IP da instituição detentora da supramencionada licença.

Ao utilizador é apenas permitido o descarregamento para uso pessoal, pelo que o emprego do(s) título(s) descarregado(s) para outro fim, designadamente comercial, carece de autorização do respetivo autor ou editor da obra.

Na medida em que todas as obras da UC Digitalis se encontram protegidas pelo Código do Direito de Autor e Direitos Conexos e demais legislação aplicável, toda a cópia, parcial ou total, deste documento, nos casos em que é legalmente admitida, deverá conter ou fazer-se acompanhar por este aviso.
Platon Issaias
From the Flat to the City
The Construction of Modern Greek Subjectivity
Introduction

Athens is not built by large scale masterplans. Large public or private housing projects are nowhere to be found. Even an empirical observation of the city makes one thing immediately apparent: the city is defined by a construction model that is actualised by a singular building unit. These buildings, “on average four to five storeys high, are organized in irregular, fragmented plots in a patchwork of discontinuous grids, made of in situ, labour-intensive concrete frames, filled with bricks, plastered, something that ultimately looks like a stack of slabs with rather continuous balconies” (Issaias, 2017, p. 223).

This essay develops a critical reading of this model, presenting the way this domestic environment and distinct architectural typology mediated social conflict and economic development in post-war Greece. Architecture and urban management are presented here relating production with the role and the function of family and inheritance, the real estate market, law, and the construction industry.

How is it possible to introduce a particular archaeology, an attempt to trace the situation Greece is currently into in a series of decisions and projects that had to do with space and urban development? Ultimately, how can we re-position the pure macro-economic reasoning of the crisis, how can we move beyond all the issues that have to do with public debt, state insolvency, institutional functions, corruption, etcetera and to think if there is a link between this kind of urbanity, the way it has been produced spatially, economically and socially and the problems that emerged and framed the ongoing economic crisis?

The following is an attempt to break a social consensus that effectively suspended any attempt to relate space, architecture, city making, the function of the family and the modes of existence defined by and through this built environment with the economic problems in this later phase.

Why the Troika cares about flats in Athens?

From the 1950s until the mid-2000s, construction in Greece stood for an average 10% of GDP, 50% of which located in the secondary sector and, until 2007, investments in housing consisted of 75% of total investment in construction. From 1997 until 2007, the year that the global economic crisis commenced, housing prices in Greece had increased by 175%. From 2007 until 2011, the combined decline of investments in construction of housing units reached 65%. From 2007 and until the first quarter of 2014, the combined decline of capital investment in the Greek economy was €42.5bn, from which, 61%, or €26bn, were lost in the construction industry. This translates to about 250,000 jobs losses in the sector and an average decline of housing prices of around 35%. From 2007 until the end of 2016, the combined decline of construction activity reached 165%.

It’s obvious that the above figures described a dramatic situation in the construction industry in Greece. Historically one of the most
important sectors of the Greek economy, organized in small scale, fragmented teams of builders and local developers, collapsed during the past ten years of the economic crisis.

On July 13, 2015 and after 17 hours of negotiations, the SYRIZA-led government agreed to sign a third memorandum, a new €86bn bailout plan. This was a humiliating development that followed months of intense negotiations, political and media drama, and of course the referendum on July 4, 2015. This third memorandum required very similar things to the previous two: a new wave of extensive pension cuts, tax increases, and the mandatory privatization of multiple public companies and assets. However, the agreement requested a few other things, extremely crucial for architecture, housing development and city planning. Firstly, the lift of legal provisions that protected primary residence in Greece, i.e. the introduction of income criteria in relation to the value of assets. Secondly, the introduction of a new law that would allow for immediate foreclosures. And thirdly, to maintain the property tax that was introduced as part of the previous memoranda. These three requests, de facto cancelled one of SYRIZA’s most important and anticipated reforms on housing and the real estate market. One could even argue that SYRIZA actually won the elections of January 2015 running on a platform that had to do with these three issues, mainly the cancellation of the universal property tax that was introduced in 2010.

The bailout agreement that included the above was almost impossible to pass from the Greek parliament. After new national elections in September 2015, the package was finally passed two years ago in mid-November 2015, following brutal and almost totally unsuccessful last-minute efforts to adjust some of the Troika’s requirements.

The dispute between the Greek government and the European institutions, but also the dispute that formalized certain political conflicts within the Greek society was about two laws that define a series of algorithmic calculations with profound effects on the real estate market, individuals and families.

The first legal protocol, the 3869/10 law of the Greek state called for the regulation of over-indebted natural persons; legal entities and private companies were excluded from the provisions of this framework. The law covered and protected individuals that could not pay back any type of housing loan or mortgage, credit card, or any other type of bank loan. The key thing is that this arrangement was meant to happen without defaulting of one’s private debt, and all the consequences this has for one’s credit history. Individuals could declare their inability to pay back the bank, or the state and, after a not so lengthy and straightforward procedure they could arrange either a beneficial arrangement, or the overall write off of their private debt. These provisions were particularly important for primary residencies, i.e. for the house that someone or a family lives in. In Greece, like in most countries, primary residence is a subject of various benefits, reduced taxation and the like.
The provisions of the 3869/10 law meant that foreclosures were literally impossible in Greece. To give a sense of the scale, almost half million people are exposed to mortgages in Greece and the non-serviced housing loans last year represented an overall capital of more than €28bn, of which €12bn refer to primary residence.

The 3869/10 law was a desperate act from the socialist party government to counter-balance the devastated effects of the May 2010 first bailout package and the Troika was against it since the very beginning. On July 2015, and with its majority votes on November 2015, the SYRIZA-led government agreed to suspend most of these provisions, especially the ones related to housing and housing mortgages. They came up with a set of new numbers, the 4346/15 law, a more refined, yet brutal algorithmic calculus. This new legal protocol makes things slightly more complicated. This new form of calculation was put in place precisely to counter-balance or to define what kind of property is “big” enough, i.e. what kind of property in terms of capital represents a kind of asset that belongs to a wealthy individual, or a wealthy household. Most importantly, the algorithm considers the current price of the estate in relation to a projected value, or more precisely, the prospect of an individual to pay back more than the current value of her/his own house. It calculates risk, in benefit of the bank. If the algorithm can prove it, you lose your house.

A properly sinister machine this. The law protects primary residence only circumstantially, again in relation to the value of the property, not the actual market value but the fair market value, one that the tax authorities calculate and adjust according to various parameters.

Numbers are important, or more precisely, the way figures are calculated. They are important because around them they organize a series of disputes. They bring into proximity, they spatialize and re-territorialize a financial problem, capital, a seemingly abstract algorithmic calculation to something very concrete: few walls that define someone’s flat and his or her own life and survival. Monetary value, financial value is not anymore something distant but is put into conflict with other forms of calculations: of use value, of life, of comfort, of social conduct and habits. These numbers and the way they are measured have the potential to organize conflict and set up a variety of struggles in an entirely different way.

The second issue was the Uniform Property Tax, or ENFIA in Greek. Greece had no property tax until 1997. There were moments of minimal taxation, for example, in relation to inheritance, or asset transfer, but Greece was characterized by a condition within which space was not contributing through taxation to the public books. The Greek state therefore didn’t gain directly any capital from the construction industry. We must add to the above that until 2005, the construction industry was extensively VAT exempt, or that individuals didn’t have to declare the source of capital to buy or build a primary residence, and of course, the fact that municipal tax is also no-existent.
It is still paid as a minimal percentage of electricity bills and goes directly to the central government and not to local municipalities.

In 1997, the socialist government introduced the 2459/97 law on Large Real Estate Property Tax, which very few individuals had to pay, in any case, with quite large properties. In 2008, there was an attempt to regularize and expand it, something that finally happened a year later. The limit at that time was set to 400,000 Euros, i.e. someone was asked to pay property tax if the combined value of his/her real estate was more than 400,000 Euros fair market value, calculated according to areas, location, age of the property etcetera. In 2010 and as part of the first memorandum, these limits went down until we reach an unprecedented decision. The property tax was generalized to every property and was included as an emergency measure to electricity bills. If you did not pay, the consequences were that the company was cutting your electricity.

In 2015, SYRIZA was elected insisting on a single promise: the uniform property tax will be cancelled, and if some form of property tax continues to exist this will only affect large real estate holders. This promise was de facto cancelled, and Greeks start receiving again the ENFIA spreadsheets, Asking them to pay according to a series of criteria. Again, a form of calculation is put at play: how big is the property, how many do you have, where, how much percentage, are you married or not, is it a shared property or not, is it land or built space, or both combined, do you have kids, are they over 18, are you retired, have you paid your taxes, if not, since when, do you owe any money to the state, to the bank, or anyone else.

Now, the dispute here, one that defined parliamentary politics in Greece since 1997, could be outlined with this very simple question: how big is large?

These new measures and conditions are already initiating a new property regime, one that is profoundly unfair. The events since the summer 2015 have been marking the end of a previous model that defined the urban horizon of Greece since the 1950s. Horizontal over-taxation and the more than real potential of hundreds of thousands of loans payment defaults and foreclosures, in a process presented as a further “rationalization” of economic transactions related to real estate, housing in Greece is de-valourised such that large corporations and banks may acquire and accumulate it from the hands of the indebted, the class paradoxically made up of its original producers and owners. Space, the flat of the typical household enters the realm of financial calculation and the machines of the debt economy.

**Prehistory**

But, what was the model before?

This part will trace the evolution of aW system of building, the foundation of a housing market and an economy of construction, protocols of inheritance and inter-family relations that defined this
urban environment. Melinda Cooper’s work is crucial here (Cooper, 2017). Although her exceptional study refers to the ways neoliberalism instrumentalized family, familial relations and inheritance in real estate and a new political life in America since the 1970s, the “Greek case” seems to be an extreme example where very similar processes have been tested in a rather peripheral economy. A free-market model has been developed since the 1950s in Greece, within which space and small-scale land accumulation played a fundamental role in economic and urban development, to achieve social peace. This is the model that now turns against itself. I will trace the evolution and the different phases of this project, speculating on the relation between architecture, economic models and the politics of reconstruction, before concluding again with few more thoughts on the contemporary situation.

Let’s go back to the late 1920s. Athens experienced two extensive internal and external migration waves. The first, was stimulated by the rise of industrial and manufacturing centres in the city’s metropolitan area. The second, is the aftermath of the Greek-Turkish war of 1919–1922 that brings into Greece about 1.5 million people as part of an agreed population exchange between the two countries (Fig. 1). In few months of 1922 and 1923, Athens received more than 250,000 people, de facto raising its population by one third. This early migration and incredible refugee crisis necessitated immediate humanitarian actions, especially tackling the problem of housing. At the same time, Athens attracted more white-collar workers too, mainly public servants, military, individuals in private/public companies (Issaias, 2014).

Fig. 1 Tent village in the shadows of the Temple of Theseus, Athens, where Greek refugees make their homes. Date 1922. (Unprocessed). Repository: Library of Congress Prints and Photographs Division Washington, D.C. 20540 USA.
This is when an experiment of social engineering started materializing. Working class and the pure segments of the refugee population were either left to live in self-built, unregulated settlements, with a permission to use and occupy a piece of land, acquiring titles rather quickly, or were given access to different types of housing, again getting the entire share of the property, both land and the house. They were not renting, they were not recipients of subsidies, they were owners of their own family home. Petit bourgeois and middle-class refugees and natives were spread in a network of garden-city like settlements around Athens. This happens either through the international humanitarian aid that assisted the refugee settlement committee, or through a planning protocol, the July 27, 1923 about “Plans for Cities, Towns and Settlements of the State”, that allows for a group of individuals to acquire land and implement a plan outside the official limits of the city and its municipality. These suburbs introduced an extremely opportunistic and speculative treatment of land and property. It is precisely the mechanism that working-class cooperatives would use after the war and until at least the 1970s to regulate and legalize their settlements, formalizing and monetizing their real estate properties.

Two rings started to form by the late 1920s. Most importantly, a project was unfolding setting up the root of our problem. This pattern of urban development initiated and prescribed the foundation of a mode of production of residential space, very similar to the partially outlawed sub-market of the poor. We are talking here about a method of “self-building”, a mechanism with which, from this moment on, the Greek cities expanded. It fitted the form of landownership and the organization of labour within the building industry. Small groups of builders, local-scale developers, and a large petit bourgeois class of technicians, engineers and architects are the ones that actually built the modern Greek city, “piece by piece and section by section” (Philippides, 1999, p. 67).

However, there is an additional consequence of this “informal” method of urban growth. In all the different variations that appeared, from the refugee settlements, to the working-class satellite neighborhoods, to the high-bourgeois “private suburbs”, this mode of production of residential space institutionalized private property in the Greek social context. From the two-storey, family-owned types for the refugees, to the poorly built shacks for the proletarians, to the large villas for the high bourgeoisie, the different housing units were private assets of the inhabitants, which possessed both the land and the building on top of it. The particularities of each case, like the different ways each land piece or housing type had been acquired or assembled, did not contradict the essence of the strategy, which directed simultaneously all social classes to the realm of private property.

Two other problems emerged: How is it possible to densify the city centre of Athens? The second issue had to do with the 1929 economic
crisis (Sarigiannis, 2000). How is it possible to allow for and to direct investment in real estate of capital that was accumulated by high bourgeois subjects, mainly Greek speaking refugees from Turkey and merchants from the Greek diaspora, de facto offering a kind of safer possibility to deposit money outside of stock markets and protecting it from violent fluctuations of international trade?

The answer was sketched by two regulatory protocols. The first building regulation in the country introduced the radical modification of the allowed building heights and numerous provisions that dealt with the three-dimensional, permissible object, mainly the ways adjacent structures approach or make contact, which is a key element of how you relate an architectural object with land property divisions and forms of building development. Additionally, it included many hygienic and organizational requirements, such as minimum openings, size and location of light wells, design directives and minimums for entrances, staircases and the like (Sakelaropoulos, 2003).

If the General Building Regulation allowed for a new architectural form to emerge, the second legal text, the law on property divisions, provided the framework that radically modified the private ownership status in Greece, achieving the “transition from the institution of freehold ownership to the one of horizontal and vertical property” (Marmaras, 1991, p. 10). In this new system, a group of individuals co-owns a single property in predefined percentages. Gradually, the residential buildings in Greece were not anymore singular, undivided estates, but complex, highly fragmented equities, with multiple owners per property. The formation of this new property regime allowed a new domestic architectural type to emerge, one that acquired the central role in the introduction of a particular form of residential space and property i.e. the rented apartment. Interestingly, an individual’s percentage corresponds to an actual property that has literally no thickness since it consists of the interior surfaces of a flat. Everything else, from architectural elements to building materials are subject of collective ownership that cannot be located. This mean that an individual owes X amount of cement, of a staircase, of the building’s foundations.

From 1929 until 1941, 450 buildings of that kind were built within the limits of the municipality of Athens, an area smaller than 12 square kilometres (Marmaras, 1991, p. 126). If in the interwar period, these two texts opened the possibility for high-rise, luxurious, modern apartment buildings to appear and to eventually present an alternative architectural and urban model for mass housing in Greece, it would be in the aftermath of the Second World War where the full potential of this typology would be exploited.

The second World War didn’t end in 1945 in Greece. Following the liberation from the Nazis in October 1944, the country entered a devastating Civil War that lasted in phases of various intention until October 1949 (Fig. 2)⁴. From official documents and reports written by foreign officials of the International Aid and the Marshal Plan and by
Fig. 2 A paratrooper from 5th (Scots) Parachute Battalion, 2nd Parachute Brigade, takes cover on a street corner in Athens during operations against members of ELAS, 18 December 1944. NA 20863. War Office Second World War Official Collection (photographs). Made by: No. 2 Army Film & Photographic Unit. © IWM (NA 20863)

Fig. 3 Ilion, 2012. Aerial view of Athens, Greece. Copyright: Yiorgis Yerolumbos
local experts and bourgeois politicians it is evident that a particular project was being formulated. The purpose of this plan was to transform and to present the country as an exemplary operation. Differently to other European countries, the decision was to promote a postwar reconstruction strategy without the direct interference of the state, i.e. without a public welfare agenda, based on the capabilities and interests of the private sector. Foreign large-scale capital, in the form of aid programs and transnational loans, would take over major productive sectors, infrastructure and natural resources. The main strategy, not just for Athens but every city in Greece, was the guidance of the population’s economic activities to the small-scale building industry, which would eventually allow the working class and the poor to enter the realm of private property. The development of a mass, petit-bourgeois consumerism accompanied this condition, where the possession of a single-family house or of an apartment in a newly built apartment building, was presented as the ultimate social achievement (Fig. 3).

And this is what happened. In 2006, Greece had an 84.6% homeownership rate, (Rousanoglou, 2006), second only to Spain in the entire EU. From the group of homeowners, 74% had assets of a combined value of up to 100,000 Euros, consisting to a large extent, of percentages of property assets, i.e. products of inheritance (Hatzinikolaou, 2014). Greek governments modify building regulations in crucial social and economic moments, (Woditsch, 2009) gradually transforming the high bourgeois apartment building of central Athens to a generic frame, adaptable to different environments of different densities and areas in the city, eventually becoming a quasi-“classless” residential unit.

Apart from regulations, the main tool was the interpretation and the consecutive application of provisions described in the 1929 property law that hasn’t changed. This process is called “antiparochi”, a form of barter exchange applied to the construction industry. It consists of a form of economic agreement between landlords and contractors. This mechanism merged the self-building mode of production of residential space with the speculative housing market (Fig. 4).

It provided the framework where, a respective land piece, owned by a family, or a single person, was exchanged, without any further tax, with built space, in most cases, a number of apartments. It was a private agreement between a local contractor and a property owner to trade the plot with a percentage of the built surface in a new building. The landowners had the opportunity to increase their income, by renting the apartments that they did not use as their own house, and the contractors to obtain land without bank loans. Poorer people were either buying or renting the remaining surfaces from the contractors.

Figure 5 is a preliminary contract between a member of my family and a contractor. The flat was never acquired. What we see here is astonishing (Figs. 5a, 5b). On the left, a detailed description of the flat, its materials, the number of plugs, the doors, if and which ones will have
Fig. 4  Apartment building in 129 Vas. Sophias Ave., 1957. Nikos Valsamakis personal archive.
a key or not, the handrails, the kitchen, the tiles, the infrastructure of
the toilet; it refers to the above as “European”, which meant that they
would be luxurious for 1950s Greece. On the right, you see the drawings
included in the contract. A section and a plan. This is how and what built
Athens and any other city in Greece until the recent economic crisis.

Conclusions — What Now?
The model of post-war reconstruction in Greece managed to privatize
and to fragment cities and buildings to an extreme level. This is
embedded in its very genetic code, a mechanism to divide, split,
calculate percentages in relation to capital value. The fact that is
conceived as an algebraic machine and not an algorithmic one, as in
this later, post-memoranda reality, doesn’t make it less dangerous. It is
precisely what made it that powerful, its apparent innocence rendered
in badly made sketches of non-existing buildings next to surreal
descriptions of location of plugs and marble finishing fillets.

As we have argued elsewhere, the seeming “informality”, which
of course is based on the Maison Dom-ino model — applied in the
most successful way to Greece and the polykatoikia system — is the
paradigmatic scheme through which the organization of work of the
assembly line merged with the organization of production of space and
the particularities of the modern construction industry (Aureli, Giudici,
Issaias, 2012). What we witness is a project that formalized the economy
of construction and pushed Greeks to become asset managers, working
and middle-class families being converted to real estate speculators.

What do we do now?
I don’t think there are easy answers to that.

A hardcore adjustment project is already unfolding: in the last
couple of weeks, online auctions organized by banks have devastated
large number of households. How can an alternative project be
conceived? In my point of view, what has to be confronted is the core
of this project, which the role of family and inheritance, and property
itself. Only then we could develop alternative models of ownership, re-
calculating value and cost not only the way capital does. This is not only
an economic problem. It is profoundly a political and a moral one that
requires a full-frontal battle against the most primordial elements that
define modern Greece.

1. The article is based on the lectures delivered at “Existential Territories”,
a two-day symposium organized by the School of Architecture, Royal College of
Art, 17–18/11/2017 and the City-Architecture PhD programme at the Architectural
Association, 26/10/2016.

For more on Athens and this article’s particular methodology can be found among
others in: Issaias, P. (2014). Beyond the Informal City: Athens and the

2. The above data are collected from the annual reports of the Hellenic
Statistical Authority (ELSTAT) and the annual reports of the Bank of Greece.
Reports available online.
References


— Hatzinikolaou, P. (2014, September 19th). Assets with a value of less than 100,000 euros has the 74% of home owners. Kathimerini.


