

At first sight the agriculture of Greece would seem to fit in well with that of other countries in the European Economic Community. Because its produce is mainly different from that of the other nine members, it does not contribute substantially to any of the Community's agricultural mountains. In fact it is a major net importer of many of the products, such as meat and dairy produce, with which its partners are most over-supplied. Greece is the Community's only producer of cotton; grows half the community's tobacco, and is mainly a producer of fruits and vegetables, the EEC market for which is competitive, but not yet saturated.

Nevertheless, Greece has had problems in adapting itself to a community whose regulations, and, above all, its subsidies were designed largely for northern farmers, organized on a large scale, and operating in a far more businesslike fashion than the peasants of Greece. For the first year after Greece joined the EEC in January 1981, the Greek bureaucracy could not cope with the regulations, although, in theory, they should have helped Greece. Now the situation is clearer, thanks to the efforts of the country's generally admired Minister of Agriculture, Constantine Simitis. He is a lawyer and a university teacher, and a son of a professor who was a hero of the wartime resistance to the Nazis. Simitis made his name resisting a later group of tyrants, the junta, and joined Andreas Papandreu when both were forced to flee.

He was cautious about the effects of joining the EEC. "It's too early to assess the results," he said though he pointed with pride to the rapid improvement in subsidies to Greece during 1982. These had been less than dr10 billion in 1981; last year they dr48 billion — dr3 billion more than expected. But Simitis still faces two basic problems: the nature of the EEC's protectionist machinery, and the nature of Greek agriculture.

As he put it: "The EEC's structural measures designed for farm improvement are based on northern-type farms and are very difficult to adapt to the Greek environment. Interest-rate subsidies, for instance, are given only on the basis of farm accounts. Yet our farmers are either not very numerate, or if they are, don't produce accounts for fear of the tax man."

"The development model has to be adapted to the Greek reality. For instance, in many parts of Greece there are lots of small farmers with shops on the side. We're not like Holland or Denmark; our farmers won't be business-like entrepreneurs for a very long time. So inevitably we at the ministry can't have any clear idea of the costs of production, or of the sensible size of an economically viable unit. We can't take hold of the problem until we've convinced the farmer that there's a future for him."

The situation is getting serious. In 1981, for the first time since Greece recovered from the second world war it had a deficit in agricultural produce — a reversal Simitis blamed at least partly on the EEC. "The increase in imports consists mainly of meat products which we used to buy from cheaper non-European sources and which we now have to buy from the EEC."

Nor has the community helped Greece to dispose of two of its products which the other nine members have to import — oranges and hard (durum) wheat. "Before our arrival," explained Simitis, "the community needed oranges, so it concluded a series of treaties with non-members providing them with access, not just for oranges, but for other Mediterranean fruits and vegetables, of which we are major producers. So the access price is extremely low." It is low, too, for the durum wheat still imported in large quantities from north America for bread-making. The EEC's intervention price is based on the price of American wheat loaded at New Orleans and landed at Le Havre. "The contrast with meat, where the access price is so high, is striking. We've tried to get the customs duties raised on citrus products and to get some form of community preference for our fruits and vegetables, but the Community has not yet accepted our case."

Simitis will find it even harder to get his demands for aid to Greece's farmers met. It is difficult to exaggerate the degree of fragmentation on Greece's farms. It is ~~difficult to exaggerate the degree of fragmentation on Greece's farms. It is~~ difficult to exaggerate the degree of fragmentation on Greece's farms. It is partly a legacy of the errors made in the 1920s to split up the former large estates as equitably as possible, by allocating each peasant a tiny share of land of each standard. These holdings have become further fragmented and the best efforts of successive governments have done little to rectify the situation in the face of peasant obstinacy, the importance attached to the smallest and least productive patch, and the country's inheritance laws. Between 1961 and 1977 the average size of Greece's farms increased by less than an acre to less than 11 acres. Only 16 farms out of 1000 were bigger than 50 acres, and these accounted for only 12% of the country's farmland.

The steady exodus to the towns — the population of rural areas has declined by 1 million during the past 20 years — has led to an increasingly aged, less active, and discouraged rural population. In 1961 half the inhabitants of rural areas were classed as "active"; 16 years later the proportion had fallen to a third — and most of these were either women, or men in their 50s or 60s. "Most of the private farmers have no intention of staying on the land," said one official. "They want to get their children out, so they have no incentive to make long-term plans. They don't want to stay but they don't sell because they feel they have to cling on to their family's inheritance. But they prefer to invest their savings in apartments in the towns. To be fair, there was some progress under previous governments. Karamanlis tried to group holdings, starting with the cotton and maize growers. It proved expensive, but it worked — nearly a third of our cotton production now comes from grouped holdings."

There has also been some progress in growing maize on irrigated land, and spectacular progress in improving wheat yields, which rose from 1.8 tons an acre in 1978 to 3.15 tons only three years later, but the use of hybrid stocks. (Such is Greek cynicism that the switch to wheat is explained by some officials as due to the laziness of the Greek farmer "because it doesn't need much work compared with cotton, lucerne or maize.")

Nevertheless there were very few other signs of progress during the 1970s, a decade during which investment in agriculture slowed down dramatically. Irrigation — crucial element in any improvement plan — covered nearly 1.3 million acres in 1962 and over 1 million more by 1976, but there has been virtually no extension since then. Private investment in agriculture was dr7.5 billion in 1970. In real terms it increased by 10% by 1977, but then slumped to a mere dr5.6 billion (in 1970 prices) by 1981.

The combination of entry into the EEC and the arrival of the new government could provide the impetus needed for a transformation of Greek agriculture. "The EEC not only helps us with subsidies," noted one official, "it is also forcing us to change our institutions. Last Christmas there was subsidized butter available from surplus Community stocks, but none of it got into the shops in Athens because of the inefficiency of our bureaucracy."

For this official, as indeed for Simitis, the key to any short-term improvement lies in better marketing: "Locally-produced pork has lost out," said the official "simply because our competitors within the EEC are so much better at packaging the whole animal. It's the same with beef: ours is of better quality than the imported stuff, but it's not properly packaged."

Simitis added his own tales of woe: "Look at cucumbers. A middleman goes round collecting them from a dozen different farmers over a period of several days, and by the time they reach Germany, say, they're no longer fresh. It's like that in other products. Our Kiwi fruit, for instance, is as good as or better than the same fruit from New Zealand, but because they package and market it properly and we don't, they can sell theirs at four times the price we receive. We're always selling on price, yet I've been told by German importers that they'd be only too happy to pay more for better produce." It does not help that the marketing of some of Greece's most important exports, such as olive oil, is still in private hands.

Simitis has already made an encouraging start: a programme to help coordinate exports of wheat and flour has been a resounding success and a clear demonstration to other groups that government help can be profitable. Simitis is also upgrading the country's numerous cooperatives. This policy has a certain political element, as most of them are controlled by members of his party, but this may prove an advantage. "They recently had elections," he noted. "Before that, the average age of those running cooperatives was over 60; now it's below 40. The political impetus derived from cooperatives can be enormously beneficial if people feel that cooperatives mean more to them than just another business."

The ministry is ready to provide the cooperatives with financial and technical aid and help them improve their organization. Until now the socio-political environment was against them, now it is with them. But Simitis insisted:

"We still need a prosperous private sector. We need financially strong agricultural merchants, instead of the thousands of impoverished middlemen we have now, working with us, as well as the cooperatives."

Simitis is realistic and persuasive. Even town-dwellers listen to his regular contributions to early-morning radio programmes aimed at their rural brethren. And even the most cynical observers are impressed: "You know," said one sceptical Athenian, "his ideas may work, simply because they're based on the farmers' own self-interest. Once he can persuade them that the changes he's proposing will work to their advantage then he may well succeed."

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