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# **PROBLEMS OF WORLD AGRICULTURE**

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## **Research on the social and economic differentiations in the Greek rural sector during the period 1830-2030**

**Abstract.** In 1830 farmers constituted the majority of the Greek population. Part of these was small landowners or small livestock farmers, while the largest part of them was landless. The large farms were few. In the 1920s the entrance of 1.5 million refugees from Asia Minor and the departure of 600 thousands Muslims (with the exchange of populations) had as a result the dissolution of the manors, which were in the hands of the Turks. In the year 1950 due to the German occupation (1941-1944) and civil war (1946-1949) the agriculture returned in the level of the 1930s. In 2000, almost twenty years from the Greece's accession to the EU (in 1981), the massive subsidies and the clear agricultural policy, led to disruption of productivity of rural sector.

The estimates for 2030 are formulated both from the changes that have occurred over time and from the consequences of the accession of Greece in the support mechanism (2010), after the silent bankruptcy of the country. The purpose of this paper is to reflect the changes in the social structure of agriculture from independence (1830) until today and to make estimations for 2030. The Greek case differs from that of European countries, as it has not developed the institution of manor and similar as extensive feudal relations. It also differs from the countries of the Balkans as it maintained the institution of the small private property.

The methodology of this study uses the historical approach and is based on evaluation of secondary sources, but also in primary research by the author for the economic efficiency of agriculture. It uses also comparative analysis interpreting the social relations that existed in Greece and in the rest of the Balkans.

The paper is structured in four parts. The first refers to the history of the research objective. In the second and the third, economic and social differentiations are presented. In the fourth the above findings are evaluated.

**Key words:** Social structure, manor, individual exploitation, supplementary incomes, Greece

## **Introduction**

Generally speaking, the behavior and beliefs of farmers who own land is more conservative compared to the beliefs of farmers who do not own a piece of land. This behavior seems reasonable. It is a common practice that radical changes are sought by people who do not own land. Property, basically, contrasts with radicalism.

In the late Middle Ages, Jackerie in France, the rebellion of Tyler in England and the War of villagers (Bauernkrieg) in Germany derived from complex reasons. In the first two cases, the causes related with the plague, the transition from feudalism to the small ownership and generally in the long term economic and social depression of the feudal system. These two reasons, likewise the teachings of Luther, explain part of the rebellion in Germany.

In France, despite the constant disapproval towards the ancient regime, significant proportion of farmers (as in the Vendée) will move towards the side of the ancient regime.

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After the 19th century, the shift to the conservative policy was all over Europe, elsewhere less pronounced elsewhere obvious.

The independence of a small part of the Greek provinces and the violent and abrupt removal of the Turks created significantly a mass of small farmers. The first governor (Kapodistrias 1828-1831) and the subsequent (Bavarian regency, King Otto 1832-1862) held on behalf of the state the land of Turks.

The causes were: first to generate revenue (for a long time was an important part of public revenues), and second because they did not want to create a class of landowners (with the inevitable social consequences). The trend that prevailed was that of the bourgeois establishment of the state.

In 1871, when the government distributed the "national land" to small farmers strengthened the model of family based exploitation of the farm land. After the Balkan wars and the First World, the size of the land which belonged to Greece was doubled. The new regions, however, were dominated by the manor. The entry of 1.5 million refugees (1923) reinforced the decision of the State to dissolve the manors and so Greece was the country of smallholders.

## Economic differentiations

In the period 1830-1930, the proportion of the rural population was decreased<sup>2</sup> (Table 1). Especially, based on the criterion of employment in the early 20th century, the percentage of the farmers to the total employment dropped to 50% (Table 2).

For instance, the distribution of population by residence is mentioned. Between 1830 and 1860 approximately 85% of the population were farmers.

Table 1. Distribution of population by residence

Years	Rural	Suburban	Urban
1879	72%	10%	18%
1908	67%	9%	24%

Source: Population census.

The rural income grew slowly, although not in a uniform manner in all regions. In coastal areas of the Peloponnese, due to the cultivation of raisins, the rise was faster than that in the rest of the country. Throughout most of the period 1850-1910, even though there was protectionism in crafts and industry, the agriculture tariff protection was not tense [Vergopoulos 1975; Mouzelis 1977].

Table 2. Distribution of working population (%)

Sector	1861	1870	1907
Primary	62,6%	62,2%	50,1%
Secondary	18,3%	18,1%	24,2%
Tertiary	19,1%	19,7%	26,6%

Source: Tsoukalas (1977), p. 182.

<sup>2</sup> For instance, the distribution of population by residence is mentioned. Between 1830 and 1860 approximately 85% of the population were farmers.

The small farm holders, after the reforms of 1871 and 1923, have prevailed fully. The typical Greek rural field had less than 30 acres (3 hectares) farm, which employed the leader of the family and members (spouse and children). The worst was the parcelisation of land into small units. Usually, thirty acres accounted for 5-7 parcels.

Cultures remained traditional: wheat, which was not sufficient for domestic consumption, raisins and tobacco, most of which was being exported and livestock (goats and sheep, chickens and pigs). The gradual rise in the standard of living, therefore the rise in demand, made almost all livestock products (beef meat, milk and working animals) deficient and non self-sustaining country.

Table 3. Net Profit/(Loss) by region 1950-2000

In 000' \$	Decades					
Region	1950	1960	1970	1980	1990	2000
Attiki	-16,29	5,55	41,53	43,94	119,49	-124,09
Central Greece	98,63	2,92	42,88	101,14	-29,67	-44,17
Peloponnissos	8,10	-17,00	18,38	-143,88	-152,38	-251,88
Western Greece	50,37	-3,20	2,56	-157,99	-203,49	-237,73
Ionian Islands	-23,28	-14,10	-8,37	-134,56	-162,45	-88,62
Ipiros	-8,57	-21,59	-14,60	-115,56	-282,04	-159,13
Thessalia	24,70	-12,95	27,63	-96,11	121,67	-146,12
Western Macedonia	80,54	3,66	7,74	-67,68	-152,32	65,75
Central Macedonia	-41,75	-48,53	51,34	-85,38	-247,15	-309,55
Eastern Macedonia	-21,93	-40,40	-20,47	-259,61	-292,46	-162,41
South Egeo	5,43	-0,88	6,16	-52,67	-55,30	45,01
Northern Egeo	16,27	-3,46	1,55	-90,64	-96,78	-11,16
Kriti	13,43	-24,03	-9,71	-216,27	164,06	-187,43
Total Country	181,63	-174,02	146,63	-1.275,27	-1.268,84	-1.611,52

Source: Papailias [2014].

In the period after 1950, the extensive program of land improvement projects undertaken by the State and the increased lending by the Agricultural Bank of Greece to farmers for the fixed assets and use of improved seeds, fertilizers and pesticides increased the production of agriculture. However, due to the dual developmental squeeze, the surplus was transferred to the urban sector, and the indebtedness of farmers was increased. After canceling the debts (haircut) by the dictatorship in 1968, the situation seemed stabilized and partially inhibited the rate of internal migration. During the period after the fall of dictatorship (1974), the prices of agricultural products rose. However, it was for the subsidies from the EEC Agricultural Fund after accession, which increased the income of farmers.

In order to assess the impact of family model farm agriculture, the gains and losses in the half-century 1950-2000 were estimated [Papailias 2014]. Table 3 shows that, with few exceptions, in all regions of the country farmers suffer losses. The result was between 1951-1971 1.6 million farmers or 1 in 3 to migrate either to the cities or abroad. Between 1971-1981, 1 person in 5 gave up agriculture (Table 4).

Table 4. The number of farmers and agricultural area in Greece

Years	Farmers (thousand)	Agricultural land (thousand acres)
1950	1.860	27.253
1960	1.960	35.630
1970	1.330	34.463
1980	1.108	34.917
1990	889	35.100
2000	630	35.200
2010	510	34.900
2020*	450	34.300

Source: Papailias [2014].

\* estimations

Specifically:

The number of farmers was estimated per region during the fifty years, from 1950 to 2000. Also, on the basis of the Agricultural Bank the average wage has been estimated. The latter varied between seasons and between regions (due to the morphology of the country). Based on the assumption that the days of employment in agriculture are 250 (compared to 300 in the urban areas), the annual labor cost per region has been calculated. Adding interest<sup>3</sup> (source was the Agricultural Bank of Greece) and calculating the depreciation<sup>4</sup> estimated the total cost of production. Subtracting the costs (labor + interest + depreciation) of the net value of production (which had removed intermediate inputs<sup>5</sup>) resulted gains<sup>6</sup> or losses<sup>7</sup>.

Table 5. Agricultural transactions in 2011

Product category	Total value of transactions millions €	Transaction with EU millions €	Transaction except EU millions €
<i>Exports</i>			
Total agricultural product	3.979,5	2.621,0	1.358,5
% of the total exports	17,5%	23,1%	12,0%
<i>Imports</i>			
Total agricultural product	5.966,8	4.762,5	1.204,3
% of the total imports	13,7%	21,0%	5,8%
<i>Trade balance</i>			
Total agricultural product	- 1.987,3	- 2.141,5	154,2

Source: PASEGES, July 2012, p.11.

It seems that the current rural development remains problematic. The outcome is that the balance of trade in agricultural products remains negative (Table 5).

<sup>3</sup> Interest is allocated by region depending on the amount of loans

<sup>4</sup> For capital formed by public investment depreciation rates ranged between 2-4%, while that of private investment between 3-10% (Papailias, 1992)

<sup>5</sup> They involved expenses for seed, fertilizer, pesticides, fuel, etc

<sup>6</sup> The collection of data and the analysis lasted more than 2 years. See also Papailias (2014)

<sup>7</sup> For better comparability data were evaluated both in drachmas and US dollars

## Social differentiations

Social conditions that were formed in the period after the independence war showed that the pressure to acquire land lasted and had as a consequence the distribution of “national” land distribution in 1871 in small shares, mostly to small property farmers.

In the period 1828-1870 seemed to create a dynamic embedding of the model<sup>8</sup> of family farm land to such an extent that the manors did not match to the philosophy of both farmers and a large section of the bourgeoisie. The fact that the manors survived until the reform of 1917, is partly due to the influence the big capital had on the political system (political patronage in political parties) and partly to the small weight that had crofters (workers in the farms who did not owned the land) of Thessaly throughout the rural areas.

Moreover, for a time period, it was claimed that the concentration of land (see the American model), in order to produce grain, would increase the volume, helping to achieve self-sufficiency (solving the food problem ), pursued by the country. This did not happen, and this is why the low profits which were received in the long term by the landowners - through land rent - imposed a pressure upon them to seek the land redistribution rather than remaining in agricultural sector. The lack of resources – in a state that had gone bankrupt (1893) – was the main reason for the non-expropriation of manors during the early 20th century.

In the world of the 19th century, who constantly put high priority on the release of the other Greeks, the agrarian question was always secondary in the first fifty years 1830-1880. Therefore, the structure of the cultivation, the low educational level, the fatalism that had prevailed did not allow the creation of a mass peasant movement or agricultural party. This lack of cooperation, in the sense that not even the farmers were able to overcome their own benefit, in conjunction to the fact that there was none help from the outside (some leadership), resulted in the stagnation or the low intensity, or the harmless protest of farmers to the existed political system and ultimately to the non creation of a mass peasant movement. So the slogan - albeit implicit - appeared to be: each for himself.

After 1922 and the entry of refugees, coordinated movements were created [Sakellaropoulos 2006], but any peasant parties remained on the sidelines. Now industrialization, or more precisely the goal of industrialization was seen as a panacea, and any innovations were focused on the guidance of the emerging working class.

Further, as demonstrated by the reform of 1922, it was considered that only large partisan formations (i.e. parties that actually put in the margin the rural world, as the Liberals, the Folk etc) could solve the issues. The major production projects of Macedonia (with high costs) made this fact understandable and digestible. Therefore any voices in favor of the peasant movement declined significantly ahead of the wider objective.

After 1950 the situation that had developed before the war, continued. After a brutal civil war (1946-1949) was unthinkable activity against the purpose of a class, they identified primarily to the rise of commerce, industry and construction (industrial dogmatism). The dual development Crushing removed vast masses of the rural world, after most target, every single government, defined industrialization.

Rural areas therefore inevitably cleared by the young and dynamic executives (Table 6). Two million farmers in 1950 remained around 500,000 in 2010. Shrinkage would be much wider, if not been for two facts essential.

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<sup>8</sup> With the meaning of Kuhn [1962].

Table 6. Age structure of farmers in EEC-12 (% of total)

Country members	Less than 35 years	From 35 to 44 years	From 45 to 54 years	From 55 to 64 years	65 years and more
Germany	14,8	20,5	34,9	23,3	6,5
France	10,0	14,5	28,8	31,7	15,0
Italy	7,5	13,4	25,2	26,9	27,0
Netherlands	10,7	21,6	29,0	27,0	11,7
Belgium	11,6	17,2	30,2	29,8	11,2
Luxemburg	11,2	15,2	28,8	24,5	20,4
United Kingdom	8,1	18,9	25,6	27,0	20,4
Ireland	6,5	17,9	25,7	27,3	2,7
Denmark	9,7	19,0	25,0	27,0	19,2
Greece	5,5	15,0	26,1	25,5	27,9
Portugal	8,7	16,4	25,5	24,8	24,6
Spain	0,8	-	46,1	27,4	25,7

Source: Athanasiou [1994], p. 18.

Ideologically, between 1828 and 1922, farmers moved in conservative bastions - determinant role played as specify small property. The events of the interwar period showed a slight mobility in the rural world. However, if the period 1828-1922 national targets sidesteps any rural claims, in the interwar sharp contrast, political and state, manifested by attitudes, coups and dictatorships, guardianship any agrarian radicalism.

It is essential to note that the number of agricultural workers and bystanders peasant allotments were insignificant. The dominance of small property, thus, compromising any action while the unsettled political unrest aimed at urban modernization, did not allow broad peasant movement.

After the war, every action of farmers was considered by the ruling classes as unthinkable. The political, the social institutions and organizations threw a secondary agricultural issue (primary labor). This long inability to create goals or methods of viewing requests resulted throughout the session Greek state, not presented a coherent rural party or movement with all the attendant<sup>9</sup>.

In the future (after 2010) are obviously no longer a prerequisite for such policy or social action by farmers. Half of them and most are age over 45 years. Therefore, in fifteen to twenty years or rural mass will shrink to less than 6% of the active population. The country from the late Middle Ages, Ottoman formula will be found with a jump in postindustrial society.

## Conclusions

The agricultural sector in Greece, in contrast to the rest of Europe (East and West) based on the model of individual farm land and small property. These trends are reinforced

<sup>9</sup> A related, in some way, exception was the KKE. The peasant parties except the party of radicals shortly incorporated in the power of the urban field



by the distribution of land in 1871 and 1923. Consequence was by double development squeeze to transfer the economic surplus from agriculture to the urban sector. Throughout the period the average farmer survived thanks to non-agricultural income, such as tourism, shipping, work in the city etc [Papailias, Papageorgiou, Panagos 2007].

The migration that followed drove the majority of farmers. While in 1960 there were 2 million farmers in 2010 amounted to 510,000 in 2030 and estimated that it would reduce their number to 330 000 people (not because of immigration this time, but since I stayed at the elderly).

Social prevailed individualistic organization and despite the number of cooperatives created not developed in the country valued peasant movement. The peasant parties were almost insignificant and absorbed by the urban or labor.

The farmer throughout the period remained attached to tradition and had conservative political views. The entrance to the EU resulted in large input financial subsidies. But these subsidies were not used as investments funds but were consumed. As a consequence after the reduction of the EU subsidies the rural income was narrowed down (given that the structure of cultivation has slightly changed).

The continuing decrease of the rural population, will lead Greece to a convergence with the rest of Europe. According to our estimations, the eventual concentration of land will be accelerated. If there was not a wave of migrants (mainly from Albania, Bulgaria, Pakistan) the rural depopulation would be significantly greater. Therefore, part of the land continues to be cultivated mainly by the contribution, via the employment, of immigrants. Additionally, there is a small part of land cultivation carried out by people who work in the urban sector and supplementary work to the field. However, it does not seem easy for the American model (with very large farms) to prevail in Greece due to geographical restrictions.

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