Leadership in Southern Europe

The Two Faces of the Crisis

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The economic crisis which we live is still there, we are living and suffering from it. Most people see the crisis from the economic point of view and they blame politicians and bankers of this. Our leadership skills have allowed us to see beyond. We blame our leaders, but exactly why? Now we can give a clear answer.

We are part of the millions of young people who are now facing a world of uncertainty and change; who knows, maybe our next destination is change our residence to another country or even another continent to find a job. When we think of them, we tremble. We had never imagined that we would live a time like this, who does? In this context, many friends and relatives are depressed, but we are still optimistic. This program, far from being merely theoretical, has opened the doors to a new world. Never imagine before having such a big an awesome international family. When we said we were ready to leave our home, we referred to this. It is always difficult, but after spending a year in this program, the culture change will not be that difficult, surely. Not only have we learned to lead in an international context, but to live.

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ABSTRACT

The current economic crisis that affects Europe, much deeper in the South has behind it bigger problems than purely economic. In this thesis, we advocate the existence of a crisis of leadership within the economic one, that somehow prevents nations from continue and escape from the crisis, since the solutions given are purely economic and not fix the hidden problems. We advocate for change in the form of lead as a strong support to find a solution. A better leadership from our governments is a support to overcome the crisis.

In order to achieve this, in the first part of the thesis will explore the Crisis of leadership, its causes and implications, seeing his negative side. In the second we will focus on exploring the current leadership failures and how an improvement of this can be crucial to overcome the crisis. Readers will see the positive side of the crisis as an opportunity for change in leadership. In this way, we end up venturing into the new generation of leaders, the impact of the crisis in youth and why we do believe that they can get the good side of this situation.

Key words: Crisis, Leadership, Trust, Social Identity, Rejection, Communication, Failure, Learning, New Generation, Opportunity
INTRODUCTION

1. Research question

The world we live in today is plunged into an unprecedented economic crisis, whose consequences remain to be seen.

We began to hear from it in 2007 with a financial shock, which has spread to other areas, creating a delicate situation for the affected nations. These singular circumstances will be remembered by the voracity with which is affecting the lower classes. If one opens newspapers from countries like Portugal, Cyprus and Greece can get an idea of what we mean. Unemployment cuts in social services or housing loss are just some of the examples that illustrate this context. Under those circumstances, we have chosen to focus our attention on Southern Europe since the crisis affects mainly those weakest economies.

The human being, like any animal, is by nature a survivor. As a social being, in situations of threat the welfare and integrity of the self and his inner circle of family and friends, the people tend to defend them. Domestically, it is the person that usually defend what is his or hers. However, a global threat that affects several areas of a nation, escapes from the ability of a single individual. Thus, we, as citizens of current times, choose formal representatives to act as a defense in situations of great scope, as it is a global crisis.

The problem has arisen in the wake of the crisis is having unexpected consequences of great magnitude, that are affecting individuals who have no way to defend against them. The fact that the political leaders, chosen for this task, have not been able to protect society and the fact that this makes them to take action even more harsh and hurtful to secure the future of the country, has led to widespread dissatisfaction with society leaders has led to consider the existence of a leadership crisis. Because of this, our thesis will be focused on a political approach, although as we will explain later, the main part of our theoretical research is based on organizational theories.

There are many crises, with varying degrees of impact; nevertheless, the possible existence of a leadership crisis in societies affected by the current crisis makes it very difficult to find a solution. All, as citizens, including leaders, need to get out of this situation. However, because of the magnitude
of the consequences, the fact of being on different sides and not support the
decisions of the others, delay the finding of a solution for the crisis. As if it
were a boat, to be able to reach the destination, it is necessary that all who are
in it, row at a time and in the same direction. Effective leadership would
accomplish this, however, is not the case and the situation is becoming more
urgent.

2. Research goal

Our goal is to understand this tense relationship: how, because of the crisis,
the image of the leaders and their influence has weakened to dangerous levels
in some cases within stable societies. In societies, each person develops a role,
essential for the development of it. Since the bad costs have diminished
citizenship’s satisfaction in several aspects, they do not feel motivated and
encouraged anymore. We will investigate the causes which lead to a
Leadership Crisis in this context.

On the other hand, as young people and potential future leaders, we often
wonder what will happen in the future. Can this leadership situation change
anything in the future? Will future leaders learn from the mistakes made
today? After all the bad consequences, Will the crisis be useful in any way? In
this thesis, we ventured to create our own opinion of how it will affect this new
generation which we, the authors, belong to. We invite the readers to
participate in this reflection which seems to have multiple answers.
The ultimate goal is to make our small help to improve both crisis affecting
millions of people, and will affect future generations. As students of leadership
and prepared young members of some of the societies involved in Europe, we
feel a moral obligation to participate in the way that we in the search for
solutions, improvements and prevention for future crises.

3. Scope

The crisis to which we refer has affected many countries. However, due to the
large number of these we find it impossible to cover the consequences of
leadership of all. Europe, and the major part the southern European
countries, have been severely affected; and from this day continue to suffer
serious problems arising from the crisis, which makes by extension, its leaders are facing these.
Since our origins (as authors of this thesis) are Spanish and French, we have lived (and we still have) every day new delicate situations.
Given the proximity of the most affected countries such as Greece, Cyprus and Portugal, the fact of living in countries that are walking on thin ice as Spain or Italy, or in which they are beginning to notice the crisis in society like France, does that for too long we have raised each day reading news stories about it. Since, at the time of exemplifying our theories about the leadership crisis we use real examples, we have found more rewarding the use different study cases from southern European countries and not just focus on one. By the similarity of their situations and the existence of common points in their leadership (e.g. European Union) and the system they embody, the thesis extends the study of existing leadership in the Europe of the XXI century crisis.
Once immersed, we will use concepts from psychology, such as social identity or sense of dissatisfaction to demonstrate what we consider a Leadership Crisis. We will support on events occurring in the southern European countries as causing or specified consequences of this crisis. So, we discuss concepts such as corruption, protests or violence. Because we are aware that it is impossible for citizens: to know what happens and form their own opinion, we reveal the influence of the media and its power in this situation. On the other hand, we will include some practical aspects of leading in times of crisis and mention the role that leaders should play tanks to crisis communication, ending with our own vision about how this will affect future generations.

4. Need for research
By attending to the program of Leadership and Management in International Contexts, we have learned to recognize and differentiate an authentic and effective leadership. This learning has changed our frame of references, making it possible to identify in a greater extent the mistakes that are occurring in the field of formal leadership and the serious consequences that this entails.
Even after choosing our theme, we noticed a shortage of articles and books relating to this subject matter. There are many books about how to act in a crisis, but few speak of current relations between leaders and followers, how the crisis has worn these and how we got to this point. Likewise we found that dissatisfaction and a generalized lack of trust among citizens is *Vox Populi*, what means that the current situation is not unknown. Due to the importance of the fact that millions of people have the same feeling, we consider worthwhile leave a proof of it for future generations.

Unfortunately, we are sure that this will not be the last crisis that we face. Since each situation is different, we believe that a good understanding of the past can avoid similar situations in the future, so we encourage readers to take into considerations what has happened.

5. Limitations

In order to fulfill our mission, we have chosen the path previously discussed in the paragraph ‘Scope’ of the thesis. However, we are aware that there is a wide variety of events that we could include in the thesis to illustrate what we are discussing. We have chosen what we believe, will make readers more fully understand our goal, although some events or theoretical approaches can be missed by experts.

We are aware that other European countries, such Iceland or Ireland, which are situated in the Northern Europe, were also affected and faced similar circumstances. Nevertheless, we consider that those countries do not share the common facts than Southern European countries have. Although we do not talk specifically about countries from the North of Europe, the reader has to take them into account since they all belong to the European Union, which remains a fundamental part of our thesis. Besides, at the time we are writing this thesis, countries from the South are the most affected. In fact, countries as Ireland and Iceland are now recovering, in some extent, from the crisis. Their political circumstances cannot be compared and put in the same category.

We are using the citizens’ perspective to explain the current crisis of leadership, and consequently, leaders’ fault in it. Although we explain the relationship between followers and leaders in this crisis, we barely base our
reflection on followers and their role. Farther on, we will explain how citizens can be guilty as well, in some extent. However, since we thought that this approach is too broad to be undertaken, our aim remains to understand the crisis of leadership from leaders’ perspective.

As discussed above, because of the importance for us and all European youth what might happen in terms of formal leadership, we would like to talk about the consequences of the current situation in the future. However, this subject has no data collected yet so we can only venture into it. Therefore, this area may fall short apparently although without affecting the integrity and reliability of its content.
**Methodology**

This part is about our process of writing this thesis. It explains our insight and our own perception of methodology, as well as our methodological research. The aim is to express all our progressing reflection.

1. **What is methodology?**

Work on methodology was our first step during our thesis process. Since the beginning we have considered that before undertaking anything we needed to understand what our actions and decisions imply; and so understand cautiously what methodology is.

We are conscious that methodology is more than just a set of rules to support the research work (Fisher, 2007, p.40). Indeed, we apprehend it as a personal development in our researcher roles. Methodology conducts us through an internal process in order to appreciate our work. “Methodology is a mode of thinking, but it is also a mode of acting” (Abnor and Bjerke, 2009, p.17). Thus, methodology brings us required material to put meaning in all our actions as researcher and so build up our own frame of references. We appreciate it as a powerful tool which gives us the necessary awareness to build a critical reflection of our subject.

As reality is the result of a shared conception within the society, it could not construe truth. Be a social construction implies that “we create reality at the same time as reality creates us” (Abnor and Bjerke, 2009, p.82). As a result, we will not assume that our role suggests instituting the truth. In other words, our work will be the result of our perceptions about what it is happening right now; based on what we have extracted from different sources (books, articles, documentaries, newspapers, observations and interactions with people). Ultimately, we are completely aware that our work will be influenced by those ultimate presumptions of reality; through our approach to seek for and gather information, understand them and put meaning out of them (Abnor and Bjerke, 2009).

Despite all, this concept does not imply that we are totally paralyzed by our mental clichés. It still remains “possible for a person with a critical and
imaginative mind to be able, in short intervals, to emancipate him/herself from this kind of mind control” (Abnor and Bjerke, 2009, p.37). In fact, we also need them, in some extent, as “prerequisite for us to be able to handle our environment and ourselves, and to conduct studies creating knowledge” (Abnor and Bjerke, 2009, p.37).

2. Creator of knowledge

The common characteristic belonging to all researchers is to become a creator of knowledge. This aspect requires an active participation within the social environment. “Yet the most direct way of acquiring such knowledge is by participating in the world in which the object of one’s studies is articulated and/or in which those whose actions one wishes to understand are in interaction” (Daudi, 1986, p.126). Consequently, self-reflection remains a significant aspect to fulfill the role of a creator of knowledge. Abnor and Bjerke use the notion of “conscious researcher” to express this concept. Develop a critical and insightful mind appears essential in order to be able to grasp different aspects of reality and so “see its possibilities and limitations to understand his/her role in the context in question” (Abnor and Bjerke, 2009). The point is to emerge “alternative ways to think and to look at things” (Abnor and Bjerke, 2009, p.35) by thinking as much as possible ‘outside the box’. We have applied this concept to our case by investigating different approaches and perspectives about the current crisis. In other words, we have taken the view that the crisis is not only a threat. We have the ambition to demonstrate that some other possible aspects of the crisis exist and not all could be negative. In this sense, creativity and imagination are powerful to be able to dare different perspectives. “To play with thoughts and perspectives in this way can allow completely new conditions and mind tracks to emerge with the creator of knowledge” (Abnor and Bjerke, 2009, p.42).
3. Methodological views

3.1. Analytical view

Analytical view is the most appropriate view concerning our thesis. Indeed, because our thesis is neither based on a single well-defined system nor on an ambition to create a new reality, it does not fit with system or actor view. Generally speaking, the analytical view is associated with an analysis. In this approach, reality is presupposed “filled with facts and independent of individual perceivers” (Abnor and Bjerke, 2009, p.47). In other words, this view includes objective facts as well as subjective ones, and those are not a part of a dependent relationship. Our thesis follows this schema because it is based on the society. Even if some aspects of the society are dependent, it does not mean that the society functions as a whole system which should require a total independent relationship between all its components.

“The scientific ambition of the analytical view is to come up with explanations from a general point of view” (Abnor and Bjerke, 2009, p.48). The purpose of this methodological view is to seek for ‘regularities’ and ‘similarities’ in order to construct or reinforce patterns. The ultimate aim for the creator of knowledge remains to get the closest to the truth, which is present in the reality (Abnor and Bjerke, 2009).

3.2. System view

Although our general methodological is the analytical one, some parts of our thesis are part of the system view. It is the case concerning the consequences of the crisis on the new generation. We consider the new generation as a system since its components are interdependent and do not permit any kind of fragmented analysis. Thanks to this approach, our purpose as creator of knowledge is to “come up with some representative metaphor (which the system creator of knowledge can see as providing a kind of understanding, that is, it clarifies to him/her the system being researched in a deeper sense than just explaining it)” (Abnor and Bjerke, 2009, p. 51).
4. A qualitative approach

The purpose of our thesis remains to obtain an in-depth understanding of the human behavior in the context of crisis and the reasons leading to such behavior (Fisher, 2007). In this sense, qualitative approach represents the best way to conduct our researches. Unlike the quantitative approach which is based on testing data, the qualitative one concerns the human side of the issue and allows us to explore deeply the phenomena (Strauss and Corbin, 1990). Besides, the qualitative approach provides the necessary flexibility to bring greater spontaneity during our interactions with participants. This flexibility was also notable during all our thesis process. In fact, it gave us an interactive study design where we had the opportunity to adjust our data collection and research questions according our outcomes.

A qualitative approach allows an investigation on ‘why’ and ‘how’ questionings. This kind of inquiry represents an important support to get a deep understanding by going more in detail in a specific social context (which is here the current crisis) from the perspective of the focused population it involves. The interest of this kind of investigation is to discover and extract meaning from individuals’ behaviors and their interpretations about the situation. Thus the aim is to gather insights as values, opinions, feelings, behaviors and social context which are not corresponding to a quantitative approach.

Consequently, the main challenge of this approach lies in its trustworthiness (Lincoln and Guba, 1985). In fact, we are aware that the validity and credibility of its results could be more disputed than for a quantitative approach, that implies a greater precision and serious during our thesis process.

As a result we have resorted to two qualitative methods for our thesis process. First, we have used participant observation in order to visualize the ‘whole picture’ by gathering information from natural and sometimes unconscious behavior. And on the other hand, we have selected also in-depth interviews to grasp optimal and specific data about feelings, perceptions, opinions and experiences.
5. Data gathering methods

As the figure 0.1(Kumar, 2005, p.118) below demonstrates, several methods of data collection exist. However, selecting the most consistent ones with our thesis is a crucial issue. Indeed, “it is important to be able to distinguish between different kinds of data because their nature has important implications for their reliability and for the sort of analysis to which they can be subjected” (Wallimann, 2001, p.51). Primary data are the first kind of data, and provide first-hand information. On the other hand, secondary data have already been collected and interpreted (Wallimann, 2001).

![Methods of data collection](image)

*Figure 1. Methods of data collection (Kumar, 2005, p.118)*

5.1. Primary data

Wallimann (2001) explains that we are surrounded by primary data. Indeed, because they are first-hand information, they can take the shape of sounds, visual stimuli, taste as well as tactile stimuli. “Primary sources are those from which the researcher can gain data by direct, detached observation or measurement of phenomena in the real world, undisturbed by any intermediary interpreter” (Wallimann, 2001 p.205). Because our subject is
about the current crisis we have the chance that a significant part of our environment is impacted by this phenomenon. As a result, we get direct access to a major part of information. Thus, using primary data represents an effective way to get closer to the truth since it is based on first-hand information and so, on feelings of the affected population. However, we are aware that “it is not always possible to get direct access to the subject of research” (Wallimann, 2001, p.52). Indeed, it could be hard to find direct evidence, especially about a current and sensitive subject like ours. Consequently, the main issue is to collect them. Several methods exist as we can see in the figure 1, but we have decided to focus only on observation and interview.

5.1.1. Exploratory research

Since we both live in more or less affected countries, crisis is becoming our everyday life and everyday concern. As a result, through our own experiences and observations, we are able to extract our own interpretation concerning the crisis. Under those circumstances, through our own investigation, we have conducted an exploratory research during our thesis process. Exploratory research relies on our personal investigation about our surrounding world. Indeed, since the beginning of the crisis, we have experienced a lot of events and different perceptions about what is going on. Besides, through informal conversations with our peers, professors, and professionals we have acquired a deep insight of the situation from different point of views.

However, observation remains a significant aspect of our exploratory research. “Observation is a purposeful, systematic and selective way of watching and listening to an interaction or phenomenon as it takes place” (Kumar, 2005, p.119). In fact, we have also embodied the role of observers during our regular interactions with people. We have tried to make them react about it in order to gather their feelings and perceptions about it. Observation method for gathering data “is also appropriate in situations where full and/or accurate information cannot be elicited by questioning, because it is difficult for them to detach themselves from the interaction” (Kumar, 2005, p.120).
The point is not to come up with a general answer about the current crisis but rather demonstrate our perception of it, based upon our own investigation. As a result, exploratory research "seeks to find out how people get along in the setting under question, what meanings they give to their actions, and what issues concern them. The goal is to learn 'what is going on here?' and to investigate social phenomena without explicit expectations." (Russell K. Schutt, 1999, p.147).

At the end, this approach makes our thesis even more personal, in the way that our exploration has lead us through a new perception of the current crisis.

5.1.2. Interviews

![Diagram](image)

*Figure 2 Types of interview (Kumar, 2005, p.123)*

To provide a specific value to our research we have decided to conduct some interviews. We have tried to contact some person from different horizons (political, journalistic, business and citizenship) in order to grasp different perspectives and point of views. However, we did not have a totally positive outcome. In fact, so far only one person has accepted to participate. Although we have been trying repeatedly to contact people involved in social movements
and protest, we did not received a response. Notwithstanding, we have resorted to already known real facts to compensate this weakness.

The interviewee has been Jorge González, General Secretary of the Popular Party’s "New Generations" in Valladolid, Spain, a youth organization, promoting youth participation in political life through protecting its values and principles, according to its statute. The organization has, in Spain, approximately 65,000 young people between 16 and 28 years. For many of them, participation in this organization is the first step of a long political career in the party, which is, by the way, the current Spanish government party. Many of the current politicians who are in Congress, participated in this organization some years ago.

The reason why we chose this person as a participant in our thesis is based on his characteristics, which respond to our needs. Since, for the part about the impact of the crisis on the new generation, we do not yet have data, having the views of someone who in the future is likely to become a political leader, and also is living the present situation and crisis’s consequences on youth; it would be very rewarding for us.

With the help of the figure 2 above, we identify our interview as a semi-structured one. The aim of our interview is to collect the opinion and deep feelings about a tense subject. Indeed, our questions could imply delicate subjects and strong emotions. With this intention, the most appropriate way to conduct the interview remains for us to let a significant liberty in the answers. As a result, structured interviews did not match with our ambition of flexibility. However, we have already had a clear idea of the subjects to talk about, during our interview. In this sense, we have prepared some main points to broach during the interview. “The interviewer has a schedule to remind them of the main issues and topics that need to be covered by the respondent. However, the respondent has much latitude to respond to the questions in the ways that seem sensible to them” (Fisher, 2007, p. 159).

This interview gave us a strong basis during our entire thesis. Thanks to it we open our mind to new possibilities. Indeed, the ideas provided have been used throughout the all thesis.
5.2. Secondary data

Secondary data represents the major part of our researches. This type of data can be perceived as “data that has been interpreted and recorded” (Wallimann, 2001, p.52). Thus, news appears as a real treasure for our researches. In fact, it is update information relayed by all kind of media. In sum, we have mainly used:

- newspapers (from 2011 to 2013) as: “The Economist”, “Times”, “Les Echos”, “Le Monde”, El Pais”, “El Mundo” and numerous international publications, from countries such as Italy, Portugal, Cyprus and Greece;
- television: BBC news, CNN International, BFM TV and iTélé (French television), TVE (Spanish Public Television);
- websites: European Voice, Oxford Economics;
- and blogs: “The Trusted Leader; Business strategies for uncertain times”.

Crisis is a recurrent and one of the major subjects of the news. Thanks to that we can have an update perception of what is happening and from different perspectives (politicians, CEOs, citizens... from diverse countries). As a result, seek for this kind of secondary data was a reflex in our everyday life and helped us a lot to complete and understand in another way all of the theories that we have found. Those theories were the outcome of a lot of readings from books and articles but also from documentaries.

Our main challenge about this secondary data was more about the validity than for collecting. In fact, a lot of sources are available concerning this subject. The strength of it is that we could have a lot of information and from different perspectives. However, on the other hand, the multiplicity of information was also an obstacle during our researches. In fact, we were always questioning the reliability of our sources. According to this preoccupation, we had decided to seek for information from diverse sources as possible (newspapers, research articles, internet, documentaries and books) and from different approaches. In this case, “you can best check the reliability and completeness of qualitative data about an event by obtaining a variety of sources of data relating to the same event. This is called triangulation” (Wallimann, 2001, p.56).
6. Analyzing and writing

6.1. Analyzing

At the beginning of our thesis process, we decided to ‘enjoy the mess’, as our professor Daudi often advised us (2013). In fact, we did not want to be stuck in one direction without being sure to have to whole picture. Brainstorming about the crisis emerged as the best start in order to generate ideas. Fisher apprehends this process as a way to “try out different ideas, eliminate some, and expand upon others before arriving at any conclusions” (Fisher, 2007, p.46). The characteristic chaos of the situation allowed us to undertake as many paths as possible and explore all the possibilities that we found (see index 1, “Starting point of the thesis”). Thanks to this process, we could grasp all the fragments of the situation and put them together as a mosaic.

Getting the overview of our subject helped us to formulate our research problem and figured out the outcome of our thesis (see index 2, “Overview of the thesis”). To manage this issue we reflected about “any question that [we] want to answered and any assumption or assertion that [we] want to challenge or investigate” (Kumar, 2005, p.39). Indeed, this research question and its formulation should be taken very seriously. “It is like the identification of a destination before undertaking a journey” (Kumar, 2005, p.39).

Hence, we arrived at the conclusion that we needed to differentiate our roles. In fact, regarding the time allocated to deliver the thesis, we estimate that if we wanted to go deeper in the subject we should divide the work. However, we did not isolate our work from the other. Since a lot of aspects of our thesis are related, regular meeting seemed to be the best option to organize our work. It was the occasion to frequently make the point and consolidate our argumentation. Those meetings allowed us the opportunity to construct a constant questioning and justification of our work. This process was enhanced by numerous sessions with our professors, especially during the report sessions.

All along our thesis process, one main challenge was assessing the quality of an article or a book. To counteract this obstacle, we followed the Fisher’s theory about the source’s reliability. As a result, to insure ourselves the quality of our source we systematically checked some of its aspects as:
• its provenance,
• its list of reference,
• the precision of the writing,
• if it is a description or an analysis,
• and the research evidence (Fisher, 2007 p.92).

6.2. Writing

The writing part is a tricky one. Indeed, it is in this part that we have to transcript what we have found into knowledge. As a result a significant importance should be focus on the use of words and on the construction of our arguments.

We are totally aware that each word has a specific meaning. Thus, each single word implies a single meaning. Inasmuch English is not our mother tongue, we especially cautious to select the right word in order to deliver the appropriate message and completely express our ideas.

Another challenging aspect of writing rests upon constructing and supporting arguments. In this sense we follow Fisher’s recommendations:

• “Giving the structure, which gives advice about the chapter structure of your dissertation”

• “Writing a thesis, not just a dissertation, which is about making sure that the dissertation presents a clear and logical argument. Those dialectical arguments could be supported by ‘authority’, ‘evidence’ and/or ‘persuasive writing style’” (Fisher, 2007, p. 317).

However, there is not a clear division between the analysis and the practical part. In this sense, those two aspects will be integrated all along the thesis. From our understanding it is the best way to transmit our idea to the reader, regarding our subject.

In order to provide a coherent work, we have decided to regularly edit the paper. It was a way for us to have step back from our thesis and so checking any mistakes and giving feedback.
**PART 1: THE ‘DARK SIDE’ OF THE CRISIS**

The economic crisis that emerged in the U.S. in 2007 has affected Europe more than anywhere else. Its consequences are so great and so damaging that it has caused a delicate situation in relations between political leaders and citizens of the affected countries. These relationships, based on trust and identity with the leader, got lost some time ago and are still worsening, creating a widespread rejection the figure of the leader.

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1. **Origin and Beginning of Current Financial Crisis**

The new century has brought changes in the economic and social scenario. The use of new technologies and the elimination of borders to trade completely changed the world in which we used to live. In this first section of the thesis, we focus on how we got to the current crisis that affects greatly to Europe and its impact on formal leadership.

The financial crisis that began in 2007 in USA is the basis of the many problems that cross the affected countries. However, on the basis of financial crisis, there is much more, which undermines the trust of citizens and destroy what was once a solid relation between followers and leaders. It is impossible to understand the current situation correctly without knowing how we got here, so we will examine the background to the 2007 Financial Crisis (from now on the “Current Crisis”).

1.1. **Neoliberalism & Globalization: The Key Words**

We can say that the situation that some parts of the world we know came into the new century, is based on two main pillars, Neoliberalism and Globalization (Yergin & Stanislam, 1998, The Economist, October 11th 2008), which we will develop below.

According to Gill (2012, p.24), the current crisis is the result of a structural crisis of capitalism, clearly showing how the poor structure that was built on
the current financing system is a cause of serious problems today. Before going to the bottom of this question, we must go back a little further in time to discover the root of the issue and understand the rise of the new global economic model.

The twentieth century is remembered, among many things, for abundant years of instability, both politically and economically. The Great Depression in the U.S. emerged, marked the 30’s as 'crisis years' for, by then, the world’s largest economy. Much has been said about the causes for this, and although as a general rule there are always many factors to consider, the main cause was the effects of a poor distribution of income as McElvaine (2009, p.45) notes: “New York Stock Exchange was sucking up all the money in the world. Most of money was used for speculation (...) and was not offered for productive investment”.

For several decades, the economist John Maynard Keynes blamed the capitalist system of this crisis. He changed the economic model followed by most Western countries from the 30s to the 70s. That was based on his ideas, better known as Keynesianism, which defends the need of controlling the economy’s state, including expenditure control, by national and international institutions, Keynes (1936). This theory was widely practiced until the 70s, when the United States and United Kingdom suffered serious problems of inflation and unemployment. At that time there was a popular question: Was an excessive control, good for the economy?

In that moment, the book ‘The Road to Serfdom’ by Friedrich Hayek (1944), who was a strong advocate of free market doctrine, began to be popular again after a long time in the shadow of the control ideas of Keynes. One of his most ardent followers was Margaret Thatcher, who was Prime Minister of the United Kingdom from 1979 to 1990. First from the opposition and then in government, called for deregulation of the economy, which included a free market and a deregulated financial system, among other measures. With this, the idea created by Adam Smith in 1756, about the ability of markets to self-regulate, better known as the metaphor of the 'invisible hand' was recovered. This new doctrine carried with it many changes to implement: reducing the size of the public sector, using privatization, market-based mechanisms to organize economies based on a free market or free trade (Gill 2012, p.16), which made deregulation be necessary to leave the activities to develop freely. The role of state and government in this area became to create and maintain a
proper institutional framework to enable these activities be carried out properly (Harvey, 2005), something that was not done years later.

As we said, the other pillar to which reference should be made mandatory is Globalization. This phenomenon is not new, as it started long ago, though, it is now that we are living in the *Era of globalization*.

To date there is no single definition accepted worldwide, about what it means. Larsson (2001, p.9) defined it as: “A process of world shrinkage, of distances getting shorter, things moving closer (...) somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world”.

Meanwhile we can find others definitions as the following example, written by Al-Rodhan & Stoudmann (2006, p.4) who define it as “A process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities.”

Globalization as we know it today began its heyday in the 90s. The development of capitalist and neoliberal era at the same time, has made authors like Yergin & Stanislam (1998) defend the idea that this economic model promoted the new era of globalization. Others like Hart-Landsberg (2013) support this premise, arguing the search of labor and cheaper materials, in other countries, such as the example of the flight of American and European multinationals to Asian countries for their cheap labor.

According to him, if not for a capitalist model that defends the free market and privatization, companies should not look for cheaper sources elsewhere in the world to compete. Therefore, the process of globalization exist but not in the way that know today. But globalization does not lead only seek cheap labor. It involves the movement of people but also of capital, among many others. As discussed before the New York Stock Exchange was taking the money of the world, we were referring to this. As Larsson was saying, you can make trades from across the world in real time, and to do this, technological innovation has played a key role.

The development of new technologies or the Internet brought the creation of new ways of doing business as the creation of new and more sophisticated financial products. Financial innovation was one of the creations which produced more income in the 90s and early XXI century. The Financial Globalization played an important role in the recent financial crises as Mendoza & Quadrini (2009) point.
The last concept that deserves review within globalization is the *contagion*. Much has been made of it in recent years, as it is a very important phenomenon. Contagion gives us a sample of the level to which the countries of the world have come to interrelate. Society seems to be unaware of until they see globalization as an economic, occurred halfway around the world, affects us. The cross-country contagion is the phenomenon that is known to the fact that something as important as a crisis, usually starting at a point can also mutate to affect differently but with similar consequences in another country (Talbott 2009, p.103).

1.2. Crises of the Era of Globalization

1.2.1. Asian Financial Crisis

Since 2007, there are few issues that occupy many pages in the most prestigious publications in economic and the mouth of many politicians and citizens as the current financial crisis. On the European continent, one of the most affected and even today in 2013, the year of publication of this thesis is causing serious problems. This crisis caught by surprise a great part of population. However, the economy had warned us not many years ago of what was going wrong and the consequences we could suffer if we put no remedy. Much is spoken today of the current crisis as the first major crisis of the era of globalization, however, technically, is the second. Without much media attention, especially because its origin was Asia and was apparently far from the Western world, in 1997, began the so-called Asian financial Crisis.

Like any crisis, the causes that led to many Asian economies such as Thailand, Indonesia and Singapore to fall in a scenario of economic depression are varied, and do not respond to a single reason. In general terms, years after the beginning of the crisis, some experts point out weak banks and speculative malpractices as the reasons that led to the collapse of the national currency and the devaluation of the stock market and other assets that led, in soon, millions of people to lose jobs and income. The unique feature of this crisis was that countries were growing mostly at high rates before the downfall, which happened in a month, arriving in cases such as Indonesia to grow at a rate of -13% in 1998 and re-grow at a rate of
4.9% in 2000 (source: World bank database). The factor named this crisis as the first of the age of globalization was the rapid spread of the economic consequences in other related economies. After the crisis that swept through Japan, Thailand, Indonesia and Singapore, whose contagion seems more logical because of the physical proximity among them, the crisis spread to countries like Russia, still weak because of the change that caused the abandonment of the planned economy, USA or Brazil. Capital trade among different countries had their first consequences. Asia’s rapid action to address this crisis, prevented the world to repeat the scenes of the Great Depression, however experts and those who lived through this crisis in the first person, kept a sense, expressed in many articles and interviews.

In those years, many wondered who was responsible for the crisis. No single answer but had already warned of the dangers of irresponsible practices, playing with borrowed capital, could have. Lee Hsien Loong, Prime Minister of the Republic of Singapore, warned in 2001, when the worst was over, the risks associated with globalization. He recommended future generations will not leave banks grant credit recklessly because the euphoria of the moment could blind them. Perhaps one of his most important quotes, was the one where he advised to adopt a strong policy to inspire confidence and maintain it, to let citizens know that you are not going to abandon them at the worst times. Another one that seems to think that he predicted what would happen years later was the economist Paul Krugman, Nobel Prize winner in 2008.

In his article ‘Saving Asia’ (Krugman 1998, pp. 87-88) made a call to reflection:

“What turned a bad financial situation into a catastrophe was the way a loss of confidence turned into self-reinforcing panic”

It seems that, although a few saw what was happening penning the businesses worldwide, warnings made by only some experts were ignored (when we say a few and some, keep in mind that, as Rodrik (2009) points out, in the end, economists are human beings, and often seeks their own benefit, with which, many experts did not see or did not want to see what was coming). Under all warnings, we come to 2007, and the outbreak of the current economic crisis. According to authors like Wolf (2008), the boom of the new crisis was powered by the imbalances that grew out of the Asian crisis.
1.2.2. Financial Crisis of 2007 – The Current Crisis

In the same way that nowadays research on past crises continues to emerge, the current crisis has still much to be discovered. Since 2007, many books and articles have been written trying to clarify the causes of it. Depending on the authors, these focus on some points more than others, but there is something everyone agrees that is the fact that this financial crisis came to light following the problem that occurred with subprime mortgages and derivatives.

Previously we discussed the role of financial innovation as part of globalization and by extension, of the current crisis. One of the new products created were called derivatives, which are financial instruments whose value is based on the value of another asset that is called the underlying asset (Stulz 2009, p.60). Even before the crisis in 2007, these products were offered by numerous banks and non-bank financial institutions, to investors. The fact that this product has earned such a bad reputation in recent years is not due to their characteristics, but deregulation was behind it and how it was used. Basically, the root cause of the derivatives was that these were composed largely of mortgages, many of them subprime, characterized by loans with high default rates (Cutts & Van Order, 2004).

Given the high interest rates these mortgages (or other type of loan) had, those products were very beneficial to the institutions that sold them, this is why, institutions were continually seeking money to continue lending to home buyers and make more money from interest. A vicious circle where the rise in borrowing costs was the real source of pain (The Economist, 2007). Commercial banks and other stakeholders reached record leverage levels only to continue gaining more profit. The irresponsibility arises because they sold these derivatives, making, individuals who believed they were buying safe assets actually buy the mortgage of others that, in the case of subprime mortgages would never be returned. The neoliberal model that walked away from the initially proposed involved the working class, which did not imagine what was behind the products in which they deposited their money and confidence, creating a credit provision that ensured and maintained consumption and speculation in the long-term profitability (McNally, 2009). It appears that this economic model, when it was planned to be hoped that less regulation and less intervention, the economy would function alone saves a lot of money in fees and costs for the government. Like any economic theory of
history, through Marxism used in the planned economy of the USSR to the Keynesianism, all are difficult to carry out in practice as there are several factors that are beyond the control of anyone, including are people, and their pursuit of profit. Mendoza & Quadrini (2009, pp.1-6) pointed out very wisely that the elimination of market regulation promotes theft as there will be no police to stop you.

Finally, derivatives, the lack of ethic, subprime mortgages (and their many delinquent debtors) and, together with other circumstances as house price fall, started a credit crisis which soon provoked a liquidity one, forcing the government, which basing on the neoliberal model should be kept out of the market, to intervene.

Shortly after this, the globalization factor came into play.

The continent most affected by the U.S. financial crisis was (and is) Europe. It has been so affected (with their own consequences) that some people refer to the same crisis as Euro Crisis when talking about this continent. At present, the relations that unite both are mainly based on trade in goods and capital (such as in the Asian crisis). The contagion of European economies occurred mainly through banks and through trade (The Washington Post, 2011). Through the bank, was based on the fact that when a country needed credit, such as USA, which was impossible to get on their borders, went to foreign investors calling for loans. The contagion seems easy to see. At the time the credit crisis exploded and liquidity in the U.S., foreign investors came in turn to a lack of capital that spanned all corners of a not very strong European economy, which had at that time an unimportant growth (The Economist, 2007b). Through trade, the spread came later, through the drop of exports and imports.

Of course, this view of the expansion of the crisis is very short and simple and we must take into account that this current crisis is much deeper than the Asian and affecting many more economies and many more markets (currency, capital, raw materials, labor, etc). Solutions should be more global than ever. We could spend hours writing about the consequences of this crisis and still could not even name them all because there is still an uncertain future on what will happen.
1.3. Responsibilities in the Crisis

This question should be done carefully. To answer, we have collected facts which have been the subject of numerous articles, but also the opinions of ordinary citizens, which can be easily found in any media, an opinion that, after all, is what mainly damages the current leadership. We found really interesting sources in studies, such as the European Election Studies, reflected in the work of Hobolt & De Grauwe (2012). Those deserve special attention.

The fact that this crisis involves many difficulties for countries and their inhabitants raises the idea of who is responsible for bringing us to this point of no return.

From our point of view there are two essential figures on which rests much of the blame, but not always imply that their involvement is direct and even some authors add a third.

On the one hand we have the responsibility of both bank and non-bank financial institutions. Following the previous review of the causes and characteristics of the current crisis, the reasons why these individuals are considered responsible are obvious. Like any for-profit organization like these businesses, the pursuit of profit is understandable, but the lack of scruples and ethics that seem to have followed cannot be excused.

Today many of the financial products that have been created in recent years imply such complexity that its operation is hardly understandable for those who are not experts. This difficulty is joined by the lack of transparency with which they have been operating. To get paid more interest, lenders, encouraging customers to borrow, sometimes even higher amounts than those required under some terms considered aggressive and abusive, sometimes lent money even knowing there was a high possibility not to get that money (subprime). Nevertheless, often not the final risk falling on these entities, if not on the final investors who purchased these products without knowing what they were buying. Not only acted badly by getting individuals to sign mortgages and credits, but so did their risk by distributing to third parties without their consent (remember that many of these products were sold to individuals with highest rates of the Rating Agencies) (Stulz, 2009). These bad practices are attributable both to the U.S. and Europe (such as Banking crises in Spain and recently, in Cyprus).
Specifying, for being private entities, their responsibility is not based on trying to get the greatest possible benefit but his fault lies with the titanic dimensions which, Credit crisis reached, which is unsustainable for private companies and on the other hand, because of getting liquidity offering false conditions (Fratianni & Marchionne 2009, p.10).

The other responsible parts that are considered to be responsible are Governments or, consequently, politicians, including big political Institutions as the EU.

Once immersed in the crisis, at present, the responsibilities attributed to political leaders are diverse, as we will see in the next section. Nonetheless, at first, to blame current politicians, we must go back to years before the crisis, when we gathered to explain the resurgence of Neoliberalism during the 70’s and 80’s of the last century.

The economic system, under which this crisis has arisen, as explained before, is a system that protects the privatization and deregulation of business practices which involve citizens, often unprotected at the power of these companies.

As described earlier, after a failure Keynesian system, so used after the Great Depression the major economies, the engines of Western economies were seduced by the charms and the good intentions of the free market. At this point and before proceeding, we would like to reflect on the time economists who supported and advised governments to carry out this system. Are not they also somewhat responsible for poor implementation of this model? As Krugman (2009b) points out, these were so seduced by the vision of a “perfect frictionless market system” that they were unable to imagine the market failures that could be solved with more of interventionism.

The result was the implementation of a system that began to be corrupted by some parties, leading to large multinationals with great power of influence and the creation of abusive practices, which once initiated, were difficult to regulate.

At first, we (want to) imagine that the implementation of such deregulation was based on good intentions, to improve growth and development of economies.

However, we can see better the fault on what they did later. The foregoing crisis, the Asian, can be seen as the prelude to the present, as a warning. Krugman’s words and Hsien Loong (see the Asian crisis) warned of a danger
that, at that time, it could be attenuated relatively fast, but now it is too powerful to stop since it accumulates previous mistakes. Many of the politicians who lived those years and were or were not affected by the crisis, are politicians who were active before 2007. But there is no need to go that far in time to find reasons why they are blamed for the crisis. A poor current performance use to be the main reason provided. Trusting banks and other financial institutions is what make politicians partly responsible, as these companies have shown that they do not know how to act within the limits of the prudent business. Although formally these figures are accused of being responsible, we cannot forget a thought that often comes to light. It is said by many, that citizens have their share of responsibility, not only in the origin of the crisis, but in the current situation. We should blame ourselves of the little care we put into what was going on in economic boom years. Citizens often were misled about financial products, however many people also signed mortgages, knowing what their own and precarious economic situation was. On the other hand, who but us, again and again, chose the same politicians, who did nothing to regulate the market. Now is when citizens protest, however, how many protested when everything was fine? We considered inappropriate to blame others without recognizing some of the blame on ourselves.

1.4. And Now... What Are the Consequences?

Among other consequences is the impact and distrust in the legitimacy of politicians and political institutions. Crespo Tenorio, Jensen & Rosas (2008, p.2) wrote the following statement very aptly:

“Crises are economic events that have the ability to threaten the survival of individual leaders, political parties and political regimes.”

As stated above, the consequences of the current crisis in affected countries are varied as the backgrounds of each country are different and therefore, how their economies have been affected are too. All those economies share a common point notwithstanding.
The way to recovery requires governments to crackdown, often unpopular actions, affecting the survival of the leader and leadership. If to this we add the blame, citizenship believes that political leaders have, throughout the course of the crisis, as explained previously, we obtain a delicate situation that our leaders have to face nowadays.

If we follow the neoliberal line, we can say that much of the blame lies with private companies and their managers. However, measures to punish and control passed mostly by the political system, to stay out that merely losing support of citizens.

The values so far have proven leaders in the majority of cases do not correspond to the values that good leadership often poses. Scandals, corruption, lies and little transparency seem to be common elements of the current political class.

Speaking of leadership always include two parts, the leader and the followers, without followers, there is no leadership and what remains is simply the ‘management’ of a country without involving the people.

In this thesis, we start with the idea that the current leadership is being affected by the crisis in many ways and we seek to express the problems faced by the formal leadership in this time of change and how this may affect future leader.

2. Citizenship Crisis’ Effects on Citizens as Followers

De Grazia (1952) once wrote how leadership is a function of a group and therefore it cannot be fully understood merely studying the leaders. Earlier, we explained in what extension leaders were responsible of the current crisis. As noted, it is also true that citizens were blamed because of an irresponsible passivity before leaders’ performances. However, because of the hardness with the crisis has been affecting citizens during the past months, we have witnessed a change in the relationships between them that we could not ignore.

In the next sections, our goal is to explore how the financial crisis has affected the relationship between leaders and the people, to which we refer as citizens. To do this, we will try to understand what is passing through the minds of citizens in this time and how this affects the current formal leadership, by
using a psychological approach, while at the same time we will try to reflect as closely as possible their reactions, using truthful events occurred in recent years.

From now on, as if we were spectators, we are going to put ourselves and the readers on the side of the "followers", citizens, to understand the situation in a better way and thus, be able to contribute something to the 'function' of leadership.

2.1. Resentment in Society. A Psychological View

When we talk about leadership, we talk about how the way the leader and the follower interact ends in the achievement of a desired goal.

We talk about relations. No way can it be leadership if there is no contact among individuals, creating a social relation. There is no leadership if nobody influences others, changing behaviors and attitudes. The social psychology is one of the areas of psychology that seeks to understand and explain “how the thought, feeling and behavior of individuals are influenced by the actual, imagined or implied presence of other human beings” Allport (1985). By understanding the definition and purpose of it, we understand why leadership is so important for social psychologists and it is so useful for us to explore what happens between the relations of citizens and leaders.

Obviously, numerous theories have been developed in this area, but none addresses the issue of leadership and the leader as close as does the Social Identity Theory.

On the other hand, will cover a key concept in social relations and consequently, essential for leadership, trust.

2.1.1. Society as Organization. Formal Leaders and followers

2.1.1.1. Society as organization

“Man is by nature a social animal (...) Society is something that precedes the individual. Anyone who either cannot lead the common life or is so self-sufficient as not to need to, and therefore does not partake of society, is either a beast or a god.” Aristotle. Politics (322 BC).
Just let us refer to one of the great works of political psychology in history so that we can express the idea that human beings are social creatures by nature. As Aristotle expressed in his work, an individual who is not involved and associated in some way with other people is hard to find. Human beings belong to a group, whatever its nature; thus, we can talk about group members. By academic, a group can be considered as an organization.

Katz and Kahn (1966) defined the organization as a social system that coordinates people and their behavior by means of roles, norms and values. Among its characteristics we find that it is goal directed, what means that it would not exist if there would not be a goal to get. They, in the same work, proposed a topology of main organizations, differentiating the types that could be found in today’s society. In this list there are four kinds of organizations: productive or economic (businesses), maintenance organizations to train people in roles (schools or churches), the adaptive, to create knowledge (universities) and finally the managerial and political organizations (a nation).

We want to make a brief differentiation between nation and society. While we talk of nation when we refer to a way of structuring individuals, with speaking of society we refer to the social phenomena existing within it as noted by Meyer, Boli, Thomas & Ramirez (1997). Throughout the thesis, often we will talk about the societies of different nations affected by the crisis. We prefer the use of the term ‘society’ because of the psychological nature of this section, however by the fact that nation is considered a kind of organization, and society is the psychological way to refer to the individuals included in it, we will use this parallel between society and nation to talk about society as organization.

The reason why we consider necessary to talk about societies is that, when discussing the consequences of the crisis, in general terms individuals of a nation are used. In this section we discuss the implications of the crisis on the groups (organizations, societies) in terms of leadership. For example when the media talks about the crisis in Greece, they often refer to what is happening in its society, the Greeks.
2.1.1.2. Politicians and citizens in society: concepts of leaders and followers

In the definition of organization we talked about the coordination of roles, norms and values. Roles are necessary to ensure that all members contribute something towards the goal, the rules are followed to get an order within the organization, while values are accepted significances given to things, in a generalized manner within the organization, in this case a society. When speaking of a nation and its society to get that coordination and control, historically we have used power figures such as politicians. Aristotle (322 BC) wrote in his work Politics about the ‘Zóon Politikon’ or political animal, pointing that both animals and human beings are social creatures but just the latter can be in contact in a political way.

The reason we call politicians as leaders lies in the function of guides they have for the rest of society, the so-called followers. There are several ways to define leadership and their leaders, but the majority consists in showing the influence of the leader on their followers for the attainment of a goal. Since the beginning of time, living beings tend to come together to ensure survival, knowing the importance of all members to get it. That is what we do in our societies, living as good as possible, ensuring our predecessors welfare. As Bennis & Nanus (2004) say, a leader injects energy into the organization, injects a direction to get it, always guided by a vision that the leader must instill. When choosing our politicians, the choice of one or the other is based on the opinion we have about the way they will lead which will ensure our survival and well-being.

Throughout the thesis we will talk about citizens as members of democratic societies leaded by politicians, societies where citizens interpret the role of followers, performing roles and following the rules, but not being responsible of the coordination and control. (Note the relative uses of these two actions, as the current political tasks are much more extensive and its implementation is distributed among other citizens, see civil servants for instance).

2.1.2. Social Identity and Trust. The Great Losses

2.1.2.1. Social Identity

Social Identity is a psychological theory relatively young. It was first developed by Henri Tajfel in 1974, helped by his, at that time, student John Turner.
Since then, there have been many who have tried to bring something new to this theory, given its wide range of applications in fields related to group behavior. Nevertheless, because of the need we have to explore the current societies involved in the crisis, we will focus on its application to organizational psychology. In its original definition, Tajfel (1972, p.31) argued that social identity is “individuals’ knowledge that he or she belongs to certain social groups together with some emotional and value significance of this membership to him or her”. The fact of feeling that we belong to a group and it has an emotional meaning for us somehow makes us feel some favoritism for this group. Haslam (2004, p.21) speaks of a “Positive distinctiveness”: We start talking in terms of ‘We’ rather than ‘I’, seeing ‘Us’ in some way different and in some cases better than ‘Them’ (the group we do not belong to). Later we discuss the implication of this statement in our thesis.

Before, we discussed the symmetry between organization and society. The junction of the previous explanation with social identity theory is based on the claim made by Statt (1994) that an organization is a group with social identity, or what is the same, that all those who belong to that organization share the same psychological meaning. Applied to our case, it means that if we take into society of a country, according to this theory, all citizens included, should be united and considered as a group, rowing together in the same direction, due to the fact that it is more that unites them than divides them, creating the psychological junction loop.

The case of a competition between countries can be used to illustrate it. It can be applied to any cases as sport, song contests, etc. We talked about how a positive distinction is created and we moved from being ‘I’ to be ‘We’. Maybe, one does not like sports or music. However, at the time when our nation (technically a few representatives of it) competing against another group, the society of another nation, suddenly, there are two concepts, our representatives and their representatives, we and they.

Although it is an abstract concept, we believe that until some months ago, in every nation affected by the crisis, there was a unit that included all individuals in it. Formal leaders were an indispensable part of the group, but the current crisis changed something that made this great unity broken. In order to get to the end point, we must first understand why leaders are so important in the theory of social identity.
Social Identity and Leadership

A requirement for efficiency in the organization is that members are engaged, motivated and feel part of something more than the role they play in society. This mission lies with the leader. If it is difficult to influence a small group of people, how can it be possible in an organization of millions of people, as is the society of a nation, that a single or a few individuals influence the rest, as political leaders do? Haslam (2004, p.44) notes as leadership effectiveness, and by the above, consequently the entire organization, is determined in large part by the perceptions that others (citizens) have of the leader. The social identity theory offers an answer based on the concept of leader perceived as a prototype by followers.

Hogg & Van Knippernberg (2003, p.7) point out that a prototype, in terms of leadership, is the person who owns “a set of features that reflects ingroup similarities and intergroup differences, regarding beliefs, attitudes, behaviors and feelings.”

Thanks to gather all the similarities of the members in one person, we consider that person responds to a prototype of what the group offers, because, we must remember that the formation of a group of people is due to, what they share and not what separates them. This can be translated into the fact that to be the ingroup prototype means to be the supreme representative of the shared social identity which serves as source of unity for the group, Haslam (2004), what, at the same time, reduces uncertainty in some ways (being sure that you have someone who gathers all common points in the group makes you be sure that the undertaken decision will be accepted by all members with no conflicts). Prototypes are expected to act as member of the group, ‘one of us’, although they are the ones who influence. Therefore, the prototype could be considered the nucleus of the group (organization).

Because of these characteristics, prototypical members are expected to assume the role of leader since she or he has a unique social attraction, result of a consensual opinion among members, being able to influence due to the higher likelihood they have of being listened because of being prototypes.

By his or her behavior and acts, the leader shows a loyalty to the needs and aspirations of the group members, trying to accomplish members’ expectations, actually the success as leader depends largely on the ability to ‘embody’ those expectations and make them real, Lord & Maher (1990, p.11).
Hogg & Van Knippernberg (2003, p.19) wrote a specific section on elected leaders, that is, those who take the position of leader by formal choice group members, as politicians in a democratic system. According to them, automatically, the fact of being elected gives the chosen person a high grade of high representativeness, i.e. prototypicality. In a large group, as a society is, being the political leader is considered a synonym of gathering the common beliefs and attitudes of the major part of the citizens, since they have chosen that person with their votes. We talk about the major part of electors, what means that there will be always a part of society (democratically, the minority), which will not feel themselves identified with this leader. We must take into account that larger the group, more difficult to be the desired prototype of all the members.

Hollander (1964, p.231) also adds an interesting point. If the leader is real and prototypical, she or he should do this with sincere interest and good faith, not seeking personal benefit, but group welfare like politicians should do.

Analyzing the social identity theory, we have understood what citizenship thinks when they choose their leaders and why they are attracted by them. In the next section, we will understand the key concept that enable leaders influence and get the goal.

2.1.2.2. Trust

The concept of trust is something that humans take for granted. It is as natural as life itself and therefore we are only aware of its importance when this lack.

In academic terms, trust is a psychological state that relates to the future tense. We have trust in the present moment, but the consequences of that trust are expected to be seen in the future. When a student is going to take an exam for which he or she has been preparing, he or she is confident to know the subject. That trust is now, while making the exam, but refers to the results of future time. He or she is confident about passing the exam in the future, when the teacher corrects.

Trust is also based on a belief and hope that someone else will act in a certain way. Kramer & Cook (2004, p.21) adapt these definitions to the world of leadership. According to them, trust is a psychological state held by followers where they have positive expectations about the behavior and intentions of the leader. Taking it to the field of politics, for example, we can say that when a
voter chooses a candidate is because he or she is confident that the candidate will act in a certain way that the voter sees as appropriate and positive.

**Trust and Social Identity**

The earlier we talked about the theory of Social Identity Nexus talked union of a group of individuals. This nexus was the identity shared by all of them. Tyler & Blader (2000) created a theory called Group-value theory, which is a version of the Social Identity as it is based on the same.

This theory is to say that in a group in which all members share a common identity and are united in order to reach a common goal, members will be willing to work hard for the interests of the group (which are the individual's own), without being specifically encouraged or incentivized by their contributions to the common goal.

In these shared identity groups, there is an interpersonal motivation.

The feeling, that you belong to a group and share a social identity with it, make the members want to participate in the search for solutions to problems that may arise in the unit, Darley (2004, p.128).

Under these statements, there is more. Summarizing, the reason for the union is a shared identity that entails interpersonal motivation, which in turn leads to a predisposition to the search for solutions to problems.

But why is there such interpersonal motivation? Is it only relied on the identity? Tyler (1994) considers trust as the key ingredient. He defines trust as one of the major antecedents that causes willingness to join group activities without extra-incentives. Members of the groups work selflessly for confidence in others. An individual believes the other to behave as he expects, which is also the way that person behaves and acts: 'I do not mind working a little harder for the common benefit because I know that, the rest will too and so we all win.' This belief is what allows daily activities are carried out. Social Identity enables individuals to join together while trust is the pillar of its running.

“Trust is and integrative mechanism that creates and sustains solidarity in social relationships and systems” (Barber 1983, p.21)

Clark & Mills (1993), define this kind of trust, related to the Social Identity theory as Non-Calculational. According to them, this is 'Identification-based trust' which means that the other part (other members) identifies my goals (Social Identity theory) and consequently, one may allow other to act as one's
agent, knowing that the decisions made are the ones we would make for ourselves. As in the previous section, we have talked about the political leader of the group as a prototype, we discuss how this leader was which had the power to make decisions, which according to theory, should be in accordance with the beliefs and attitudes of the group (society). If we make the link with the Non-Calculational trust theory, we see how “one” (citizen) allows other (leader) to act as one’s agent (to be my representative, my voice) since the citizen has blind trust in leader’s actions will correspond to what s/he would do because of the shared identity.

Future always remains uncertain and trust is related to future actions. Hence, the last characteristic we want to refer to is that trust removes uncertainty, since we belief in leaders’ action. Interestingly, when we talked of the leader as a prototype, we said that the existence of a prototype in the group was due to the need to reduce uncertainty. So, again, we see how the leader emerges as a prototype for the needs of the members, but he is still the leader because members trust him.

**Trust and Leadership**

As we have seen, the concepts of trust, social identity and leadership are very close and should be considered together. We have seen how the leader as a prototype of a group cannot keep up without the trust of their followers. Everything discussed above on the willingness of the followers to go beyond the call of duty for the good of the group, thanks to the trust, suggests that without trust there would be no effective leadership.

When speaking of effective leadership, we think of a leader who motivates and influences. In short that all group members voluntarily will follow a path to the attainment of a desired end by all. For this, the followers must trust the leader and trust his or her influences are justified. Otherwise, members do not trust what might happen in the future and they will not follow the direction that the leader instructed, though his or her intentions are good.

A review of the significance of trust to academic level and its significance for leadership was required before discovering reality.

The idea for this thesis was originated in the wake of the crisis situation that Europe is facing today. Therefore, we consider essential the application of all previously described to the reality, in order to explore the situation deeper.
Until now, we could say that this has been the situation in which, generally speaking, different democratic countries of the world have been. A situation in which, citizens were represented ‘properly’ by politicians, prime ministers or presidents of the republic. We stress ‘properly’ since it is supposed that a lack of complains from citizens means that they support their leaders (always relatively, due to the existence of typical and common disagreements among people in a country because of the impossibility of satisfy everybody). In this thesis, we have understood support as a general lack of massive protest and distrust.

Dr. Jacob Bronowski (Poland 1908 – New York 1974), famous mathematician and humanist of XX century, once said: “Has there ever been a society which has died of dissent? Several have died of conformity in our lifetime.”

In time of prosperity, scarcity of resources is generally low and therefore members of a prosperous society usually do not complain about their situation. As we have said in the foregoing section, discussing about the responsibilities of the current crisis, citizens and other personalities had to be included as partly responsible. We included them for their passivity, for their conformity. Nevertheless it is a natural behavior the fact of not complaining when things go well.

During these last years, we have been struggling with the consequences of such conformity: the financial crisis. The economic recession has led to social crisis not seen for decades. Now the situation is not prosperity, quite the opposite. Now people complain and protest and those complaints are directed at their leaders. These days, it seems that leadership is not carried out ‘properly’; consequently the previous context about prototypical representativeness is not valid any longer.

2.1.2.3. Financial Crisis 2007-2013. Time for Great Losses

If we remember, in the first section we have discussed the origins of the crisis and responsibilities in it. Already at that time, as discussed began as a financial crisis has led to much more, than economic problems. In a short period of time (six years), we have witnessed changes in the citizens and leadership. During this time, slowly, a threat to the relationship between these two has been created and evolved. As we have seen, a key concept in
leadership is the trust and this also has been one of the more damaged throughout this time.

The firm Edelman, leader agency in independent communication conducted by Richard Edelman, has also been aware of the importance of trust in the leaders of the world. So, from the beginning of the new century, it is conducting an annual study called "Edelman Trust Barometer" in which includes global opinions of more than 31,000 citizens and informed publics of 26 countries. Informed publics’ conditions are: belonging to an age range between 25 and 64 years, with college education and closely follow media business or news. This study “measures the state of trust around the world by exploring trust in Institutions, industries, leaders and the impact of recent crises” (Information provided by Edelman Official Web Page, www.edelman.com).

Because of their wide and varied sample when doing the study, this has become over the years into a reference to many other studies and publications (‘The Economist’ or ‘Time’ have published several articles, based on their data). Hence, we consider this study as a reliable source and will serve as a further support for our exploration.

(Although this study provides global data, the need to focus on the most affected countries by the current crisis has meant that we paid more attention to European countries and public leadership.)

- Since the crisis began to whip Europe, trust in public institutions has declined significantly in southern countries such as Spain or Italy or countries like Ireland, one of the first punished in Europe.
- In countries, where the worst of the crisis has passed, trust has improved a bit, but is still very weak.
- Traditionally, trust in governments was lower than in business. However, crisis has made this gap even larger.
- Main found reasons for distrust in governments have changed through the years. Nowadays, the two principal are Corruption and Poor performance or incompetence in their tasks.
- Trust in the ethics and morality of public leaders is very low.
• Those surveyed believe that among the most relevant attributes needed to build trust now are engagement and integrity. The latter is considered essential now, while five years ago few people had it in mind.
• The pattern of influence in society has changed. Before citizens were in the lower zone of influence (where the highest were organizational and governmental leaders). However, new forces such as social movements and protest or protests, known as 'Social Activist' have appeared in the last years; and now they have a relevant role in social influence.

These are just some of the data that this study gives us, however, are enough to make us the idea because the firm Edelman has named the year 2013 as the year of Crisis of Leadership (this concept will be explored more fully in the next section). We want to stress upon the evolution they pose on situations that confidence has gone through the years.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SITUATION OF TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>TRUST SHIFTS FROM “AUTHORITIES” TO PEERS</td>
</tr>
<tr>
<td>2006</td>
<td>“A PERSON LIKE ME” EMERGES AS CREDIBLE SPOKESPERSON.</td>
</tr>
<tr>
<td>2007</td>
<td>BUSINESS MORE TRUSTED THAN GOVERNMENT AND MEDIA.</td>
</tr>
<tr>
<td>2008</td>
<td>YOUNG INFLUENCERS HAVE MORE TRUST IN BUSINESS</td>
</tr>
<tr>
<td>2009</td>
<td>BUSINESS MUST PARTNER WITH GOVERNMENT TO REGAIN TRUST.</td>
</tr>
<tr>
<td>2010</td>
<td>TRUST IS NOW AN ESSENTIAL LINE OF BUSINESS</td>
</tr>
<tr>
<td>2011</td>
<td>RISE OF AUTHORITY FIGURES.</td>
</tr>
<tr>
<td>2012</td>
<td>THE FALL OF GOVERNMENT</td>
</tr>
<tr>
<td>2013</td>
<td>CRISIS OF LEADERSHIP</td>
</tr>
</tbody>
</table>


In this table, we can observe the situation before and after the crisis or still in it. First, have a look to the years 2005 and 2006. In these years we talk in terms of 'peer' or 'person like me' referring to leaders. It speaks of a similarity between leaders and followers. Equality between them. Recall now, as written above on Social Identity and leaders as a prototypes. At
that time, we discussed how leaders, according to these theories, emerged because of being a special member of the group, who unite under one person, the common points of the members, as model of the existing identity in that group. These prototypes were always members of the group, like the rest. Although they were considered leaders, they never ceased to be a member of the group. In fact, this proximity was an important factor in maintaining trust between them.

In those years, people still relied on the existence of public prototypical leaders. Fast forward a bit in time: Year 2011. In that year, with the data obtained from the study, Edelman called this situation as ‘rise of authority figures’. The crisis had affected most countries which now are suffering from the consequences. It starts looking for the responsibilities and the situation requires further action, which involves the emergence of leaders, with an image of more authority; and who do not consider their followers, in the same way they did in time of prosperity. With moderate confidence, the gap distance between the identities of the leaders and members of their groups start to widen.

The year 2012 and the chosen name for its situation needs no explanation, ‘Fall of government’. The crisis, until that moment, had required tough measures, with collateral damage. Public leaders lost the trust of citizens, so that, the unity between them under a single identity was no longer tenable because of the lack of trust. The data of 2013, the current year and the crisis of leadership, confirm this bad situation, a situation that has been intensified.

*Why the lack of trust and social identity matter*

Trust is considered the key to cooperation (Montgomery, 2011; Bibb & Kourdi, 2004). The cooperation is based on carrying out a joint action with another party. Each party must contribute to something, so that if there is no trust on the other hand, and if there is not a belief that the other party will respond in the same way I would, cooperation does not exist.

On the other hand, we must remember that when human beings suffer a negative experience in the past, it is likely that these experiences, or feelings of mistrust or fear arising from them, are transferred to the present and future (Bibb & Kourdi, 2004; Dirks, 2000).

The current crisis is demanding measures and policies to the most affected countries. The European Union has taken steps to ensure the sustainability of
the financial system, promote economic growth, provide financial assistance to members in need and strengthen the coordination of economic and fiscal policies, European Court of Auditors, 2011. However, the crisis itself, and the adjustments involved in the application of recovery measures and policies (deficit adjustment, austerity) are creating other problems besides the economic. Unemployment, or an increase of poverty and inequality in society, are just some of the social consequences brought by the crisis that are sometimes worsened by the actions made by leaders.

“Extremis malis, extrema remedia” Anonymous.

This Latin proverb means ‘Extreme misfortunes, extreme remedies’. This is what one could say is happening today. Those responsible for making decisions that affect societies as leaders attempt to do the right thing, with a clear objective, out of the crisis as soon as possible. However, being at the center of a deep crisis, solutions are not as easy and imply situations that are not accepted by citizens. These situations are often higher taxes, cuts in social spending or dismissal of civil servants, which directly affects the lives of citizens.

The welfare of thousands of Europeans is being affected. When they chose their political leaders, citizens elected them because they were confident that their welfare would be improved, never harmed. All believed that they shared similar beliefs and values, and they believed that their leaders would fight to keep them. Although leaders´ intentions are good, citizens, the followers, felt betrayed and disappointed.

Bibb & Kourdi (2004, p.114) point out that the feeling of betrayal is the consequence of placing, previously, a deep trust in someone, as we regularly do with politicians at election time. Since citizens trusted them and considered them as ‘one more’, who would look after us, the feeling of injustice and resentment is even higher.

This is what happens, but what are the consequences of the loss of trust and identity for the citizens?

The clearest result is found in the loss of synonymy between leader and prototype. So far, every time we referred to the leader of an organization, (political leader of a nation, in our case), we used leader and prototype as synonyms, since we still used the theory of Social Identity. Due to the disappearance of the trust that bound these individuals (citizens and leaders)
and taking decisions (leaders) contrary to the will of the citizens, the common identity has been lost, so that the leader cannot be considered within the organization anymore and therefore cannot be a prototype of the organization, in this case, society.

This division has led to a widespread rejection of politicians and all the decisions they make. This leads to consider two points:

- Politicians and public leaders are the ones who, as legal representatives of citizens, make final decisions.
- For a successful and faster implementation of new policies and measures against the crisis, citizenship’s support is necessary.

At the beginning of this point we talked about coordination. As we see with these two explanations, without the coordination of two parts, a joint action is difficult. In the 6 years we have been in crisis, leaders have made mistakes, which are not forgotten and hurt its current image.

In conclusion, lack of confidence and social identity leads to a situation of rejection and broken relationships that causes lack of coordination between both parties. This lack of coordination between two essential parts makes it more difficult to take solutions for the crisis and their implementation, delaying the end of the economic crisis, which in turn makes the current leadership crisis even worse.

3. Reactions to the Crisis. Popular Discontent in Streets

3.1. Crisis of Leadership and Rejection of Leaders

Boal and Bryson (1988, p.16) point out that a situation of crisis is "a condition where a system is required or expected to handle a situation for which, existing resources, procedures, policies, structures or mechanisms are inadequate".

We could say that the economic crisis has brought many other internal crises, including a leadership crisis, which in turn implies many others. If we follow this definition of crisis, we could say that the leadership crisis Europe is suffering and European countries due to inadequate current leadership
system, which has not been able to deal with the problems that brought the financial crisis in the year 2007.

Indeed, as we saw in the previous section, the current leadership is damaged by lack of confidence and social identity on the part of citizens, so we can say that the leadership is inadequate when not counting with the approval of the followers.

Nowadays, citizens do not believe leaders will say truth when confronted with a difficult issue (Edelman, 2013b). Right now the trend is based on citizens believe their peers more than ‘their’ leaders, what basically implies that citizens are fed up with them.

This crisis of leadership is not a secret. The media daily post something about it. “Europe teeters at the edge of an economic abyss, its fate in the hands of political leaders at odds over how to solve crisis” (The Economist, 2012). “Europe’s leaders asked the world for trust and more time to sort out the mess (...) but citizens have no time” (The Economist, 2012b).

3.1.1. Economic and Social reforms. Just the beginning of betrayal

How leaders handle the crisis, directly affects the lives of citizens and the welfare of societies, as Boin, Hart, Stern and Sundelius (2007) indicate. For this reason, any action is watched closely by the public. Previously, we note as the austerity measures taken by the governments of the countries affected by the crisis, had helped to loss of trust and identity to feel, citizens, betrayed by them.

The packages contained budget cuts measures directly affecting the welfare of citizens. Cuts in health care, jobs and wages or tax increases are the most common. These measures have been heavily criticized throughout Europe since they affect all citizens equally, independently of their monthly income or personal circumstances. This has led many families whose lives had been affected by the economic crisis in the beginning, have deteriorated further, this time because of their leaders’ fault, when those families had hope in the leaders to minimize the damage. So, not surprisingly the popularity of politicians and political parties is at an all-time low (The Economist, 2012c).

In Table 1 we added below, we have collected a scheme of common measures that affect citizens directly. For its elaboration, we have used information from numerous media from different countries about the cuts. The selected
countries are Greece, Portugal, Spain and Italy. While they are not the only countries that have suffered these adjustments within the European Union (Cyprus, France, Ireland or the UK are others), they have suffered similar consequences of the debt crisis and at the same time. The purpose of this table is none other than to help the reader understand the feeling of betrayal of the citizens.

Readers must be aware that the data in the table correspond to a set of measures, common in these four countries that have been taken so far. The measures are grouped around four areas of business, health care, taxation, pension and labor reform. In the latter, the measures described are general, and therefore, each country has adopted this measure personally, adapting it to the unemployment situation of each country. In the area of taxation, although other taxes have been increased, the most harmful to citizens is the VAT, by directly increasing the cost of purchases.

<table>
<thead>
<tr>
<th>AREA/COUNTRY</th>
<th>GREECE</th>
<th>PORTUGAL</th>
<th>SPAIN</th>
<th>ITALY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC SERVICES</td>
<td>- Cuts in education, R &amp; D, social assistance, etc.</td>
<td>- Cuts in education, R &amp; D, social assistance, etc.</td>
<td>- Cuts in education, R &amp; D, social assistance, etc.</td>
<td>- Cuts in education, R &amp; D, social assistance, etc.</td>
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<tr>
<td>PENSION</td>
<td>- Cuts in quantity.</td>
<td>- Cuts in quantity</td>
<td>- Cuts in quantity</td>
<td>- Higher requirements to get the pension at the end of working life.</td>
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<td>- Higher requirements to get the pension at the end of working life.</td>
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<td></td>
<td>- Hospital closures.</td>
<td>- Health copayment.</td>
<td>- Hospital closures.</td>
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<tr>
<td></td>
<td>- Health copayment.</td>
<td>- Dismissal of health staff.</td>
<td>- Health copayment.</td>
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<td>- Dismissal of health staff.</td>
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<td>- Dismissal of health staff.</td>
<td>- Dismissal of health staff.</td>
</tr>
<tr>
<td>TAXATION</td>
<td>- Value added tax increase</td>
<td>- VAT Increase</td>
<td>- VAT Increase</td>
<td>- VAT Increase</td>
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<tr>
<td>LABOUR REFORM</td>
<td>- Relaxation of conditions for dismissal, Layoffs in the public sector: 30,000 in 2013.</td>
<td>- Relaxation of conditions for dismissal, Layoffs in the public sector: 30,000 in 2013.</td>
<td>- Relaxation of conditions for dismissal, Layoffs in the public sector: 30,000 in 2013.</td>
<td>- Relaxation of conditions for dismissal, Layoffs in the public sector: 30,000 in 2013.</td>
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<td></td>
<td>- Increase in working hours for civil servants.</td>
<td>- Increase in working hours for civil servants.</td>
<td>- Increase in working hours for civil servants.</td>
<td>- Increase in working hours for civil servants.</td>
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<td></td>
<td>- Increase retirement age.</td>
<td>- Increase retirement age.</td>
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<td>- Increase retirement age.</td>
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</table>

Table 1. Main austerity measures 2011-2013. Comparison among South-European affected countries.

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Table 2. Harmonized unemployment rate %. January 2013. (Source of Date: Eurostate)
Table 3. Comparison of unemployed people (1/1000). January 2008 – December 2012

Source of data: Eurostat
Unfortunately, these measures, although not as drastic, they can spread to other European countries, so finally we get a map where the Mediterranean countries are the most affected.

Time (2011) published an article in which showed the end of the European welfare as we had known it. This article focused on France, as this country has always enjoyed a welfare state recognized worldwide. It recognizes the danger of reforms: “Slimming the welfare state will make it harder for the West escape the recession and alleviate stubborn unemployment”, “There could be a limit to how much more revenue European governments can extract from their people”. Likewise, it collects opinions of French citizens, about the government of Nicolas Sarkozy, previous President of France: ”The government has broken an unwritten contract with the country’s workers”.

Above, we also include two tables of data from Eurostat. In the first (Table 2), we include unemployment data (%) of European Union countries with available data. With it we can compare the situation among countries most affected by the crisis as Spain or Greece and those in Europe which have hardly consequences such as Austria. (Keep in mind that what we intend to show in this chart is the % of European population out of work, about what leaders are blamed. The reason that some countries have more than others, in the same circumstances corresponds to previous contexts of each country). The second one (Table 3) shows the increase of unemployment in just 4 years, enabling the reader imagine the impact on citizens lives in such a short time.

We could say that these measures are the most important reason for the unpopularity of the leaders, but the truth is that we could find many more causes. There is a group-based theory called ‘Relative deprivation’, Haslam (2004, p.210), which is able to explain another source of lack of identity.

In short, this theory tells us how people feel more frustrated when they see themselves worse than others with which they are compared. Since leaders, before the crisis were considered prototypes of society and therefore other group members, it is normal that people often compare them. The problem is that when comparing the current situation with that of the leaders, it was discovered the many privileges of the leaders in times when other citizens are suffering.

Let’s name a few polemics that come to light in recent months to illustrate what we mean. Much of the data that are often included could not be verified to be considered confidential information, however what we want is what has been
published and therefore, what people have read and about what they have made their own conclusions, creating that frustration.

→’Welt am Sonntag’, February 5th, 2013. This German newspaper, after the British Prime Minister commented as some European Union civil servants earn more than a prime minister in times of crisis, investigated to find the following information. Over 4,000 MEPs earn more than the German Chancellor Angela Merkel, who, according to the publication, make per month € 16,275.

→’News of the World’, February 13th, 2011. This, now defunct newspaper, public reporting of MEP Nikki Sinclair, who publicly denounced a common practice among their peers, regardless of their nationality. According to her and photo evidence supporting it, MEPs were asking money for days worked in Brussels, when they were only going to sign and immediately went to their respective countries so receiving public money from the European Union without working.

→Controversy in Spain, August 2012. Former presidents and government officials have a pension for life of € 74,000 per year, when the maximum for a Spanish worker is 32000 € per year. (Status of Ex-presidents of Spanish government, Royal Decree 2102/1983). In this situation, it is joined today, the last three presidents of the government, hold senior positions in private companies for which they receive a salary in addition to collecting this pension for life. They are protected by law.

As we said, these are just two small examples of privileges that the current leaders are in a time of cuts in the budgets of millions of citizens. One finds easily other examples in any country or in the European Union. Obviously, these injustices are not welcomed by the population, which have worsened the current crisis of leadership.

3.1.2. Corruption Among Leaders. A Dangerous Addition

According to Krastev (2013, p.1-5), democracy ceased long ago to be a political issue to become a business more. Drucker (1986, p.141) pointed out how the fact of having high salaries at the top may disrupt the organizations. Leaders need to be provided with personal incentives to attract and motivate themselves, but this make people in the group see their leaders as adversaries. This is what happens to the privileges enjoyed by current leaders.

However, when these privileges cross the line of legality, leaders face charges of corruption. At a time when countries, like the ones in southern Europe, are
imposing severe austerity plans to citizens in distress, such actions do nothing to stoke resentment and destabilize governments, when a strong and credible government is more needed (The New York Times, 2013).

Unfortunately, the years 2012 and 2013 are being especially fruitful on issues of corruption. Below, we will review the situation of some countries to see who can reach the magnitude of the consequences of corruption cases in leadership in their country in times of crisis.

GREECE - The eternal ‘fakelaki’

The term fakelaki, usually unknown outside Greece, is commonly used in this country. This refers to businesses with bribery involved. Literally, this word means ‘little envelop’, referring to the traditional way to pass the money.

In Greece, bribery is relatively common. On one occasion, Michalis Yriojoidis, minister in 2011, said that corruption was a basic element in the country. This suggests that the use was common not only big business, but in the daily life of a worker. In section 1 in this thesis, discussing responsibilities, citizens here are also to blame. In prosperity years, citizens were doing a blind eye to corruption cases since they were the first interested. However, in crisis, citizens call responsibilities without looking at themselves previously, and that is why now every case of corruption among its leaders is a case that shakes the entire country.

At present, voters are fed up with the corruption cases that have flourished under the Panhellenic Socialist Movement (Pasok) and the conservative New Democracy party. (The Economist, 2012d).

Recently, the Greeks were able to see the trial of former defense minister Akis Tsosjatzópulos and a founder of PASOK, one of the two traditional forces in the country, and 18 other defendants connected to politics, for a network event bleaching. According to reports, Tsosjatzópulos took bribes to close military contracts. Furthermore, last february both major parties (until the crisis broke out), were accused of not returning bank loans granted to parties, worth over €200 million. Without having tested the truth of this accusation, citizens seem to have accepted it as such.

Transparency International (TI, from now on) is a globally renowned organization created in 1993 whose purpose is: the end of corruption and prosecution of corrupt leaders among other objectives. Each year, this organization conducts studies on levels of corruption and its evolution in the 100 countries in which it operates. In March 2013, the Greek company Public Issue conducted a study to Transparency
International alleging that cases of corruption among citizens had fallen by 5% since 2008 and as their tolerance of corruption cases among leaders is less than before the crisis. (Public Issue, 2013).

**CYPRUS – The little Mediterranean bomb**

This country has less than a million inhabitants and its economy means less than 0.2% of the Euro zone’s GDP. With this data, it seems unbelievable the great repercussion that its bank crisis had in Europe. Although small, an additional country to rescue was a major blow to the confidence of foreign investors in the euro zone.

Cyprus was one more than the European countries had to seek a bailout. This was in June 2012, however it was not until March 2013 when the real Cyprus crisis began.

Given an uncertainty about the bailout, its amount, and a subsequent disagreement about the conditions of the help, banks were closed for 10 days and the money one could make from ATMs was limited, reminding the ‘Corralito’ of 2001 in Argentina. Mainly affected were citizens who were found without information about what would happen with their savings. Far from ending torture here for the citizens, the bailout of €17 billion involved the acceptance by the government to be responsible of €7 billion. Part of this responsibility fell on citizens. Discomfort in the country and distrust in government grew enormously. (The Economist, 2013).

If people were really hurt by the situation, the April 1, 2013, the situation worsened. Nicos Anastasiadis, prime minister, and his family were accused of using privileged information for their own purposes. According to the newspaper ‘Haravgi’, he and his family took €21 million from accounts in Cyprus to accounts in London days before the national banks closed for the rest of citizens. In this web of corruption, we must add the facts that, according to the Greek newspaper ‘Ethnos’, Cypriot politicians were beneficiaries of amnesties on their personal debts years before.

TI Cyprus conducted a survey in 2013 in which 953 citizens participated from major cities of Cyprus, representing all age groups.

“Respondents strongly believe that politicians are the most corrupt category and they are the category of people who abuse their position and power for personal gain the most out of all the categories of people listed in the survey” (Transparency International Cyprus, 2013).

All these facts together show the bad situation that the country’s leaders cross.
ITALY – La Corruzione.

The Italian corruption has become a topic over Italy. According to the ranking of IT, Italy is the 4th country in Europe to corruption, behind Bulgaria, Greece and Romania. We could spend hours writing about encounters with the law of former Prime Minister Silvio Berlusconi, referring to corruption. The newspaper ‘La Stampa’, on February 5, 2013, named corruption in the country as systemic, and they have reasons for it. In 1992, Italy also suffered economic problems in the country. In the middle of this situation, there was the case ‘Tangentopoli’, literally ‘land of commissions’, which was related to corruption frames. This case sat in court over 4000 people, including businessmen and politicians. As a result of this, the two dominant political parties of the time, Christian Democracy and its allies collapsed and many town councils were dissolved because of charges of corruption. Since then, trust in Italian politicians was badly damaged (Giglioli, 1996).

Years later, and again under the effects of a crisis, Italian politics again go through its worst moments. In October 2012, the government of Mario Monti, published a book on corruption which estimated that every year, these cases mean €60 billion less in the government and consequently, less in public expenses.

We will talk about the latest electoral crisis, which was affected by the lack of trust of Italian voters. One reason of many of the low trust, was a new case of corruption nationwide. Mario Monti, former technocrat prime minister, told of how this corruption scares foreign investors, reducing the country’s competitiveness and therefore, making the crisis and its consequences bigger. One reason more for citizens to criticize their leaders.

SPAIN – An accumulation of corruption

Until 2007, Spain built more buildings than Germany, Italy and France combined. Behind all permits and contracts for construction companies, there was a great corruption. It was not confirmed, but the speed of bureaucracy in these cases and the rhythm of construction were suspicious. However, having 8.6% unemployment, the lowest rate in years, made the citizens turned a blind eye, until now.

In the last 2 years, the most famous case of corruption at international level has been the one of Prime Minister Mariano Rajoy. He and many members of the Popular Party, were involved in a scandal about regular payouts to leading party members, above the official salary. (The Economist, 2013b).
However, this was the last of a long history of corruption cases that have appeared in recent years. When the situation has been bad, was when old cases have appeared. Some even have affected the Spanish monarchy, which according to data from the last national survey, has the worst trust data from the beginning of democracy in 1975. The Spanish corruption has even been on the cover of the New York Times (2013). In this paper, it was said how Spanish judges are investigating currently almost 1,000 politicians and how, once the construction sector has been destroyed by the crisis, corruption is emerging on the other booming sector, the sector of private healthcare (growth driven in part by cuts in the healthcare system discussed above).

Due to the poor economic situation of the country and these cases of corruption, the level of Spanish citizens’ trust in their leaders, is the worst in decades, reiterating that politicians are one of the biggest problems in Spain. Actually, trust’s rate in Mariano Rajoy has reached the same level of trust than the one in the leader of an unpopular pro-terrorism political party. (El Mundo 2013, para.6).

**FRANCE – The last entrant**

France, unlike other European countries, has had little serious corruption among its leaders. But as in a case similar to Spanish, the severity of the crisis has done more to motivate journalists and investigators to follow leads that they get so many people want to hear, a reason to hate their leaders.

This is the case of Fabrice Arfi, Mediapart web journalist who at the end of 2012 brought to light data that proved that by then Finance Minister, possessed a Swiss account (tax haven) for more than 600,000. According Arfi, Jérôme Cahuzac also transferred money from Switzerland to Singapore. At first, Cahuzac denied everything and thus Hollande Prime Minister and other members of his team defended.

However, faced with relentless testing in April 2013, Cahuzac had already resigned the post of minister, had to admit the existence of their own. There was marked only his reputation, but that of the entire government, including the president Hollande.

After that, many citizens wondered if these were not aware of the account or protecting him, which caused much more distrust among the population. The problem is that this was not the end, but it was discovered shortly after a series of
relationships among connoisseurs of this practice in which I get to involve former President Nicolas Sarkozy.

Neither major political parties in France were out corruption case. Hollande, in an attempt to minimize the effects of this case of corruption, announced measures to fight corruption in his country. He will create an independent organization in charge of controlling the assets and interests of ministers and other elected officials.

"The Cahuzac case requires us to respond with force, as French demand"

(Hollande F. Paris, 10th April, 2013).

Only time will show the trust that French keep in him. Currently, several French newspapers have done their own surveys that Hollande seems to have lost much of the confidence that his electors gave him just ten months ago (Les Echos, 2013). A very rapid loss of trust, aided by the difficult circumstances of the crisis and worsened by corruption cases in the country, making some people wondering if he will be able to finish his parliamentary term in a very discontent France.

The fact of having chosen South European countries is no accident. The economic crisis that shook Europe divided the continent into two, north and south, the big affected. The worst situation of Mediterranean countries is a reality, like their public cases of corruption, who have contributed a lot to the leadership crisis faced by countries. Referring to this, Miklos Marschall, CEO of Transparency International said: "The political class is meaningless in southern Europe".

“Corruption did not cause the euro zone crisis. But the economic problems will persist, until these countries remake themselves into modern societies with efficient, competitive economies.” (The New York Times, 2013).

The question is: Can those countries create such competitive economies when no one, even their citizens, trust the responsible of fixing the crisis?

### 3.1.3. Rejection of Leaders

Economic circumstances, the economic reforms that leaders are taking and corruption cases or polemics that arise among them have created a widespread feeling of rejection of the political class by citizens, which puts the icing on the Crisis of leadership we go through.

At the beginning of this thesis, we mentioned as the leader of the group was part of the organization of society. Since all kinds of social identity have been lost with leaders, and confidence in them is almost non-existent, there has been a separatist
movement that is creating two different groups: on the one hand citizens and other leaders.
Below we see a theoretical explanation of this phenomenon besides providing actual data that are occurring in Southern Europe, showing this commented rejection.

3.1.3.1. Division among members explained by Social Psychology

Social Psychology has had so many acceptances among researchers in recent years; it has managed to explain almost any fact with relation to group formation. The rejection of the leaders can be expressed based on the 'Principle of meta-contrast', Haslam (2004, p.31), including in the Self-Categorization Theory (Turner, 1985).
To understand the relationship we must first review the circumstances presented in a society. A current democratic society, such as Southern Europe, is a set of people who, despite sharing a common social identity, culture, common values to a country, they are different. In a society we find different classes or different ideologies, among many others. However, the economic crisis affects everyone. Although perhaps the lower and middle classes are usually worse, since the measures taken and the crisis have affected society, the welfare of all citizens has been affected, including upper classes.

This has caused the citizens have found more similarities between them other than those given by the Social Identity. The similarity is based on a rejection of what is happening and how the leaders are solving problems.
The principle suggests that “a given category is more likely to become salient to the extent that the differences between members of that category are perceived to be smaller than the differences between other categories” (Haslam, 2004, p.280).
Applied to our case we found that citizens are beginning to behave like an independent group, far from leaders (who were previously included) as the similarities that unite them (mentioned above), i.e. the differences between citizens are smaller than the differences now among citizens and leaders. Therefore, citizens are beginning to join, creating their own group and leaving leaders in the so-called 'outgroup'. This unity is reflected in the cases of rejection of leaders and collective actions and protests.

3.1.3.2. Rejection of national leaders

The first symptoms that a society rejects its country leaders can be seen in a "real" way in surveys or studies as those that measure the trust of followers. Until recently, this was the easiest and fast way, since there was no major protests which
show a widespread discontent, and if there were they were not common. Formal leaders of nations, in democratic countries like Europeans, are chosen by the citizens. A vote is a vote of confidence. Therefore, we can say that one vote less is a sign of rejection. The loss of trust and protests are a symptom of something serious happens, however, this feeling does not materialize until official elections.

In the last two years, we have found common elements in the elections of the Southern European countries, the most affected in the continent. Let’s take a look at what has happened that makes clear the rejection of society towards their leaders, a rejection that is increasing.

_Greece, General Elections. May 2012._

- Early elections by former government resignation.
- No political party gets an absolute majority to govern alone. It is required a coalition between parties to govern.
- Participation in elections is reduced by 8.2% compared to the previous elections in 2008.
- The party previously in power PASOK, reduces its number of seats in parliament by 119%. Parties, formerly with less number of votes, enter in the parliament occupying several seats.
- Radical parties get great support. On the one hand SYRIZA, the radical left, this increases its number of seats by 39%. On the other hand the organization of National Socialist ideology, LS-XA, with an increase of 21% of seats. The latter created a concern in Europe for its electoral program of anti-Semitic ideology and advocate of violence, to stop any immigrant in the country (Kitsantonis, 2010).
- By continuing disagreements between the parties and failure to create a coalition government, new elections were called in June.
- Participation in June down again by 4%. Between May and June, participation in elections has dropped by 12.2%. This drop in participation translates into a lack of trust in the political system by the citizens, The Economist (2012e).


_Italy, General Elections. February 2013._

- Early elections by former technocrat government resignation.
- New minority parties, or even new, win votes. (See explanation below.)
- Participation in elections is reduced by 3.7% compared to the previous elections in 2008.
- No party achieved an absolute majority to govern alone. Unable to create coalition government, Pier Luigi Bersani, leader of the largest party, resigns. Because of the absence of government, Giorgio Napolitano is automatically reelected as President of the Republic. Finally, coalition is possible and Enrico Letta is elected as new Prime Minister. (http://www.elpais.com)
- The same day Letta officially accepts the post, an armed man attacked two policemen and a pregnant woman. According to his words, his target was politicians. This man was suffering severe economic problems by the crisis. Messia (2013).
- Source of data: Ministry of Interior. Italy.

_Portugal. General Elections, 2011_.
- Participation, down almost 25% in the presidential election, while in the legislative elections, participation fell by 2.8% compared to the previous. Less than 60% of people voted.
- The party previously in power is the most defeated, losing more than 29% of its previous votes.

_Spain. General elections, 2011_.
- Participation fell almost 5% in comparison with previous elections in 2007.
- Previous party in power, Social Party has a loss of 38% of its previous votes.
- In a society traditionally bipartisan, ‘little’ political groups, until then, begin to emerge strongly, as a sign of citizens’ exhaustion, Mora J.C. (2013).
- Source: Ministry of Spain, Kingdom of Spain.

_France. General Elections, 2012_.
- Participation fell 5%, compared to 2008 Elections. Just 51% of citizens above 18 voted.
- One year after his election, François Hollande has lost great part of his credibility as leader. “His level of popularity has reached a record low for a French head of state” (Samuel H, 2013).
- Source: Ministry of Interior, French Republic.

_The rise of minority groups_
As we have seen, is something increasingly common on citizens to give their trust to others who have never governed, fed up with the current leaders. The most
'interesting' case is the movement of 5 stars (M5S), (not) led by Beppe Grillo, Italian comedian.

The movement was launched on the Internet four years ago when the situation was becoming alarming. The characteristics of this non-party are curious: (The Economist, 2013f)

It has no official leader, although Grillo is said to be the one who represent the movement in conversations with the President.

It has no headquarters since all members were elected in an online ballot. Among its members we find a 25-year old student, a poet or a family. There is no use of words senator or deputy. Instead, there is a ‘spokeperson’ because those are selected to reflect the views.

We said that a no-vote meant rejection. In this case, since this group is come up with members of the ‘ingroup of citizens’, supporting this group is considered a way to “demand the end to sleaze, complacency and lack of opportunity in an arthritic society.” (The Economist, 2013e).

Its programme proposed measures like the end of public funding for political parties or paying a limit amount of money to politicians, according to the average national wage. (The Economist, 2013f). In the last elections, this non-party won more than 8,5 million votes, a 25,5% of total votes.

According to The Economist’s article ‘Send in the clowns’ (2013), voting this non-political party (with non-experienced members) shows how Italians seem to avoid the reality they are living in. For us, it is a desperate claim of rejection.

After seeing some of the examples that show the current rejection towards the leaders of the affected countries in Southern Europe, let's move to check the rejection of a broader government, the European Union.

Given the harshness of the crisis, the imposition of measures and the limitation of solutions by use of a common currency, the €uro, many citizens who, for these and other reasons we will now see, reject European leaders.

3.1.3.3. Rejection of European Union and Troika

“Popular disenchantment with political parties has several causes... but it is the increase of policy competence by the EU which aggravates the situation, by emphasizing the image of the irrelevance of national parties in various sectors, mainly, economic” Ladrech (1999, p.93)

The European Troika never had much media coverage as now.
The term refers to a tripartite, a decision group, made by the European Commission, the European Central Bank and the International Monetary Fund. They study the economic situation of countries to suggest what economic reforms should be carried out if they want to grow. This is the theory, nevertheless, since the three organisms that form it, are those who have the money needed to finance the countries with problems; these suggestions become demands, which, if not fulfilled, prevent the financing. The requirements are a guarantee for the loan. (ECB, EC and IMF’s Official web pages). When a country requires this funding, it is said that there is an intervention and the country has been intervened, since the obligation of accomplishment of their demands, limits the political independence of the country involved.

In recent months, there have been many times that the Troika has appeared in print, for their demanding guarantees. Earlier we saw the measures that governments had taken to allow the exit of the crisis, which has caused widespread unrest among citizens. However, many of these measures have been demanded by the Troika, as in the case of Greece or Portugal.

Just months ago, the Troika, in order to reduce the amount of the loan to Cyprus, forced it ‘bail-in’ the creditors of Cypriot banks (The Economist, 2013c), what means that made the government share its payment responsibility with citizens.

The European Union, and therefore, institutions and agencies created from it, was created relatively recently. Its biggest unit came with the creation of the single currency, the Euro. From the very first moment, there were some doubts about the European dream; twenty-five nations, representing 455 million people, have joined together to create a "United States" of Europe, as Rifkin (2004) pointed out.

“Essentially, people are hostile toward the European project in great part because of their perceptions of threats posed by other cultures” (McLaren, 2003).

While these doubts came from the founding countries, last countries in joining trust that dream more. For lots of them, joining the European Union and the Euro meant solidarity from their fellows, The Economist (2013d). In general, without being an institution to lift expectation, citizens used to respect European decisions from European’s leaders.

However, in the case of the European Union and its institutions, the current rejection of their leaders by citizens is based on a sense of illegitimacy.

Citizens had to endure economic reform measures that their elected leaders made. As we have seen, this has caused a widespread rejection of the leaders of each
country, but what happens when the one who impose tough measures that affect your well-being has not been chosen by you?
This is the case of the rescued countries in Europe. In a few months those countries have passed from being governed by their national leaders, who were democratically elected, to be “regulated” by an agency such as the Troika. Each movement related to the country’s economy, should be supervised and approved by the Troika, who was not elected.
Here we find the greatest difference between the rejection of national leaders, and the rejection of European leaders. The former have been rejected by loss of confidence, but the latter are rejected because citizens do not identify with them.
Recall that the first step of leadership, according to social identity theory, was based on group identity, and the effectiveness of this, on the trust that united members.
Even if there were some doubts about the European dream, usually members of these institutions were considered as European leaders.
“The Eurozone Crisis has increased soft Euroscepticism (in Greece), (where Greeks) wish to remain in the €uro, but no longer trust in EU” (EUROPP 2013, para.1).
However, who now control the economy of the rescued countries, are no leaders any longer. The Troika members are not leaders for Europeans.
The crisis of leadership in the European Union is based on a ‘crisis of legitimacy’, which again threatens to worsen the economic situation.
An issue of Legitimacy

What right does the European Union have to make such momentous decisions about individual life-changes and the distribution of key-values, imposing sacrifices? (Beethman and Lord, 1996, p.16)

Although this question was written before we met in the current situation at present is completely valid, and resembles what thousands of European citizens ask themselves every day to see the measures imposed by the EU.

Since members of the European Union and its institutions are not chosen directly by the people, the acceptance, by these, is because their policies and actions are in harmony with the identity of the nation on which decisions are made.

The problem is that we no longer speak of acceptance but rejection. The problem of legitimacy is stressed by the citizens’ perceptions that incorrectly attribute policy areas are now competences of the EU, when they should be national governments’ competences as Ladrech (1999, p.96) points out. They have become intruders.

Koslowsi (1999, p.155), declared as EU citizenship is a complement to the nationality that we each have, and therefore never replace the member-state nationality and either the identity with it.

Consequently, and always according to the Social Identity Theory, the identity that joins Europeans, behind the EU nationality, is not strong enough to create a European group and, therefore, a European strong identity. To give an example, Europeans still identify ourselves with our home countries when talking to foreign people. Generally we say: ‘I am (Italian)’ instead of ‘I am European’ when talking to a citizen from other continent. As we said before, the European dream is still in construction.

Because of this, there is no a defined group membership in Europe:

<table>
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<tr>
<th>No group → No existence of prototype →</th>
<th>EU leaders are not prototypes.</th>
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<td>EU leaders are not directly elected →</td>
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A legitimate polity is defined as “a broadly recognized framework for politics with representative institutions” (Banchoff and Smith, 1999, p.1)

![Diagram: EU Leaders are no prototypes
Citizens do not consider them representatives
Citizens do not consider them legitimate
Definition of legitimate polity
Involves representative institutions]

**Figure 3. Political loss of legitimacy**

The duty of governments is to seek the maximum possible legitimacy of the authority exercised and institutions they use. (Fernández 2013, para.7). Although this illegitimacy that occurs in European government, has not been created now, it is aggravating the rejection and distrust of citizens in their solutions (made by the Troika) to escape from the crisis.

The current Crisis of leadership, where we can find included other crisis such as the legitimacy one, is an urgent issue to fix if leaders want to have good results from their purposed solutions. Without this problem solved, escaping from the crisis will be harder.

3.1.3.4. **Protests. A more common way of expression**

“If you attack the establishment long enough and hard enough, they will make you a member of it.”


The word democracy comes from the ancient Greek. The word comes from the union of two words: dēmos, meaning "people" and krátos, meaning ‘power’. In the previous sections we have seen as the way to handle the crisis by leaders has ended in a loss of trust and identity that later ended in a crisis of leadership.

As we have seen, some of the origins of this loss is based on ignoring the 'people' or citizens' opinions. This shows a poor leadership and can be interpreted as a sign of ‘weak democracy’, where citizens perceive that they have no voice in the situation.
Lipsky (1968) suggests that protests represent an important aspect of minority groups, understanding minority as powerless groups. Current societies and their citizens could be nowadays included in these groups since leaders do not take into account their opinions and points of view, so they are powerless. Protests are considered to be expressions of objection, by words and actions, to particular events or situations. Traditionally, in a democracy, rejection of leaders is based on the democratic election of government. As noted above, at national level, this is being used today to claim changes, however, because of being organized by the leaders, elections cannot be considered as a pure expression of citizens. Since financial crisis blew up in Europe, hundreds of protests have been done as a way to express that citizens are fed up and frustrated. People involved share the same identity, an identity different from the leaders´ one. Klandermans (1997, p.208) points out how protests are “staged by people who share anger about injustice done to them (reforms, cuts in budgets...in our case) and share also the conviction that collectively, they can act and exact changes from those whom hold responsible”.

We consider important to refer to protests given the importance that they have had and have in the course of the crisis. Below we briefly review the existing protests in Southern Europe.

When we talk about protests we mean collective of people take to the streets peacefully, but unfortunately, there are often groups seeking violence in these protests.

If we have to choose an official starting point for protests linked to the crisis, of course, we chose the year 2011. It is no coincidence, and in fact, Time’ magazine, famous for choosing each year the faces of the most influential people of the year, in 2011 decided not to choose one person as the most influential, but millions. The person of the year 2011 was The protester’, Stengel 2011. Among them are not only include those who protested the crisis. Protestants, whom the magazine referred, were worldwide. A very important part consisted of the participants of the ‘Arab Spring’. We include here one of the phrases that summarizes the reasons why so many people were chosen. “Everywhere this year, people have complained about the failure of traditional leadership and the fecklessness of institutions. Politicians cannot look beyond the next election, and they refuse to make hard choices.” (Stengel, 2011).
Although we want to focus on the protests in Europe, we cannot miss the opportunity to showcase how a wide majority of the major protests of 2011, presented in the article, were related to causes of poor leadership.

In 2011, the crisis had already affected strongly two of the weakest economies in southern Europe. In Spain and Greece, the two countries with the highest an unemployment rate, citizens began to demand changes.

May 15, in Madrid (Spain), will be remembered as the day that a large part of the country was mobilized for the same reason. Since then, the protest was called ‘15M Movement’ and the participants of it, mostly young, they called themselves ‘Indignados’, the Outraged.

This movement was characterized by getting together more than 6 million people across the country, when the total population is 46 million, with no distinction of social class, studies, ideology or religious beliefs. For weeks, Madrid’s Puerta del Sol plaza was occupied by people, sleeping at night in tents and discussing proposals to improve the situation during the day. Everybody was welcomed to participate. Their common point, what made them share a common identity, was the unemployment, the lack of opportunities in the future and rejection of politics. The crisis and leaders’ actions made them break out their passivity and act.

Just as at the beginning we referred to the crisis as contagion, the protests appeared to follow the same path. Days after the 15M, major protests in Athens, Greece, began. As some Greeks said in the article, the Indignados were a kind of inspiration. Their reasons to protest in the streets were similar: unemployment, rejection of the austerity or lack of future. They also included the previously commented rejection to Troika’s demands. This time, the movement was called ‘Direct Democracy Now!’

Both movements were the origin of the protests in Wall Street, New York, against some of the responsible of the Financial Crisis.

Although these were the first protests against the leaders and their decisions in Southern Europe, have not been the last. Since then usual read international newspapers new protests, increasingly common. The reasons are still the same, a complaint about the leaders’ performance and austerity measures, defense of health systems or public education.

Portugal, France, Italy, Cyprus…. All the countries suffering from the crisis and suffering from all that is behind it, as the crisis of leadership, have protests as a means of expression of citizens. Each day, they are becoming more and more common.
The citizens, being in different groups of leaders, feel far away from them and need these collective protests to be heard. 

Protests and manifestations of rejection are becoming more common. For instance, the delegate of the Spanish Government in Madrid has announced as in 2013, protests have doubled, reaching more than 1600 just in the five months of the current year 2013. The previous year, 2012, the total number of public protests in the Spanish capital grew by 74% over 2011 (Salazar, 2013). The reason of such huge growth is because the distance between the two parts (leaders and citizens) is bigger every day and therefore, we can see how the leadership in Southern Europe is worse each day.

15M Protest. Juan Carlos Hidalgo/ EF
PART TWO: AND IF THE CRISIS COULD BE AN OPPORTUNITY?

The result of the current situation could be associated with the leadership failure. This massive failure is not only the income of the current leadership but also, and in a greater extent, to the previous one. In this sense, this second part will be dedicated to understand, in a leadership point of view, this massive failure which calls for an imperative change.

NB: The majority of theories used in this part have been developed in an organizational point of view. However, since governments could be interpreted as organizations, we have decided to use them as a basis to our questioning.

1. The Call for an Imperative Change

“The future ain’t what it used to be”
(Yogi Berra)

1.1. The future shock is already here

Obviously, what is happening right now was already foreseen in some extent, and the Asian crisis embodied only the warming signal (as explained in the first part). In a greater extent, Toffler (1970) and his future shock theory explained that our system could not be sustainable in a long term perspective. Indeed, the growing world we know only leads to even more change and even more information. Human beings are becoming “saturated sponges” (Conner, 2006). “A saturated sponge can no more absorb springwater than it can sewage; hence, the correctness of ideas or change objectives do not ensure effective responses” (Conner, 2006, p.57). As Toffler explains in his theory, the world is moving from “industrial society” to “super-industrial industry”. More than a transition phase, Morgan (1988) uses the term “fracture lines” to explain this phenomenon. He defines this notion as “points of change and transformation that have the potential to alter the nature of whole industries, services, and their constituent organizations” (Morgan, 1988, p.12). In those both theoretical approaches, this undergoing structural change brings
significant consequences about people. As a matter of fact, “future shock is the
shattering stress and disorientation that we induce in individuals by subjecting
them too much change in too short a time” (Toffler, 1970).
This “overload information” induced by a rapid and structural change leads to a
“social paralysis” (Postman, 1998) mainly because “the overlapping impact of too
much change that is too complex to deal with and occurs at too rapid a pace”
(Conner, 2006, p.52). Thus, this inability to absorb enough information to handle
this change drives people into high levels of stress and as a consequence display
“dysfunctional behavior” (Conner, 2006). As Conner states, “there are many
symptoms that reflect the varying degrees of dysfunctional behavior, ranging from
the inconsequential to extreme” (Conner, 2006, p.55). Unfortunately, certainly
because of a tardive and inefficient leadership reaction, the majority of European
countries affected by the crisis have already reached the extreme level. In fact, it is
now becoming common to hear from the news what Conner calls as “severe
dysfunctional reactions”, such as “covert undermining of organizational leadership”,
“actively promoting a negative attitude in others”, “strike”, “sabotage”, “chronic
depression”, “physical or psychological breakdowns”, and “suicide”. Thus, crisis
seems to be at its height in those countries which illustrates the severity of the
current situation. This transition to “super-industrialized society” could be no more
ignored and leadership has to guide us in this process. According to Morgan (1988),
this guidance should be undertaken through leaders’ identification of “fracture lines
and then specify the competencies necessary to deal with their consequences as
they emerge over the time” (Burke and Cooper, 2004, p.12).
In short, crisis appears induced by the leadership inefficiency facing the future
shock phenomenon. Indeed, “future shock can result not only from dangers but
also from missed opportunities” (Conner, 2006, p.52). From now, today’s world has
no other choices than move forward and embrace change since “the aura of
impending doom and the immediate pressure to improve or perish is palpable”
(Osborn et al., 2002, p.809).

1.2. Inspiration for renewal

Despite all, as we see the world today, every suggested solution seems enhance the
chain effect triggered by the crisis. In this context, the recovery is very difficult to
imagine. Besides, this phenomenon has no other effects than create more and more
uncertainty and less and less trust in leadership. Consequently it is legitimate to wonder if a best, or at least a right, answer could exist in those difficult times and ends off this terrible crisis.

After a long questioning about the current crisis, we have understood that all situations imply both negative and positive aspects. As the Chinese character (see Figure 4) explains it, crisis is a combination of two dual terms “danger” and “opportunity”. Consequently, in Chinese culture crisis is interpreted as “dangerous opportunity” and so as “opportunities for learning and improvement” (Ulmner, Sellnow and Seeger 2011, p.3). Thus, “every bad time hides great opportunity inside it” (Varghese 2010).

![Figure 4. The Chinese symbol for crisis](image)

Nevertheless, recognize this bad time as an opportunity is a tricky ability. Indeed, “that opportunity is visible only to those who really want to see it” (Varghese, 2010). “Which side dominates is often a matter of the attitude” (Brumfield, 2012, p.47). In a greater extent, perceiving the opportunity in crisis times is even more difficult because most of the time we are blind by the negative aspects’ prominence (Ulmer, Sellnow and Seeger, 2007). “Rather than yield to doom-and-gloom forecasts, we should regard magnitudinous change as an opportunity” (Conner, 2006, p.58).

Interestingly, it is especially in situations of crisis that the leadership concept can impact, and be impacted, the most; and thus, situations of crisis can also be viewed as opportunity for promoting leadership development (Probert and James, 2011, p.142).

1.2.1. **New context implies new way of doing things**

The times have change. The reality we faced few years ago does not remain the same anymore. “Being a manager 50 years ago was simple. Competitors were few
and local, suppliers were local, and employees were relatively homogeneous” (Burke and Cooper, 2004, p.11). Formerly, the aspects of the world abided stable and without any significant turbulence. However, globalization has completely redrawn the landscape of the global economy. Thereupon, “many of the things we used to take for granted we no longer do” (Conner 2006, p.33). This new crisis context “transforms not only the social milieu in which leadership is embedded, but also the cognitive processes, resources and strategies that must be utilized by leaders to resolve the crisis” (Probert and James 2011, p.138).

Henceforth, the world face even more challenges and undergoes even more pressure. Indeed, the whole world is, as of now, interconnected and so its issues. As a consequence, “only a minor “trigger” is needed to initiate a destructive cycle of escalation, which may then rapidly spread throughout the system” (Boin, Hart, Stern and Sundelius, 2007, p.7). The world has become more complex to understand; so as its problems and their consequences (Boin, Hart, Stern and Sundelius, 2007). In this sense, competition in the marketplace is harder than ever. The priority is centralized on the rapid and unceasing change required to survive. In this way, no more stability exits while uncertainty is more and more on the rise. “The world is changing so rapidly that confusion and dysfunction have become more the rule than the exception” (Conner, 2006, p.35).This phenomenon has for main result an increase of the market’s unpredictability which puts more pressure in leaders and managers but also in the workforce.

Since “Capitalism [...] is by nature a form or method of economic change and not only never is but never can be stationary” (Schumpeter, 1942, p.139), this mutation could imply a sort of destructive creation. In other words, this new reality can cause temporary distress that should be overcome by a complete reconfiguration of the previous economic order (Schumpeter, 1942). As a matter of fact, “from destruction a new spirit of creation arises (Sombart, 1913, p.207) as everyone who wants to stay in the business should reinvent itself.

### 1.2.2. Opportunity to recreate our world

The current crisis has allowed us to integrate that our paradigm is no more sustainable. Notwithstanding, “the context of crisis provides ideal circumstances for promoting changes in the leadership concept, as schemata are then more malleable” (Probert and James, 2011, p.138). Indeed, everybody has now understanding that change is imperative and so perceive change as a necessity and not a threat anymore. The situation is no more sustainable and if nothing is
undertaken, the worst is predictable. As a result, the whole world is supporting the process to reach desirable change, and “reset the button” (Heifetz, Grashow and Linsky, 2009, p.64).

This unanimous view could embody the point of departure of a new paradigm which permits us to recreate our world in a preferable way. Despite all, this mutation remains risky inasmuch as this “shifting of basic paradigms generates conditions that can improve or reduce the quality of our lives” (Conner, 2006, p.34).

In a leadership angle, it is the opportunity for leaders “use the turbulence of the present to build on and bring closure to the past. In the process, they change key rules of the game, reshape parts of the organization, and redefine the work people do” (Heifetz, Grashow and Linsky, 2009, p.64). Under those circumstances, crisis could be the best moment to recreate their organization, their environment, but also themselves. Indeed, crisis allows deep re-assessment of our frame of reference and so ‘going back to square one’. Consequently, it permits giving free rein to imagination in order to reshape in a preferable way our environment.

“History has demonstrated time and again that effective leaders who can mobilize people, tackle tough problems and spot opportunities in crises emerge in times of great stress, change and uncertainty” (Varghese, 2010).

“Crises are transitional phases, during which the normal ways of operating no longer work” (Boin, Hart, Stern, and Sundelius, 2007, p.2). Under those critical circumstances, crisis should be broached as a transition process in order to grasp its opportunity. Leadership has to exemplify this by seeing “the turmoil as representing an era of unending transition” (Conner, 2006, p.44).

1.3. Main obstacles

Because crisis times induce a deep questioning about our frame of reference, it appears as the best moment to implement change. Despite all, implementing change remains something difficult. Indeed, several hindrances, as the uncertainty and the resistance to change, could make this process even more complex.

1.3.1. Time of uncertainty

Uncertainty could be identified as “the inability to determine the present or predict the future” (Ulmer, Sellnow, and Seeger, 2011, p.26). As previously demonstrated,
uncertainty could have several origins. Kramer (2004) identifies them as: “due to lack of information, due to the complexity of the information, or due to questions about the quality of the information” (Kramer, 2004, p.9). However, it must be stated that uncertainty is not specifically caused by non-regular times. Indeed, “uncertainty is a common experience regardless of your position in life, your job, or your age” (Ulmer, Sellnow, and Seeger, 2011, p.26). Under those circumstances, uncertainty is a common experience to every human being. Nevertheless, crisis times emphasize this uncertainty, called consequently “crisis-induced uncertainty” (Ulmer, Sellnow, and Seeger, 2011). This uncertainty is closely linked with the notion of change. Indeed, “because of the number of positive and negative changes, we need to assimilate, people today are living with more stress, uncertainty, disruption, and insecurity than at any time in history” (Conner, 2006, p.53). The overload change aspects of our current world imply too much adaptation for people. As a result, “many of the frames of reference that once offered some degree of predictability and order are fast disappearing” (Conner, 2006, p.35), hence the emergence of a deeper uncertainty. In other words, nobody is spared on this lack of certitudes. Indeed, it could challenge employees who fear about their job, leaders who struggle for the organization’s survival and their image (as for governments), but also students and unemployed people who fear the most for their future work life.

By the same token, Taleb (2010) differentiates two different types of uncertainty caused by crisis-induced uncertainty. The first one is called “epistemological uncertainty” and could be defined as “the lack of knowledge we have following a crisis” (Ulmer, Sellnow, and Seeger, 2011, p.26). This lack of knowledge is mainly due to overload and incomplete information. “Ford this reason, crises often create gaps in knowledge for extended periods of time that constrain decision making and understanding” (Ulmer, Sellnow, and Seeger, 2011, p.26). “Ontological uncertainty” is the second type of uncertainty according to Taleb (2010). This one refers to “the type of uncertainty in which future has little or no relationship to the past” (Ulmer, Sellnow, and Seeger, 2011, p.26). This ontological uncertainty creates a “new normal” which is extremely unsure “as people’s beliefs about how the world operates change dramatically” (Ulmer, Sellnow, and Seeger, 2011, p.26). Uncertainty remains even more present in the sense that crisis is perceived as a threat as well. In fact, “threat and uncertainty are liked because there is doubt as to whether organizational goals will be met as a result of the crisis” (Ulmer, Sellnow, and Seeger, 2011, p.28). However, as explained in the previous part ‘inspiration for
renewal’, threat is a perceptual notion. This aspect “contributes to the overall uncertainty of the event” because of some people who develop an irrational distrust and tend to see every new situation as a potential threat (Ulmer, Sellnow, and Seeger, 2011). Weick (1993) refers to “cosmology episodes” to describe this experience of high level of uncertainty. This notion implies that “uncertainty creates a disorienting experience in which beliefs and sensemaking structures are severely hampered” (Ulmer, Sellnow, and Seeger, 2011, p.37). Under those circumstances, trust is threatened at all levels: within organizations, within the whole country, within the world population. This lack of trust constitutes an obstacle for leaders who attempt to implement change because distrust avoids a complete and devoted followership. Indeed, “trust works because one believes – rightly or not – that people, and the world in general, will behave as expected” (Montgomery, 2011, p.51). However, since the system has collapsed because of the crisis, nothing has happened as expected, hence the destruction of trust.

Besides, “more than at any point in recent history, the global economy’s fate is tied to the capriciousness of policy makers” (The cloud of uncertainty; Dithering in the dark’, 2012, p.67) which has no other effect than increase the general suspicion. In this atmosphere, everybody needs to be reassured. “The highest index of uncertainty in 25 years” (The cloud of uncertainty; Dithering in the dark’, 2012, p.68) has been reached and raises the alarm. As a consequence, they find this comfort through routines operations which constitutes a real brake to implement change. Uncertainty challenges what is familiar to us, which creates anxiety. To face that people go back to as much as possible familiar things. “Considerable uncertainty is an integral feature of all crises, yet there is an intense need for certainty” (Mitroff, 2004, p.25).

1.3.2. Resistance to change

Change appeals to emotions and deep feelings. Indeed, it implies a re-assessment of our frame of reference; and so creates a temporary disequilibrium. “To handle the demands of this massive change, people must radically shift what they think, how they feel, what they believe, and how they behave” (Conner, 2006, p.40). In other words, change means disconnecting from familiar procedures and moving toward the unknown. “The change process is composed of shifting images, interpretations, and perspectives” (Conner, 2006, p.127), leading to reshape of the existing shared reality. Consequently, “when you attempt to manage change, you lack the luxury of a single, fixed reality” (Conner, 2006, p.127).
All things considered, change implies uncertainty and all its consequences. Under those circumstances, resistance to change appears as “a natural reaction to anything causing this kind of disruption and loss of equilibrium” (Conner, 2006, p.127). However, people are not directly resistant to the change per se but rather “people don’t resist change as much as its implications – the ambiguity that results when the familiar ceases to be relevant” (Conner, 2006, p.127). Moreover, this loss of familiar landmarks could be perceived as a threat and generate a real sense of helplessness (Levinson, 1976). Indeed, it is “more accurately a resistance to losing something of value to the person – loss of the known and tried in the face of being asked, if not forced, to move into the unknown and untried” (Burke, 2011, p.109).

Generally speaking, citizens “do not resist the intrusion of something new into our lives as much as [they] resist the resulting loss of control” (Conner, 2006, p.127). Inasmuch as threat is a perceptual notion, the adopted behavior facing change is also a matter of perception. In this case, “a person’s perception of a change situation determines whether resistance occurs” (Conner, 2006, p.128). This perception is also a function of several aspects as the skills and the motivation required to change (Conner, 2006). Consequently Conner argues that “people can only change when they have the capacity to do so” (Conner, 2006, p.128). In this statement, the term “capacity” underlies that “if you lack either ability or willingness, it is unlikely that you will successfully adapt to a change” (Conner, 2006, p.128). However, we do not completely agree with this argument. According to us, in a large extent, the situation is rather a matter of perception of their ability instead of their real one. In fact, if people think they are able to change, they will tend to do it, no matter if they have the ability or not. In our opinion, willingness to change is here a function of perceiving crisis as an opportunity.

Nonetheless, with the crisis, the nature of the change is modified. Since the future shock is already here, the implement of change could not be avoided anymore. As a result, we are henceforth confronted to an imposed change. Brehm (1966) has developed a theory about this specific change: the “psychological reactance”. In this theory, he explains that “when one’s feeling of freedom is in jeopardy, the immediate reaction is likely to be an attempt to regain the feeling of freedom” (Burke, 2011, p.109). In other words, “people resist the imposition of change” (Burke, 2011, p.109) because it hinders their freedom. To put it differently, “resistance can come from one’s experiencing a lack of choice, that is, the imposition of change, or being forced to move to some new state of being and acting” (Burke, 2011, p.109).
However, resistance to change is just a response to change. Besides, as Piederit (2000) has noted it, the reactions to change are “neither consistently negative nor consistently positive” (Piederit, 2000, p.783). Thus, because resistance to change is unavoidable, leadership must not put aside this resistance to change induced by deep fears. In the contrary, resistance to change should be taken into account and even encourage in order getting the whole picture of the situation and in a final purpose enhancing the resilience. In this way, leaders “can minimize negative effects by encouraging resistance to be expressed openly instead of secretly” (Conner, 2006, p.129). Indeed, when people show resistance, they express themselves and justify their opinions. Enhancing open and expressed resistance will allow leaders to understand the whole picture of the situation. Besides, if a discussion is open, people will feel listen and understood which will promote creation of compromise. This process allows perceiving resistance as “a valuable aspect of the change process rather than something to be feared and avoided” (Conner, 2006, p.132). Nevertheless, leadership should not forget that any “process of revaluating unconscious assumptions does not occur without stress, conflict or group negotiations” (Probert and James, 2011, p.144). This conflict atmosphere should be embraced in some extent since “confusion and misunderstandings can sometimes stimulate us to discover new angles and produce new knowledge” (Plum, 2008, p. 70). It is what Plum (2008) defines as “creative potential”.
2. Extract meaning out of the storm

“The most important thing in communication is hearing what isn’t said”
(Peter Drucker)

2.1. Recover the missing trust

The current situation deplores a deep destruction of trust, especially counter leadership, called “societal distrust”. However, as we said in the previous part, “trust is the emotional glue that binds followers and leaders together” (Bennis and Nanus, 2004, p. 142). Thus, trust appears more than necessary to be followed and so lead.

Nonetheless, the outcome of this distrust climate to weaken leadership and our entire environment. Indeed, most of people blame leadership for the current situation. “As it turns out, when people are deeply cynical, they are more likely to doubt information, particularly when that information is provided by a source that can benefit from persuasion” (Cummings, 2013, para. 7). Leaders, and specially political ones, have to integrate that people do not have the same state of mind than before the crisis occurs. Because of the situation is lasting, fatigue and suspicion are more and more present in the general state of mind. “As victimized actors, they search for information” (Boin, Hart, Stern, and Sundelius, 2007, p.72). People seek for answers and become more critical, even cynical about given information. “Because the public does tend to be more interested during crises, it becomes more alert to basic discrepancies and inconsistencies contained in the official versions, particularly if these flaws are pointed out by a critical press or by well-known and respected political figures” (Boin, Hart, Stern, and Sundelius, 2007, p.76). This phenomenon leads to a decrease of leaders’ credibility.

In this sense, even if that seems more than difficult; trust, and thus credibility, is the main thing to recover in order to get out of the crisis. “Trust and commitment do not just happen; they are forged and maintained through effective communication.” (Cummings, 2013, para. 7). To undertake this process, “humans have access to a remarkable tool for building up trust – talking to each other” (Montgomery, 2011, p.52). “To talk is to act” (Habermas, 1986, p.128).

Nonetheless, “talking per se is not enough for promoting cooperation” (Montgomery, 2011, p.53). Several traps remain to avoid. Indeed, in order to recover their credibility, leaders “may fall into a so-called credibility trap – a self-created decline
in one’s perceived trustworthiness – through ill-advised crisis communication: this happens when they succumb to the temptation of espousing myopic” behavior (Boin, Hart, Stern, and Sundelius, 2007, p.81). Another classic error could occur when leaders overemphasize “rosy scenarios”. In this case, “leaders present constituents with unqualified optimistic prognoses, their future credibility becomes a hostage to the accuracy of the prognosis in question” (Boin, Hart, Stern, and Sundelius, 2007, p.81). Under those circumstances, communication is a powerful tool that does not only imply the ‘talk part’. Indeed, as it will be developed, leaders should use communication in a global perspective, by taking into account its whole surrounding.

2.2. An urgency context

Firstly, the urgency characteristic of the crisis needs to be taken into account. Hermann (1963) has underlined this by identifying three crises’ characteristics: “surprise”, “threat”, and “short response time”. The current crisis completely fulfills those three aspects, since its “level of intensity beyond the expectations of government officials and residents” (Ulmer, Sellnow, and Seeger, 2011, p.5) (surprise aspect) is recognized, engenders “threatening circumstances that reach beyond the typical problems organization face” (Ulmer, Sellnow, and Seeger, 2011, p.6) (threat aspect), and implies that “organizations have a short window to take control of the crisis and set the tone for the response and recovery efforts” (Ulmer, Sellnow, and Seeger, 2011, p.7) (short response time aspect). Besides, those aspects tend to paralyze leaders while in most of the time “the pace and pressure are often greater than anticipated” (Boin, Hart, Stern, and Sundelius, 2007, p.76).

Moreover, all combined, those aspects enhance the sense of urgency. “This urgency is based not only on the problems we must solve but also on the positive visions we feel compelled to pursue” (Conner, 2006, p.34). Under those circumstances, leaders have to react well and fast, regarding to the available information. Indeed, “the timing of messages makes a tremendous difference in the way they will be perceived” (Boin, Hart, Stern, and Sundelius, 2007, p.80). We will take the case of the Spanish prime minister, mister Zapatero, as an illustration. At the beginning of the crisis in 2008, medias started ask questions about the current situation in Spain. The most redundant question at this moment was “what about the crisis?”. Surprisingly, when everybody was aware about the crisis’s threat, his main answer
remained “what crisis?”, and after “we are not in an economic crisis. We have any difficulty that comes from outside. The strength for our economy will allow us undoubtedly reach the goal of full employment” (6 February 2008). Thus, instead of explaining the situation and comfort the Spanish population he preferred to not broach this intense subject at all. As a result, by denying this central subject, he was considered as a liar, lost his credibility, and appeared incompetent. Consequently, “the initial responses set the tone” (Boin, Hart, Stern, and Sundelius, 2007, p. 80); and so should be managed extremely carefully. In this sense, the main trap remains that leaders could “fall into a reactive mode of ‘fire-fighting’, which causes them to lose track of the big picture” (Boin, Hart, Stern, and Sundelius, 2007, p. 76).

As a matter of fact, the media play a significant role at this phase of the crisis. In fact, their main purpose is to relay the information as fast as possible. Under those circumstances, if leaders do not communicate or communicate too late, the media will embody this role in their lieu. In this particular case, “journalists shape the story, at least partly, which complicates the policy makers’ ability to dominate the meaning-making process” (Boin, Hart, Stern, and Sundelius, 2007, p.88). Instead of that, the point for every leader is to use the media as an intermediary and so shape a favorable relationship between them in order to help them to rebuild their credibility.

2.3. **Appearances matter**

“A crisis is a single moment in time when something happens that stops the show and draws negative attention and the media spotlight to the brand, the organization, and the leadership” (Jordan-Meier, 2012, p.18). Under those circumstances, maintaining communication remains essential in order to control leadership’s reputation. In fact, “when communication channels begin to deteriorate, misunderstandings and misrepresentations abound and a climate of mistrust sets in.” (Zeffane, Tipu, and Ryan, 2011, p.7). Thus, communicate could be an opportunity only for those who know the ‘rules of the game’: “being crisis-ready today means being very aware of your image and how your body language and actions will be interpreted” (Jordan-Meier, 2012, p.17).

Obviously, we are nowadays facing a tridimensional relationship in the context of crisis communication. Indeed, “the context in which policy makers communicate is
best conceived of as a triangular relationship between political actors (governmental and non-governmental), the mass media (i.e. news producers: journalists and news organizations), and the citizenry (itself a pluralistic aggregate of all kinds of individuals, groups, and subcultures)” (Boin, Hart, Stern, and Sundelius, 2007, p.72). This triangular relationship is on the rise since we are now growing in the ‘digital age’. As a result, every information is likely to be viral “and today the perils of subliminal and nonverbal language are there for all to see” (Jordan-Meier, 2012, p.17). Because of this significant visibility, the media enhance their power in this three party’s relationship.

The point is now how to use efficiently this relationship to increase leaders’ credibility. “In a crisis, it is all about how things look” (Jordan-Meier, 2012, p.16). At the age of mass media, the image appears preponderant since pictures and videos could be easily spread out everywhere instantaneously. As a result, “leadership in a crisis is as much about managing appearances and perception as it is about the actual management of the crisis” (Jordan-Meier, 2012, p.17). Besides, “the political communication process is highly competitive: each and every detail of words, pictures, gestures, and performances matters” (Boin, Hart, Stern, and Sundelius, 2007, p.70).

Thus, focus also on non-verbal communication seems to be more than necessary to be recognized as credible. “To be credible today means you must think outside the speech” (Jordan-Meier, 2012, p.17). As a consequence, words should be in accordance with the whole attitude of the leader and the organization he or she represents. “Words alone are not enough; the body and the words need to be in sync, to be congruent” (Jordan-Meier, 2012, p.17).

Besides, leaders must understand that reputation should be a daily preoccupation. “Day in and day out, appearances slowly shape our reputations as leaders” (Jordan-Meier, 2012, p.17). This reputation is not only based upon spoken words and speeches. Instead of that, body language, eye contact, clothing and all kind of little details are deeply analyzed by people, consciously or not. Indeed, the research from the Human Dynamics Group at the Massachusetts Institute of Technology's Media Lab has shown that “people are more likely to be convinced by the sort of signals most leaders overlook—tone of voice and body language—than by the content of the words spoken” (Jordan-Meier, 2012, p.17). This phenomenon is mainly due to the general skepticism. People constantly wonder if some information is hidden or manipulated. Being attentive to details is a way to uncover the supposed leadership failure. “When people are looking at leaders, they are constantly trying to interpret
them in ways that are often subliminal” (Newman, 2008, p.9). They are “continually processing a continual cascade of nonverbal cues that they use as a basis for evaluating trust and credibility” (Goman, 2008, 78).

Inasmuch as the audience is aware about appearances; leaders must take this fact into account. “In a crisis, leaders always need to be thinking about the images and symbols that are portrayed” (Jordan-Meier, 2012, p.19). Thus, “being body aware is being crisis-aware” (Jordan-Meier, 2012, p.17).

Consequently, the goal is to capture all attention by being visible and appearing honest and confident; without being betrayed by non-verbal communication. In moments as crisis times, the “right emotional tone” should be found and used (Jordan-Meier, 2012). Because people feel helplessness, leadership has to address this feeling by conveying a combination of compassion, confidence, and honesty. The aim is to connect with people by seeming accessible and concerned. If leaders do not go in this way, it will kill his or her credibility. Indeed, we have had this example from last February in Spain with the current Prime Minister Rajoy. During a press conference, he appears on a television screen instead of in front of all the journalists, as usual. By doing that without any reason, he created a distance with journalists and so with the whole Spanish population. This has developed a gap between politics and population. Thus, people started to make jokes about it which has strongly affected his credibility.

Photos retrieved from Génova’s Press Conference Room - AFP
Rajoy Press Conference illustration (4 February 2013)
“The ability to connect in a compelling, compassionate manner is paramount” (Jordan-Meier, 2012, p.18). People are still ready to follow leaders if they have a proof of their trustworthiness. “People want to go into battle or into the unknown following someone whose ability, clarity, determination, and stamina are beyond doubt. Their lives may depend on it” (Jordan-Meier, 2012, p.19).

2.4. **Sensegiving through effective crisis communication**

“Crisis communication makes a crucial difference between obtaining and losing the “permissive consensus” leaders need to effectuate their policies and bolster their reputation” (Boin, Hart, Stern, and Sundelius, 2007, p.70). Even we have demonstrated that non-verbal communication is particularly important in times of crisis, the communication itself should not be ignored. Indeed, effective crisis communication requires a combination of those both; “the management of meaning, mastery of communication, is inseparable from effective leadership” (Bennis and Nanus, 2004, p.31). In this way, the verbal communication process should be undertaken very carefully and accurately.
2.4.1. **Structure the unknown**

Because “a crisis entails a breakdown of symbolic frameworks that legitimate the pre-existing socio-political order” (Boin, Hart, Stern, and Sundelius, 2007, p.70) As a result, crisis challenges our frame of references and consequently how we interpret our environment. However, as human being, put meaning on thing is necessary to understand our world. This process is called ‘making sense’. Sensemaking is a natural, ongoing and endless process which helps all human beings to fulfill their fear (conscious or not) of not controlling their life. During crisis, our ability of making sense is put to the test and as a result enhances our helplessness feeling. Under those circumstances, it is the leader’s role to fulfill this inability and “make sense of an uncertain situation that initially makes no sense” (Weick, 2009, p.9). "Leaders create meaning out of events and relationships that devastate nonleaders" (Bennis and Thomas, 2007, p.17), and thus, act as a guide through the crisis events by giving cues to followers. Indeed, leaders “need to decide […] how to make sense of a threat that has already materialized and that calls for an immediate response” (Boin, Hart, Stern, and Sundelius, 2007, p.38). Leadership must extract meaning out of the crisis in order to create a new framework, a new shared reality. Indeed, reach a common ground is required to interact and understand each other. However, “once a crisis becomes manifest, policy makers must make sense of the unfolding events in order to limit the damage they may cause” (Boin, Hart, Stern, and Sundelius, 2007, p.38). In regular times, but especially during crisis, leaders have to extract meaning of the situation, mostly because “all organizations depend on the existence of shared meanings and interpretations of reality, which facilitate coordinated action” (Bennis and Nanus, 2004, p.37).

However, leaders have to be aware about the ‘social character’ of sensemaking. In fact, it supposes that followers play an active role in it. Followers have already their own deep frame of references that prevents them to follow any type of vision. They have to identify themselves at least into the leader’s vision to really follow him or her. In this sense, leader only suggests a vision and according to that, followers decide or not to follow. Consequently, leaders must adapt the extracted meanings to the collective frame of references to be in harmony with followers’ expectations. Thus, leaders should “understand the “souls” of the audience, adapting a speech to their understanding and moving them to accept and experience “the truth”” (Kennedy, 1996, p.10). Under those circumstances, leaders must reflect about followers’ main motivations to be led. Those motivations remain mainly on the
search for safety and someone responsible of the consequences. “They do so by communicating a persuasive story line (a narrative) that explains what happened, why it had to be that way, what its repercussions are, how it can be resolved, who can be relied upon to do so, and who is to blame” (Boin, Hart, Stern, and Sundelius, 2007, p.70). In other words, leaders have to fulfill all those motivations which suggest that followership has a real impact on leadership’s extraction of meaning.

As a result, leaders do not have to provide a flawless vision about the current situation, but merely one which is convincing enough for followers. Indeed, “sensemaking as a process that is grounded in identity construction, retrospective, enactive of sensible environments, social, ongoing, focused on and by extracted cues, and driven by plausibility rather than accuracy” (Weick, 1995, p.17). The crux is to convince followers to embrace the vision by influencing their understanding and so create a dynamic to reach the necessary change. Indeed, follow is always a choice. “If people in the organization see or feel no need for change, they are not likely to embrace the idea” (Burke, 2011, p.277). As a result, “an essential factor in leadership is the capacity to influence and organize meaning for the members of the organization” (Bennis and Nanus, 2004, p.37). This process is called the ‘management of meaning’ and a consequence transforms leaders into “entrepreneurs of meanings” (Popper, 2011). In sum, “effective communication is essential to rallying supporters, especially when the leader's vision calls for great change or sacrifice” (Bennis and Nanus, 2004, p.34).

2.4.2. Framing the speech

Leader’s vision is the common ground basis. In fact, vision is the long term goal to achieve. Under those circumstances, this is the fundament that indirectly encourages followers to be led. In this sense, “individual behavior can be shaped, directed, and coordinated by a shared and empowering vision of the future” (Bennis and Nanus, 2004, p.85). This suggests that leaders could influence followers’ behavior. However, that does not imply that followers are manipulated by the leader. Instead, leader has to shape a vision that fits with the long term organizational goal as much as followers’ motivations. Indeed, leaders must “offer “believable futures”” (Boin, Hart, Stern, and Sundelius, 2007, p.71).

Because change requires a total implication, followers are necessary in this process. As a matter of fact, leader’s vision should be attractive to them and personify the road map to change. “With a vision, the leader provides the all-important bridge
from the present to the future of the organization” (Bennis and Nanus, 2004, p.83). However, to be effective, this vision should fulfill some specific characteristics. Indeed, “the leader’s vision for the organization must be clear, attractive, and attainable” (Bennis and Nanus, 2004, p.143). Through his or her vision, the leader must be able to grasp everyone attention and commitment. In this sense, vision must also appeal to emotions and deep values. “By focusing attention on a vision, the leader operates on the emotional and spiritual resources of the organization, on its values, commitment and aspirations” (Bennis and Nanus, 2004, p.85).

“Vision animates, inspires, transforms purpose into action” (Bennis and Nanus, 2004, p.29). Consequently, “successful change is rooted in commitment” (Conner, 2006, p.147). Besides, it personifies “the glue that provides the vital bond between people and change goals” (Conner, 2006, p.148). To reach commitment, verbal communication seems essential. In fact, “research on economic games has shown that allowing verbal communication between the players has strong effects on their willingness to co-operate” (Montgomery, 2011, p.52). In this sense, verbal communication is the prerequisite for any commitment. However, “talking per se is not enough for promoting cooperation” (Montgomery, 2011, p.53). Thus, the use of word should be well thought out as the manner of speaking.

As a result, “linguistic intelligence” (Gardner, 1996) is a leader’s key competence, and distinguishes him or herself by “the mastery of storytelling [...] whether through persuasive oratory or through well-crafted written documents” (Gardner, 1996, p.39). Indeed, words are active since “you lead by voice” (Bennis and Nanus, 2004, p.137).

Under those circumstances, to heighten their “persuasive abilities” (Bennis and Nanus, 2004), leaders “typically use rhetorical and judicial languages” (Boin, Hart, Stern, and Sundelius, 2007, p.82). In sum, leaders use a specific type of language corresponding to the current situation they are facing. This particular language gives them credibility and seriousness thanks to the appropriate vocabulary. Thus, “rhetoric, in the most general sense, is the energy inherent in emotion and thought, transmitted through a system of signs, including language, to others to influence their decisions or actions” (Kennedy, 1996, p.7). Consequently, leaders frame their speech through rhetorical guidelines, the ‘dispositio’ of the rhetorical speech. According to Aristotle, three means of persuasion exist:

- “Logical argument is called logos;
- The projection of the speaker’s character is called ethos;
Awakening the emotions of the audience is called *pathos*” (Kennedy, 1991, p. ix).

“Strong rhetoric full of metaphors and emotive concepts is used to increase or dampen collective anxieties” (Boin, Hart, Stern, and Sundelius, 2007, p.83). In this sense, leadership, through rhetorical speech, is often compared to a theatrical performance. To arouse emotions, leader must also embody his or her vision.

### 2.5. Create the culture of change

Manage the crisis should not be a leaders’ short term preoccupation. “In today’s environment, even if you figure out how to absorb the changes you encounter, the effective life span of your decisions will be shorter than you anticipate” (Conner, 2006, p.46). As a result, change is now a regular aspect of our surrounding and do not implies anymore an exceptional period of adaptation. Change is becoming our everyday life. Consequently, “because the scale of change has advanced, we must alter the way we attempt to manage it” (Conner, 2006, p.42). In other words, we have to modify our vision about change and leaders must guide us into this shift of paradigm. “The way we used to approach change is no longer available. As long as we maintain a first-gear mentality regarding change management, limited results are all we can expect” (Conner, 2006, p.42). In this sense, leaders’ adaptive capability is becoming vital. “Learning how to view and manage change in a new way is possibly the most important change that you will ever make” (Conner, 2006, p.43).

As a consequence, “the combined effect of a quantum leap in business changes and the inability of management to understand and orchestrate the cultural infrastructure to support these changes has generated problems of crisis proportions in many organizations” (Conner, 2006, p.175). Under those circumstances, leaders have to “realize that cultural change for their companies is not a quick fix, fad, or luxury; either they must accomplish it or their company will cease to be a key player” (Conner, 2006, p.164). And the solution seems rest up enhancing organization’s commitment to change by furthering resilience. Consequently, this organizational cultural change must be undertaken through leader’s vision as a long run process. In fact, successful “resilient organizations do not take commitment to change for granted” (Conner, 2006, p.156).
As a result, change must be an integrative part of the organizational culture. Indeed, “a key element to enhancing resilience and minimizing the chance of dysfunctional behavior is to actively manage your organization’s culture” (Conner, 2006, p.175). “Culture establishes a unique set of formal and informal ground rules for how we think, how we behave, and what we assume to be true” (Conner, 2006, p.42). Culture embodies both explicit and implicit rules and norms. In an organizational point of view, “culture is an essential element of our equation for running the business” (Conner, 2006, p.164). In fact, organizational culture gives clues to employees to understand leadership decisions (Conner, 2006). “Based on this understanding, expectations develop that limit possible responses. Because of these responses, employees make certain decisions and behave in accordance with those expectations, confirming and reinforcing the culture’s original pattern” (Conner, 2006, p.170). In short, enhancing resilience to change allows avoiding resistance (or at least permits facing it in a lower extent) and so permits to be more reactive to structural change. In fact, “designing a culture sensitive to that world view while assimilating the changes a company faces is one of the techniques winners use to manage at a competitive speed” (Conner, 2006, p.165). In the same way, Kotter and Heskett (1992) have provided a theory about what they call “adaptive culture”. According to them, companies which have adopted this behavioral aptitude appear to be those with “the highest performance and the ability to make changes when needed” (Burke, 2011, p.244). As a result, adaptive corporate cultures generate a competitive advantage (see figure 1, Kotter and Heskett, 1992, p.51).
However, what does it practically mean to create the organizational culture of change? This adaptive culture is mainly based upon incitation to new initiatives and awareness about the environment. According to the work of Kotter and Heskett (1992), Conner (2011) has drawn up a list of characteristics of an “adaptive culture”:

- “Willingness to make changes in culturally ingrained behaviors
- Emphasis on identifying problems before they occur and rapidly implementing workable solutions
- Focus on innovation
- Shared feelings of confidence about managing problems and opportunities
- Emphasis on trust

Figure 5. Adaptive vs. Unadaptive Corporate Culture (Kotter and Heskett, 1992, p.51)
• Willingness to take risk
• Spirit of enthusiasm
• Candor
• Internal flexibility in response to external demands
• Consistency in word and action
• Long-term focus” (Conner, 2011, p.244).

Consequently, if this pattern is maintained within the organization, it will enhance the significance of the organizational culture. Thus, “a corporation’s cultural behaviors, beliefs, and assumptions serve as a powerful means for defining, justifying, and reinforcing business operations” (Conner, 2011, p.169). In other words, this will lead to a virtuous circle or what Conner calls a “self-fulfilling circle” (depicted in the figure 6 above).

![Figure 6. Self-fulfilling circle (Conner, 2006, p.169)](image)

However, this structure remains difficult to reach. Under those circumstances, leaders have firstly the obligation to have it as a main goal to pursue for the organization. Secondly, this should be treated as a per diem preoccupation and so leaders must provide daily efforts in consequence.
3. Learning through Failure

«Your life does not get better by chance, it gets better by change»
(Jim Rohn)

3.1. The failure of leadership

Before learning through failure, it is firstly necessary to understand it in and integrate what did go wrong and why. This reflective process is vital in order to get the big picture of the failure.

3.1.1. Strangled structures

The current crisis has revealed that our organizational structures were no more adapted to the new reality. Indeed, “the design of today’s organizations has been frozen in time” (Mitroff, 2004, p.17), and most of them could be qualified as bureaucratic, or centralized. First of all, centralized structure implies a formal mechanism of control. Thus, “leaders do not lead by means of guidance and determination of the people; they lead by demanding and legal – rational authority” (Simona, 2012, p.316). As a result, delegation of the authority is not enhanced and consequently any types of participative management or empowering processes end up limited (Simona, 2012). Under those circumstances, “the bureaucratic culture of the group is impersonal and inflexible, overrun by the preoccupation for control, operations and external environment” (Simona, 2012, p.316). In short, impersonal relationships within organizations do not promote taking initiatives outside leadership authority. However, in today’s world, human intellectual capital is the new key competitive advantage: supposing “ideas, know-how, innovation, knowledge, and expertise” (Bennis and Townsend, 1995, p.3). Bureaucracy does not seem appropriate anymore since it is not possible to “release the brainpower of any organization by using whips and chains” (Bennis and Townsend, 1995, p.4). Rather, “the leader’s preoccupation with control will limit the employees’ freedom of action, in a conflicting manner” (Simona, 2012, p.315). Consequently, “the decisional process is accompanied by persuasion, beyond the limit of manipulation and suspiciousness” (Simona, 2012, p.315). In this sense, leaders are followed only because of their formal authority. “Bureaucracies, [...] really don't encourage leadership” (Bennis
and Townsend, 1995, p.4). This is the case of political institutions which completely follow this structure. One government possesses the power and divides it into ministers; and each minister has its own bureaucratic structure. In this sense, coordination between all these different entities is more difficult because of a rigid vertically organization.

On the other hand, bureaucratic structures do not prepare organizations to change. Indeed, since “they prefer the routine; they are not able to stray from the planned activities, from their environment and are inflexible to change” (Simona, 2012, p.315). This phenomenon could be explained by a high standardization of procedures, inducing a significant lack of creativity and spontaneity. “The type of operation is done routinely and dominated by the interest for what’s taking place within the organization” (Simona, 2012, p.316), suggesting an organizational short time preoccupation. Uppermost focus in organization’s short term results and shareholder value lead to an organizational myopia. Leaders are, in this sense, unable to perceive the big picture and consequently miss possible opportunity or threat.

As a result, facing crisis, those bureaucratic structures adopt a reactive response, typical from ‘crisis management’. “Crisis Management […] addresses crises only after they have happened” (Mitroff, 2004, p.10). In other words, crisis is not anticipated, rather some systems are developed and established if crisis occurs. It is what we call ‘emergency response system’. Those systems could be efficient in case of routine crises but they are not effective enough for large-scale crisis. Besides, in a perpetual and instable changing world, inflexible bureaucracy structures are no longer sustainable. Indeed, “that notion of bureaucracy was perfect for an environment that was predictable and orderly” (Bennis and Townsend, 1995, p.3). “The reason leaders of this type succeeded was because they could forecast what was going to happen is two years” (Bennis and Townsend, 1995, p.3), but it is not the case anymore.

3.1.2. **Locked thinking**

Consequently, those rigid structures limit creativity as well as taking risks and initiatives. More than that, thinking is locked though a ‘conventional thinking’. Leaders suffer from myopia and appear unable to connect the dots to reach the big picture. In some cases, this situation is due to a lack of crisis experiences. Indeed, “because their only experience has been with navigating calm waters, they tell themselves and their crew that these problems are only a passing squall” (Conner,
As a result, “even though the foundations that have provided the structure for civilization as we have known it are shifting beneath us, many people continue to operate as if change of the magnitude can be managed in the same manner that change has always been approached. They say: “Don’t worry, it always seems to work itself out”” (Conner, 2006, p.37).

Nevertheless, some leaders were aware of the situation and chose to just close their eyes. Thus, in some other cases, it is not the leadership’s blindness which is to blame; instead, it is the leadership responsibility. “Many knew their activities weren’t sustainable, but they kept dancing faster and faster until the music stopped” (George, 2009). This irresponsible deny demonstrates the leadership failure about taking responsibilities for others. “In so doing, they let self-interest trump their responsibility to create lasting value, and destroyed great institutions in the process” (George, 2009).

In all cases, leaders have to change their way of thinking. “We cannot expect to win new wars with old tactics” (Mitroff, 2004, p.12). Leaders have to wake up and realize that “we are managing complex systems with a Machine Age mentality” (Mitroff, 2004, p.12). In sum, political leaders have to take into account this major failure in order to not reproduce the same mistakes again.

3.1.3. What type of learning?

As “leaders are responsible for learning” (Strategy, p.512), they are also responsible for learning through failure. In this sense, “crises are life-changing experiences that include fundamental lessons about how to manage and lead, how to avoid risk, how to respond to crisis, and what is most important” (Ulmer, Sellnow, and Seeger, 2011, p.77). Consequently, failure could have positive outcome if we learn from it. “A failure is a friend, not an enemy” (Bennis and Thomas, 2007, p.103).

However, in practice the reality is not often the same. Indeed, “when a crisis has passed, there is a tendency by many organisations to ‘file the crisis away’ and to move forward as though nothing had ever happened” (Smith and Riley, 2013, p.64). Because learning through failure requires a deep investment of energy, time and money; some leaders prefer just ignore it. Indeed, even if the current situation may not be avoided, political leaders could at least, limit its effects. As it was said before, the previous Asian crisis was a warming signal, and a lot of leaders were aware about it but no initiatives were taken to manage it. However, this ‘non-learning’ through failure has cost the current crisis.
Moreover, “sometimes we see change without learning” (Boin, Hart, Stern and Sundelius, 2007, p.122) because leaders are too much focus on short term. This is more typical in politics where mandates are too short to implement long term policies. According to this situation, the main leader’s goal is to be reelected, and so everything is based upon his or her image and credibility. “Political logic rather than learning requirements dictate the pace of the action: creating a public appearance of responsible and forceful action now is given priority over launching more highly informed proposals later” (Boin, Hart, Stern and Sundelius, 2007, p.122).

Nevertheless, the current situation only demonstrates that this process of learning is more than important, it is vital. Thus, the purpose becomes to learn to learn which demands acquiring “an institutional capacity for lesson-drawing” (Boin, Hart, Stern and Sundelius, 2007, p.122). As a result, the irony of the current situation is to learn through the past failure of learning through failure.

Under those circumstances, transformative learning (Hawkins, 1994) is a pivot for learning organizations. Indeed, “transformative learning is the expansion of consciousness through the transformation of basic worldview and specific capacities of the self; transformative learning is facilitated through consciously directed processes such as appreciatively accessing and receiving the symbolic contents of the unconscious and critically analyzing underlying premises” (Elias, 1997, p. 3). Consequently, transformational learning is a long term strategy inducing a psychological, convictional and behavioral ‘perspective transformation’. This process of transformational learning is in accordance with the concept of ‘double-loop learning’. “The term “double loop” refers to the fact that in learning processes of this kind the detection of error is not only being connected to the strategies and assumptions for effective performance but to the very norms which define effective performance” (Boin, Hart, Stern and Sundelius, 2007, p.121). Thus, double-loop learning develops the perception of the big picture by questioning deep organizational values.
Policy change based on double-loop learning is possible, but it is precious and vulnerable: if one or several of the enabling factors are absents, efforts to discover, adopt and implement intelligent policy changes after crises are easily aborted or subverted” (Boin, Hart, Stern and Sundelius, 2007, p.122).

3.2. The need for a proactive leadership

3.2.1. Thinking the unthinkable

Because of the world is too complex to understand it in its integrality, crises could not be prevented. However, crises remain unavoidable because of the ‘overload change’ explained earlier (see paragraph ‘2.1. The future shock is already here’). Consequently, leaders have to change their way of thinking in order to fit with its new reality. Leaders must “realize the future will bring levels of change beyond their current comprehension” (Conner, 2006, p.44). As a result, they have to develop their awareness about the whole system and their environment. In other words, they have to start thinking critically, thinking ‘outside the box’ and so thinking the unthinkable. According to Mitroff (2004), “the ability to think critically demands the following:

- The ability to be aware of, to examine, and to challenge one’s fundamental assumptions about the world;
- The ability to “connect the dots”, i.e., to see the “big picture”; and,
• The ability to think “way outside the boxes” of conventional thinking” (Mitroff, 2004, p.11).

In sum, leaders have to adopt a proactive approach instead of a reactive one. This is related to ‘crisis leadership’ which suggests “that planning and actions are initiated before a threat or an opportunity occurs” (Rasmussen, 2010, p1). The aim is now “anticipating and countering future issues before they can become situations” (Brumfield, 2012, p.47).

Nevertheless, the best way to manage change is to create it. In this sense, “the only policy likely to succeed is to try to make the future” (Drucker, 1999, p.93). Indeed, “the future is still malleable. It can still be created” (Drucker, 1999, p.93).

3.2.2. New leadership imperatives

3.2.2.1. Redesigned structures

However, ‘thinking the unthinkable’ remains impossible with current structures. Consequently, redesign our system is vital. “If we are to redesign our institutions so that we will have a much greater change of anticipating and preparing for future crises, then we have to alter fundamentally the ways in which we think about critical issues” (Mitroff, 2004, p.11).

Because the old structure is not enough flexible to enhance human capital, we need open systems. This kind of systems will permit more interactions with our environment and so generate creativity through new initiatives. Under those circumstances, “open systems [therefore] maintain themselves through constant commerce with their environment, that is, a continuous inflow and outflow of energy through permeable boundaries” (Katz and Kahn, 1978, p.22). As a result, our system will feed itself in its environment and use its changes as an advantage rather than a threat. Indeed, “for survival, an organization takes in energy from its environment” (Burke, 2011, p.56). Organizations should not be closed to their environment anymore. This new relation with their environment will provide a greater awareness about warming signals, and so will help them in their process of anticipating future crisis events. As a result, leaders “need to decide which signals to heed, which to ignore, and how to make sense of a threat that has already materialized and that has already materialized and that calls for an immediate response” (Boin, Hart, Stern, and Sundelius, 2007, p.38). Leaders are responsible of proactive leadership.
However, leaders have to promote this culture of awareness within their organizations through internal relationships. Indeed, it is in this sense that “resilient organizations have created a culture of awareness: all employees consider safety the overriding concern in everything they do. They expect crises to happen” (Boin, Hart, Stern, and Sundelius, 2007, p.37). Inasmuch as bureaucratic structures were based upon formal relationships, open ones should promote participative management. People are experts in their field. Under those circumstances, more autonomy is required inasmuch as they are more than well-situated to perceive what it is happening, even before the leader do. Decentralizing structures is, in this way, necessary to become as much flexible as possible.

As human intellectual capital is the new key advantage, empowerment appears as the key to manage our new world. Indeed, “you get the best out of people by empowering them, by supporting them, by getting out of their way” (Bennis and Townsend, 1995, p.4). In this sense, “a high degree of decentralization empowers employees to act upon their intuition: when they suspect “something is brewing”, they can take it “upstairs” in the knowledge that their surveillance will be noted and appreciated” (Boin, Hart, Stern, and Sundelius, 2007, p.37). Consequently, since this change induces a new approach of their work, people need to be trained to this new process (Boin, Hart, Stern, and Sundelius, 2007). Besides, relationships have to be promoted, especially through feedback processes. Indeed, employees could only improve themselves if they regular have return on what they are doing right or wrong. “Feedback is essential if the organization is to quickly identify and correct information distortions and unsubstantiated rumors, and respond to developing public concerns” (Boin, Hart, Stern, and Sundelius, 2007, p.77). This also represents a way to reward cooperation and so enhance their motivation.

In sum, organizations should develop an ‘adhocracy culture’, “which is synonymous with being flexible, adaptive and responsive to external conditions” (Brumfield, 2012, p.46).

3.2.2.2. Transformational leadership

Leaders are role models; consequently they have to personify the change because “whatever they say or do- or do not say or do – will be interpret as an expression of the new culture” (Plum, 2008, p.155). As redesigning structures is vital, leadership should also be transformed. Indeed, it is necessary that leaders reconsider their role. “The art of leading others comes from the art of leading oneself” (Plato, cited in Daudi 2013).
Under those circumstances, authoritarian leadership does no longer exist. Instead, it should hand over to a more flexible and adaptive leadership. Indeed, “as the level of turbulence and uncertainty continues to increase for most organizations, there is a greater need for flexibility, adaptive leadership at all levels of management” (Burke and Cooper, 2004, p.58). According to Burke and Cooper (2004), this adaptive capability should be enhanced by:

- “Accurate interpretation of information about the environment; collective learning by members (understanding of processes and causal relationships)
- Knowledge management (retention and diffusion of new knowledge within the organization);
- Flexibility of work processes (capacity to change them quickly as needed);
- And availability of discretionary resources (to support new initiatives and crisis management)” (Burke and Cooper, 2004, p.78).

As a result, leadership must be no more isolated from environment or people. Instead, the leader should be perceived as easy to reach. Indeed, “the leader must be a superb listener”, “great asker”, and does “pay attention” (Bennis and Nanus, 2004, p.89). Those characteristics are present in the term ‘transformational leadership’, which is mainly based upon relationship between leaders and people. This “involves motivating followers by making them more aware of the importance of task outcomes, inducing them to transcend their own self-interest for the sake of the organization or team, and activating their higher-order needs” (Burke and Cooper, 2004, p.85).

In order to fulfill this new role, leaders should develop their ‘emotional intelligence’. Goleman (1998) defines it as “the capacity for recognizing and managing our own feelings and recognizing and managing emotions well in our relationships with others”. According to him, emotional intelligence is composed of five skills “that enable the best leaders to maximize their own and their followers’ performance” (Goleman, 2004, p.4). Those necessary skills for today’s world are:

- “Self-awareness—knowing one’s strengths, weaknesses, drives, values, and impact on others;
- Self-regulation—controlling or redirecting disruptive impulses and moods;
- Motivation—relishing achievement for its own sake;
- Empathy—understanding other people’s emotional makeup;
- And social skill—building rapport with others to move them in desired directions” (Goleman, 2004, p.4).
Transformational leadership combined with emotional intelligence, organizations could work as a whole. People and leaders will act as a team which will allow them to form a common front facing any type of future crisis events.

Finally, leaders have to understand their responsibility for today’s world without ignore their impact on future generation. In fact, together with people, they are building tomorrow’s world. As a result, “the quality of life for not only the next twenty years but for future generations depends on what we accomplish today” (Conner, 2006, p.54).
4. Implications for the New Generation

By the terms as ‘youth’ and ‘new generation’ we mean the part of the population aged between 15 and 30 years old, what Bennis and Thomas (2007) call “geeks”. Because we are both from this affected countries’ generation (Spain and France), this part is mainly based upon our personal insights and points of view.

“Experience is not what happens to a man. It is what a man does with what happens to him” (Aldous Huxley)

4.1. The current crisis’s impact on the New Generation

Youth is not affected in the same way by the crisis than the rest of the population. Indeed, “the impacts on young people have been greatest in protracted and acute crises” (Marcus and Gavrilovic, 2010, vii). This particular part of the population appears more vulnerable facing the crisis.

4.1.1. Crisis during psychological transition phase

We are learning how to become adults. Because times have changes, this psychological process is different comparing to the one that have experienced others’ generations. In order to differentiate it, Arnett (2004) use the notion of “emerging adulthood” to refer to this longer transition from childhood to adult phase.

This psychological transition has strong consequences inasmuch as we are facing a higher uncertainty concerning their future. Indeed, regarding to our career’s possibilities, we are now facing the “era of options” (Bennis and Thomas, 2007) which allows us an unprecedented freedom. Nevertheless, this freedom has a reverse. Indeed, it also increases our anxiety about doing the ‘right choice’. “While kids who grew up in the fifties may have felt the claustrophobia of their limited choices, kids of this era felt the agoraphobia of seemingly unlimited opportunity” (Bennis and Thomas, 2007, p.55).

However, with the crisis, like us, young people from affected countries feel more and more pressure about this crucial choice. This phenomenon puts ourselves into more uncertainty and consequently induces higher level of stress. Before the crisis, seize the opportunities was the only goal. Now it is rather that we have to seize the
‘right’ opportunity. With the crisis context, fewer opportunities exist which permits less leeway to them. We feel that mistake is not acceptable anymore or at least in a smaller extent.

The current crisis seems to limit; in some extent, our ‘emerging adulthood’ process. Indeed, because the economical context is not favorable in our countries, our self-exploration has to be shorter. ‘Waste of time’ is no longer permit.

Anaïs Meslin: “The crisis started while I was finishing high school. I have had to think about my future professional career without really being aware about my deep ambition. My teachers always repeated that sometimes, a professional career is not only about what we want to do. To stress their point, they gave me some examples of several students from previous years who had to revise their studies because of the lack of job. As a result, nowadays, the first priority should to have a job.”

### 4.1.2. Crisis during entrance to the work market

However, the vulnerability of our generation not only comes from a psychological point of view. Indeed, we personify a part of the population not completely inserted in the professional life; and so which is likely dependent of market’s fluctuations. This situation is not specific of crisis times since youth unemployment is a major political preoccupation. However, “these emerging trends are worrisome, since youth unemployment had become an acute global challenge even before the crisis” (Marcus and Gavrilovic, 2010, p.10). Inasmuch as our situation is not sable yet, we still remain particularly sensitive to layoffs. Besides, this vulnerability is likely to be present when we have to enter in the work life. As a matter of fact, “new labour market entrants are one of the groups most severely affected by labour market shocks. As the number of job vacancies declines during recessions, school leavers (and university graduates in particular) experience increasing difficulties in making a successful school-to-work transition” (Marcus and Gavrilovic, 2010, p.14).

“In times of economic crisis, not only do young people’s job opportunities decrease, so does the quality of work opportunities” (Marcus and Gavrilovic, 2010, p.11). Consequently, we have no other choices than making some concessions concerning our future, since it becomes harder than even to find a job. “Where unemployment is widespread, workers are often forced to accept precarious working conditions” (Marcus and Gavrilovic, 2010, p.11). As a result, “young people particularly bear
the brunt of economic crises and the effects of slowdowns on the labour market” (Marcus and Gavrilovic, 2010, p.9).
The situation is even more worrisome than those who did not get the chance to invest correctly in their future risk to experience low-quality jobs during a long term period. Indeed, “young workers with low skills and inadequate education experience higher inactivity and lower employment rates and are more likely to get stuck in low-quality jobs than better educated youth, who may experience difficulty in finding jobs suitable to their qualifications but are less vulnerable to unemployment” (Marcus and Gavrilovic, 2010, p.14).
However, even if they tend to limit this risk, a future good situation is not assured. “And those with student loans to pay back are especially distressed at the thought of being unemployed” (Blanchflower, 2009, p.19). This is the most disturbing crisis’s consequence for the youth. Indeed, even if people have invested efforts and money to ensure their future career, the crisis has destroyed every possible guarantee.

Anaïs Meslin: “I am aware that the situation in France will not be better. We have to wait some years before seeing the result of the new policies. Thus, after a year abroad, I am afraid to go back. In fact, go back to France means for me the end of my studies and so my entrance in the ‘real world’. I know that it will not be easy to find a job corresponding to my capabilities. Unemployment is becoming my worst nightmare.”

4.2. Could a “re-generation” be possible?

4.2.1. An unfair situation...

In regular times, “a complete secondary education is increasingly important for access to better jobs, future productivity and lessened risk of poverty” (Marcus and Gavrilovic, 2010, p.20). Nevertheless, crisis has set up a new deal and has consequently ruined any possible assurance. As a result, “expect this generation to demand pragmatic evidence of the benefits of any investment, including in education” (Erickson, 2012).

Some of us react by migrating. Indeed, “migration, both internal and external, has become one of the main coping mechanisms used by young people as a means to overcome the lack of employment opportunities at home” (Marcus and Gavrilovic,
However, for most of us; this migration seems forced. Most of us consider it as necessary in order to escape from crisis’s effects. However, it could be also perceive as an abandon because it remains only an individual way to get out the crisis. Some of them have the sensation of ‘given up the ship’ because of a deep feeling of helplessness and frustration.

Besides, most of people from our generation do not trust in politics anymore. “Pessimists hold that despite the many ways in which crises induce public leaders and their organizations to learn, the result is often disappointing” (Boin, Hart, Stern and Sundelius, 2007, p.118).

Our fruitful interview with Jorge González, General Secretary of the Popular Party’s "New Generations” in Valladolid (Spain), used along this thesis, has confirmed this state of mind. According to him, most of them have a negative image about politicians. He fears that one possible consequence is that the current young people will turn away from politic. Therefore, the best prepared youth may be reluctant of becoming political leader. As a result, there is a high risk of no good political generational renewal.

In a general thinking, we have a strong feeling of dupery: “the future we had been promised would not be delivered after all” (Penny, 2011, p.12). The logical reaction is so a search for understanding. “After we’d worked so hard we deserved an explanation.” (McDonald and Wood, 2008, p.20).

Under those circumstances, most of us consider this situation as unfair. We have the impression of paying the price of others’ fault. This situation could lead to a possible discouragement and fatalism. As a result, we consider ourselves as “young people who have had the misfortune to be born at the wrong time” (Blanchflower, 2009, p.19).

Thus, our generation has trouble to perceive its future. “For many people of my age – including most of my friends – secure, meaningful employment, marriage and home ownership all seem as distant and unimaginable” (Penny, 2011, p.12). Since nothing could be guaranteed, we are feeling this repercussion far away from only just an economically aspect.

Some of us feel themselves completely neglected by the society and adopt a fatalist attitude. “For many of us, it is already too late. Denied the trappings of adulthood, we grew up anyway, into unemployment, anger and disillusion, into a world that didn’t want us” (Penny, 2011, p.12). “They could be our lost generation” (Blanchflower, 2009, p.19).
Anaïs Meslin: “I have the general feeling that my generation has a real chance of doing studies. When I talk with my parents about that, they feel proud because their generation did not have the same opportunity. Times have changed and we feel lucky and thankful about that.

However, diplomas does not imply job guarantee anymore. Studying is a chance but it remains a strong long term investment (of efforts and money) for any students. Thus, I am among those who perceive this situation as unfair. But we are all aware that the most that we can do remains to stay optimistic and seize any opportunities to improve our professional skills. I truly think that crisis could reveal the best of us since we have to fight to get what we want.”

4.2.2. …Versus a high hope about the future

Despite this pessimistic picture of the current situation, we can nonetheless feel a great hope coming from this new generation. Indeed, we have previously seen that a deep change of mentality is needed in order to get out the current crisis. Concerning the new generation, mentalities have already changed. Being young implies faster learning process and adaptability. Moreover, the necessary change requires a deep questioning about our frame of references. However, during the adulthood process, those personal values are continually revising through multiplicity of experiences. This is the period where people affirm their deep values and ambitions. Under those circumstances, the current crisis adds some chaos into an already turbulent period. At this point, it appears less disturbing for young people than for the rest of the population.

Besides, we are born in a perpetual changing world. We have growing up in a world shattered by the perpetual entrance of new technologies. Instinctively, we seem to have already learned how to cope with it. We have crossed the bridge between two centuries without any problem. As a result, our new generation appears more prepared to change.

“They may have grown up with the Internet, but the Internet has certainly not stunted their ability to express themselves and describe the turn-of-the-century world they have inherited” (Mills, 2010, p.16). Instead of that, our generation is famous for mastering perfectly the media communication and new technologies. Using internet through blogs, web sites, social networks, and video to express ourselves with a high visibility is even natural for us. As a result, we are easily able to generate coordinated actions, even in an international level. Thus, facing the
current crisis, our generation is becoming aware that we could possess a kind of informal power.

More than technologies, the new generation’s social environment has strongly impact us. Indeed, because “geeks grew up in an era of great institutional stability” (Bennis and Thomas, 2007, p.79), heroic leadership does not exist anymore. Especially because of the emergence of new kind of role models through reality television programs and internet, people from our generation have the feeling that “everybody could be a celebrity” (Bennis and Thomas, 2007, p.79). Consequently, because “the world in which geeks matured is a world dominated by celebrity, not by heroism” (Bennis and Thomas, 2007, p.79), most of us have the impression that everybody could have an impact on the world, even ‘normal people’. “Now, in the Era of Options, an era of complexity and change, when aspiration for remaking the world are high, the sense we got from geeks is that real heroes are the leaders who work with followers as intimate allies” (Bennis and Thomas, 2007, p.83). Consequently, we have understood that everybody is responsible for change.

Besides, because most of us do not trust anymore in politics (or are thinking that it is not enough), and want a significant change, we seem to feel ourselves able to lead that change. As a result, “across the world, people are organizing, educating themselves, building new, alternative communities, joining resistance movements, and starting to talk about the possibility of a future that our parents never expected. Fed up with waiting for a better future to be delivered, we have realized that we are old enough and ugly enough to build one for ourselves. It’s not a generation war – but the power generation has every reason to be frightened” (Penny, 2011, p.12). The new generation is still full of hope and energy, maybe because of some innocence due to our age. Consequently, “despite the many factors, which increase young people’s vulnerability during economic current crises, young people’s strengths and resilience are a force in the opposite direction, helping them cope and work towards realizing their aspirations, even in an unpromising context. Young people are often more determined, creative and energetic than some of their older counterparts, driven by a desire to make something of their lives” (Marcus and Gavrilovic, 2010, p.6).

Under those circumstances, when formal leaders lose credibility, informal leaders are becoming more and more powerful, mobilizing always more people around them. As a consequence, “many crises not only create a politically charged atmosphere, they also induce a strong motivation in people at all layers of the
organization involved not to be caught unaware or incapable in the future” (Boin, Hart, Stern and Sundelius, 2007, p.120).

Beatriz Minguela: “when the 15M movement started two years ago it was a relief. We, the youth were all scared about our future, but we did not surrender. We all wanted a future so we decided to protest in the best way we could imagine. For once in our life, we forgot our differences, we took our sleeping bags and we went to Madrid to protest. We made history and in some ways we changed the way people saw the crisis. Those are the moments when you feel there is still hope for your country with the future generation of citizens.”

4.2.3. Current crisis as a crucible for the New Generation

Consequently, even if pessimism is ubiquitous, hope in the future could take the advantage. However, can this optimistic crisis’s approach of the new generation be seen as a crucible?

First of all, what is a crucible? According to Bennis and Thomas (2007), it is a “common experience of events that transformed their behavior and self-understanding” (Bennis and Thomas, 2007, p.13). This experience should not be necessary a painful nor traumatic. Instead, crucible has to be a “defining moment” (Bennis and Nanus, 2004). Consequently, the notion of crucible implies that people extract meaning from it and get out transformed from it. In this sense, crucible is presented as a “one intense, transformational experience” (Bennis and Thomas, 2007, p.14). Because the current crisis induces a deep questioning of our core values and our way of thinking, it fulfills the aspects of a crucible. As a result, “the conclusions they reach shape their overarching life goals and priorities. As the adult environment changed, it seemed clear that a new generation would be taking shape” (Erickson, 2012).

Besides, the youth has totally new ambition for the future. Indeed, “geeks have bigger and more ambitious goals than geezers did at the same age; they aspire to “change the world” and “make the history”” (Bennis and Thomas, 2007, p.13). In crisis times, because of harder situations we have to face, people tend to change their way of thinking and acting. Their need of survival makes them stronger and fighter. The current crisis can be considered as a transformation of character personified especially in the new generation. For this generation, lack of job opportunities, unstable and uncertain future has built a deep willingness to change in many ways. Besides, young people who are living in this tremendous situation
are fed up with the incapacity of politician to solve this crisis, blaming them of it. This is leading to a different perception of politics, and can suppose a future transformation of the role of society in decision making. Under those circumstances, the opportunity to reform the world should be taken; and so crisis times can be a crucible.

However, some limitations to this concept of crisis as a crucible should be claimed. Indeed, as we have seen earlier the dual aspect of the crisis, crucible “is both an opportunity and a test” (Bennis and Thomas, 2007, p.16). In this case, crisis could be seen as a crucible. However, inasmuch as crisis as an opportunity is perceptual, so does a crucible. In fact, in order that an experience becomes a crucible, people have to extract meaning from it and perceive it as an opportunity to learn from it. Consequently, crucible is mainly a matter of perception, and consequently optimism.

Besides, if crucible is perceptual, it is mainly an individual ability. Indeed, crucible is often compared to a “metaphor for the circumstances that cause an individual to be utterly transformed” (Bennis and Thomas, 2007, p.14). Consequently, could it be possible to transpose this notion in a whole generation level?

Despite all of these limitations, crisis as a crucible or ‘re-generation’ through crisis is not possible without the help of the whole population. As a result each person is responsible to change at his or her level. Thus, as Kennedy (1966) has one said, “few will have the greatness to bend history itself. But each of us can work to change a small portion of events, and in the total of all these acts will be written the history of this generation”.

Our new generation embodies the future and every hopes lie on them. Every effort should be taken in order to help us to transform this turmoil into an opportunity to reform. “We cannot solve the challenges of our times unless we solve them together – unless we perfect our union by understanding that we may have different stories, but we hold common hopes... We all want to move in the same direction – toward a better future for our children and our grandchildren” (Obama, 18 may 2008).

The new generation of citizens has a vital role to perform. Since they are the ones who have the ability to change the future, youth should do its best to avoid crises like the current leadership one. We are confident that this crisis in which young people are some of the most affected will create fighters and nonconformist citizens who will learn from what they are now living.

The reduction of opportunities now can be seen as a negative situation in their lives. Of course it is, but the new generation should take advantage of all that is
suffering now. All things that are criticized now, should be taken into account in the future to avoid repeating mistakes. This current crucible should not be forgotten. We believe that this will improve the leaders and citizens of tomorrow, as well as their relationships, so that when another crisis appears they can all be proud of each other.

“The future is still malleable. It can still be created” (Drucker, 1999, p.93). Everything is still possible, even if it would not be easy.
CONCLUSION

This thesis has aimed to explore the current situation in which South European leaders find themselves. Nowadays this part of the continent is suffering from a deep Crisis of leadership in governments and institutions. Cuts in budgets or economic reforms impulse a loss of trust and identity, between citizens and their leaders, losing the latter their condition of prototypes. This situation does not just worsen the relations but prevent leaders to find a successful solution for the crisis. This situation embodies a vicious cycle; since economic crisis does not just lead to a crisis of leadership, but the latter is also the reason why we are still in this crisis.

Notwithstanding, in our aim to find the positive side, we found how a change in leadership could be the solution not just for the current but for future crisis, and so cut this vicious cycle. Leaders and citizens could use the current situation as an opportunity to change the system. Crises are the best moments to empower our creativity. The necessity of survival makes people to grow. Thus, we support the idea that a new generation of leaders could emerge from this. Since this crisis can be somehow considered as a crucible, we defend that the new generation has to embody that change. Whether there is a possible change that lay to the character of geeks, it must be a part of the solution on the long run.

Figure 8. The vicious crisis’ cycle
Since this is the main point of our thesis, we are aware of the many implications this issue can have.

Throughout the thesis, the reader has been demonstrated as a more general vision of the crisis we have been concentrating on the situation in Southern Europe. The crisis is much stronger here than in northern Europe where there are even countries you can be proud of not having little impact on their economies. In the thesis, you can get a clear finding, the south is much worse than the north. All those living in Europe can corroborate this assertion.

But, why this difference? What consequences can carry this crisis for Europe? These may be questions that the reader may ask, especially those unrelated to this crisis.

Traditionally, Southern Europe has always been poorer than the north. The reasons for this are various, usually social or historical character. Without falling into stereotypes, it is known that the personality of the people of the south is different from the north. We do not intend to address this issue since we could write another paper on it. However, the slower growth of the countries of the South is a fact whether for whatever reason, (see The Economist, 2011).

In recent years, while northern countries (led by an engine called Germany) have grown mostly by their own resources, the Southern abused debt, which was accumulated until it was impossible to control for an economic context like this, making these countries be bombs to explode.

Although the north is less affected, there are many countries that have noticed the effects. Having neighbors that are infected by the virus of the crisis, does not improve the relationships between them, fearing they be next. The crisis in Europe, or the Euro crisis, has brought a clear division between the countries of the south and north. Most countries belong to the European Union but, at present, the unity is minimal.

The north blames the south of irresponsible and of having to pay for their mistakes. Readers must remember that much of the funds, which with bailouts are paid, come from the countries associated with the European Union.

For its part, the south has its own reasons. In the thesis, we talked about how the countries rejected the European Union and its institutions. However, the practice goes further. German Chancellor Angela Merkel has become object criticism from the south, being a strong driving force behind south requirements. Moreover, allegations of north’s lack of solidarity also there. The result is an exchange of accusations that hinder any dialogue to find solutions and a great division in
Europe. These bad relations neither help leaders who find themselves continuously involved in problems.

Since we are still in crisis, and experts predict more years of sacrifice, we encourage future researchers to continue our legacy.

We believe that a similar study could be repeated in later years and this could help to test the effects of crises in leadership, either analyzing how the current crisis of leadership ended and also if this is used as opportunity to change and avoid similar mistakes. It would be interesting to know if, finally, this crisis can be considered as a crucible for future leaders, changing their minds and their ways of performance.

This crisis has tested to European leaders. Not only the South or the European Union, but to the north, which, while not having to deal with economic reforms of the nature of those taken in the south, is also facing a population frightened and concerned about contagion. We believe that analyzing this northern leadership both at present and in the future could also be a source of interesting findings.

Europe, especially the south is being tested. Overcoming problems in leadership and above all, learn from them is crucial to ensuring a prosperous future. This economic crisis has not been nor will be the last, but it could mean a change in the relationship between citizens and leaders, we hope, be positive. A continuous learning from mistakes can prevent suffering and return to this continent a welfare state so far envied by many. Nobody said it was easy, but it’s what we must do.

“These are the times in which a genius would wish to live. It is not in the still calm of life, or the repose of a pacific station, that great characters are formed. The habits of a vigorous mind are formed in contending with difficulties. Great necessities call out great leaders”

Abigail Adams
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**GEEKS**

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<td>• Identity&lt;br&gt;• Meaning/significance&lt;br&gt;• Developmental experiences&lt;br&gt;• Building a resume&lt;br&gt;• Making a difference&lt;br&gt;• Balance</td>
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**Technology, Globalization, Growth**

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<td>• Not fixated on security&lt;br&gt;• Blended/broken families&lt;br&gt;• Parents with college degrees&lt;br&gt;• College is assumed&lt;br&gt;• Surfeit of choices&lt;br&gt;• More opportunities to travel/learn&lt;br&gt;• Inheritance as a safety net&lt;br&gt;• U.S. as supreme power</td>
<td>• Identity&lt;br&gt;• Meaning/significance&lt;br&gt;• Developmental experiences&lt;br&gt;• Building a resume&lt;br&gt;• Making a difference&lt;br&gt;• Balance</td>
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**Maturation Process**

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<td>• Experimenting more&lt;br&gt;• Exposure to a wider variety of themes/ideas at an earlier age&lt;br&gt;• Already expert at things their parents barely understand&lt;br&gt;• Sophisticated tourists</td>
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*(Bennis and Thomas, 2007, p.58)*
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