

## ***‘Negotiating for a ransom from the taxpayers’: Exploring the roots of systematic tax evasion and avoidance in Greece from an Institutional Perspective***

In public discourse, tax evasion in Greece is usually associated to some sort of ‘innate re-sistance to taxation’ that characterises Greek people. In turn, this ‘resistance’, has often been attributed to cultural forces. Since the eruption of the Greek debt crisis in 2010, many writers used specific cultural and historical attributes of the Greek identity, in order to explain Greeks’ ‘widespread aversion to paying what they owe the state’.

However, this paper proposes an alternative approach. It suggests that when examining the roots of chronic malaises of the Greek economy, such as that of tax evasion, blaming exclusively culture would be too narrow a perspective. The historical data presented here suggest that to explain the roots of systematic tax avoidance and evasion in Greece, one should also take into account how the Greek system of taxation has functioned as an institution. The analysis presents evidence concerning the period mid-1950s-late 1980s, a crucial time for the Greek tax system since it saw the implementation of important tax re-forms compared to the post-1980s years and shows that it suffered from a series of administrative and structural weaknesses. Issues such as the regressive distribution of the tax burden, the organisational rigidities of the tax services, the complexity of the tax legislation and the often abusive role of the tax authorities indicate how tax evasion ended up being characterised today as ‘the most massive and most tolerable expression of anti-social and illegal behaviour’ in the country.