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INTERVIEW WITH COSTAS SIMITIS, MINISTER OF AGRICULTURE

- By Haris Livas

NOTE: This is the first in a series of interviews with cabinet ministers whose work should be of interest to our foreign readers. The interviews cover the efforts of the respective ministries, during the past three years, to affect real change in Greece.

LIVAS: What percent of the farmers are now in cooperatives?

SIMITIS: There are approximately one million farmers in cooperatives. As the active farming population is about 1,300,000 I would say that practically all those with farming as their main activity are members.

LIVAS: In your Ministry's documents of your work over the past three years you suggest that most of the new members of cooperatives are young people, including women. Is there some objection to cooperatives among the older farmers?

SIMITIS: No. But cooperatives have had a bad reputation in the past. They were not functioning as real cooperatives, but just as an office to help farmers get credit and sell fertilizer. They had no really productive activity and for this reason the farming population was not interested. They could see no sense in becoming members.

LIVAS: Is there room for the private farmer in our new system?

SIMITIS: Of course there is. No one is compelled to become a member of a cooperative. Greek farmers have small holdings; 3-1/2 hectares is the average, compared with 15 hectares in other EEC countries. For this, among other, reasons it is not always possible for the Greek farmer to earn enough for a decent living. Some of our farms are even smaller than 3-1/2 hectares. That is just the average.

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These farmers are usually working in other non - agricultural jobs to earn additional income. The farmer really needs the cooperative because without it, it is very difficult to increase his income. The cooperative offers the only practical way to market his production himself. The cooperative also insures that he has lower production costs. He can buy his equipment at a better price, or he can make common-use of such equipment with other farmers without having to buy them. It has to be understood that we want to promote the **family** enterprise in farming and this can be done best within a cooperative. We're not promoting the **farms**, but the people. If such care is not taken more people would leave the countryside and they would increase the unemployment problems in the cities.

LIVAS: How is the unionization of the farmers proceeding?

SIMITIS: Well, it's not progressing as well as the cooperatives are. We don't have exact figures, because up until 1982 the farmers union movement was not officially recognized and the state did not have official dialogue with the unions. This government officially recognized the farmers union movement and created the legal framework for their activities. A large number of unions are being established now. The farmers' unions are in the evolutionary stage.

LIVAS: How is the modernization of the farms proceeding?

SIMITIS: The Ministry has a program for the modernization of farms which offers two options to the farmer who applies for state support. If this modernization plan assures a significant increase of his farm income after the plan is applied he can be financed with up to 25% of his investment through the European Communities. If his plan just brings about an improvement in his farm's performance, which does not signify any real development, he is financed solely by the Greek state. This is due to the fact that the Community's restrictions are based on qualifications that most Greek farmers cannot meet.

LIVAS: That would mean, then, that modernization is mostly up to the State.

SIMITIS: Yes. And the government is spending quite a lot of money on this, more than 6 or 7 billion drachma per year.

LIVAS: What about the continuing education of the farmer?

SIMITIS: We have several programs and over 20 centers for Farmers' Vocational Training. There are different programs for which courses last one week or three weeks or one month. There are also different programs for farmers and for cooperative employees.

LIVAS: Is this free?

SIMITIS: Yes. The farmers are even paid a small daily allowance for the days they attend.

LIVAS: What is this VIDEOTEX program I've been reading about?

SIMITIS: It has not been introduced yet but we hope to have it operational by the second half of '85. It will be a pilot program at the beginning with restricted use. Videotex uses a computer operated T.V. screen which will be installed mainly in cooperatives. It will enable the farmer to receive any information he may need.

LIVAS: Who's funding this?

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SIMITIS: Partly the Greek State and partly the EEC.

LIVAS: Are the farmers now convinced that our EEC membership is worth their while?

SIMITIS: Their information about the EEC is not complete and thus farmers tend to adopt a position according to their general political orientation. It is difficult for them to decide if the entry of Greece into the EEC is good or not. Even in the short run, the pros and cons vary according to the product each one produces. Meat and milk producers have more severe competition and are in a worse position than they were before. Producers of olive oil have a better income than before. Apricot growers are neither better nor worse.

LIVAS: Our balance of payment with member states is not so good.

SIMITIS: It is not in our favor. Traditionally we imported meat and milk products from third, i.e. non - EEC countries, from Latin America, from Eastern Europe. Now we have to pay a much higher price for the same Community products. The first year of our entry, 1981, we were on the negative side by 10 billion drachma. In 1982 this doubled to 20 billion. In 1983 the deficit was reduced by some 60% to 8 billion drachma. In 1984 we improved this a bit more, but the balance of payments in agricultural goods is still not in our favor.

LIVAS: How have the farmers adapted to certain Community standards they may not have had to think so much about before? I'm thinking of things like quality control.

SIMITIS: As I told you, Greek holdings are small. When production is not so good, strict quality controls cut the farmers' income.

LIVAS: But, if you don't practice it, they can't sell.

SIMITIS: True. And not only the Community, but the Greek State and the Ministry of Agriculture, as well, insist on it. We have made quality control far stricter than it was before; after all, better quality is the only way to survive in existing markets or to penetrate new ones. I hope the education of farmers and the proper functioning of the cooperatives will enable producers to improve the quality of their products.

LIVAS: The number of farmers in most countries is dropping. Due to technological advances they've become, let's say, redundant! You suggested before that our policy is to encourage farmers to remain on the farms so this means the number of farmers has not been reduced in Greece?

SIMITIS: The number is dropping in Greece too but rather slowly. Last year it dropped by only 2-1/2%. It is in the pattern of evolution to drop, but we do not want a quick exodus. And we do not want the farmer to leave his land unless he has already found another way of making his living.

LIVAS: Have the Provincial Markets started up yet? And is this system designed to cut out the middleman and his excessive profits at the expense of both farmer and consumer?

SIMITIS: We hope the Provincial Markets will be in operation by 1986. And yes, the system is designed to do what you suggested. Now fruits and vegetables are sold by the farmer to a middle man who sells it to a merchant who sells it to the consumer. Due to the fact that the cooperatives were not well organized in the past, the margin between the price the farmer gets and the consumer pays is too

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large. For fruits and vegetables currently it is more than double! Our idea is that fruits and vegetables should be sold in large central markets by the producers or their cooperatives directly to the merchants. Central markets also ensure a healthy competition. And they will certainly reduce that price margin I was talking about.

LIVAS: Politically the entrance of Spain and Portugal into the Common Market is desirable. But how can we minimize the problems that will be faced by certain of our products which are similar to theirs?

SIMITIS: Greece has a small production compared to, say, Spain, Italy or France. Take wine, for example. Spain is one of the biggest producers in Europe where as we represent only 8% of the total European production. It's not our quantities that will create the problem, nor our percentage of the market, but our quality; and with or without Spain this remains a problem. And it is a problem whenever Mediterranean products are imported into the Community. OUR competitive position will not worsen because of Spain's entry, but may suffer because of their quality and better organization. So there is only one answer for us: we must improve our Marketing.

LIVAS: What sectors of our agriculture are most in need of help, either by the government or the EEC?

SIMITIS: Meat and milk. And there are some problems with citrus fruits and our vineyards. Oranges for which there is demand in the Soviet Union, for example, are not of the type asked for in the western European countries. So we should try to produce more of what the Western European market wants.

LIVAS: So farmers are encouraged to change over to more profitable crops?

SIMITIS: It's not very easy. When you have products grown on trees or vines how can you change them? It takes time and it costs money. Then, we have certain areas where only certain crops like tobacco can be cultivated. I agree, though, that we have to try to make that change.

LIVAS: I read that the EEC has contributed a record amount of money to Greek agriculture: 32,2 billion drachma. What is this money accomplishing?

SIMITIS: There are four or five special programs, mainly for the development of under-developed areas which means more than half of the Greek territory. The money is used for electrification, road networks, irrigation..

It sounds like a lot of money, but it is for a Five-Year Program, not for one year. Last year was the first year of the program.

LIVAS: The operation of K.F.E. has supposedly benefited the farmer a lot. Could you explain this?

SIMITIS: K.F.E. is a coordinating group for the exports of fruits and vegetables. You could call it a Central Group for Exports. In the past, when Greek exporters sent their fruits and vegetables to Germany or to the markets of Western Europe, without having the proper information about the optimum time to export or about prices etc. the Greek products ended up sold at low prices. We now have a system whereby farmers can adjust their supply to the actual market demand.

LIVAS: How much of the National Budget does agriculture receive and what's the most important use of this money?

SIMITIS: In the new budget agriculture will receive 6,8%. Every year the slice given to agriculture improves. Last year it got 83 billion drachma. In the

new budget it will get 115 billion. The most significant uses for this money are improvement of farms, agricultural research and income - support for the farmers.

LIVAS: Our forests have received a special emphasis in your Ministry. Could you explain this?

SIMITIS: What we have tried to do is to create wood-processing factories. Such industry did not exist previously in Greece. We also want to have better management of our forests; and to improve our national parks and preserved areas.

LIVAS: What about fishing? I understand the yield has fallen.

SIMITIS: The yield is falling because the sea doesn't have so much fish. So for the past two years we have instituted strict preservation measures. This has paid off and this year the yield has gone up. We've also put a great deal of investment in fishing vessels and in marketing organizations.

LIVAS: Has decentralization directly affected the farmer? And does the system work without favoritism? Sometimes if one makes an application to a far-away agency it can be processed with more objectivity than it can by an organization close at hand.

SIMITIS: We are one of the most decentralized ministries, probably the most decentralized. We receive very few complaints about the functioning of the system. We have not been able as yet to organize or fully coordinate the decentralized offices due to lack of personnel, but we receive no major complaints. I agree, though, that we have to improve our efficiency.

LIVAS: What are the main elements in our specifically **socialist** policy towards agriculture?

SIMITIS: Cooperatives. We badly needed the creation of a structure for processing and marketing products and that structure is set up by the cooperatives.

LIVAS: Are the farmers better off now than they were three years ago? And has the quality of the farmer's life changed, not just the cash in his pocket?

SIMITIS: Our cooperatives program gave them good results. The farmers' income increased by 7% in 1984, in constant prices, i.e. taking into account the loss due to inflation. Also, the farmers' income as a percentage of the town dwellers' income has increased and now it is about 60% of that of the town-dwellers. This figure was 56% in 1981, so we are moving upwards there too. As to the quality of life, I think yes, it has improved. True, the farmer has more cash in his pocket but he has other things as well. Farmers always got free medical care but they had to pay for their medicines. Now 80% of the cost of medicines is paid for by the State. Previously the hospitals were all in Athens and Salonika. This government is building 70 hospitals and health centers in the provinces close to the farmers.

LIVAS: While we are talking about quality of life, has your Ministry been responsible for the increase of parks in Athens?

SIMITIS: No, but we are building parks in the city's outskirts. In the mountains around Athens we have created 7 special places for recreation.

LIVAS: I hope they are clean. When I used to visit the mountains of Attica for hiking or picnics I always found the areas so dirty because no one picked up his trash.

SIMITIS: Now they are clean, because now they are organized.

Curriculum Vitae

Personal Information: Born in Athens on the 23.6.36.
 Father: Georges Simitis, Lawyer, Professor at the School of Economics and Commercial Sciences.
 Mother: Fani, maiden name Christopoulos.
 Wife: Daphne, maiden name Arkadiou. Two children.

Studies: Law and Economics.
 In the Federal Republic of Germany (University of Marburg) 1954-1959.
 In Britain: (London School of Economics) 1961-1963
 Doctor Juris (PhD) at the University of Marburg 1969

Academic career: Reader (Assistant Professor) of the University of Konstanz. (Germany) 1971
 Full Professor of Commercial and Civil Law of the Justus Liebig University (Giessen) 1971-1975.
 Full Professor of Commercial Law at the Panteios School of Political Sciences, since 1977.
 Lawyer, since 1961. Lawyer at the Supreme Court of Appeal.

Books, on law in Greek: To dikeoma epi tis efeureseos (The patent right) 1967
 To plasmatiko enehyro (The fictitious pledge)

Books in German: "Gute Sitten und Ordre Public" (Good morals and Public Order) 1959
 Verbraucherschutz Schlagwort oder Rechtsprinzip (and the protection of the consumer) 1976

Articles: In Greek, German and English published in Law periodicals

Political activity: Co-founder of the Alexandros Papanastasiou Society (Club)
 1965: Society for political research and studies.
 1967-1969: Action against the Junta. He avoids arrest by escaping abroad. He is committed to trial in a Court Martial accused of arson attempt and infringement of law regarding explosives.
 His wife is arrested by the dictatorship and kept in isolation.
 1970: Member of the National Council of the Panhellenic Liberation Movement (P.A.K.).
 1969-1974: Stay in Germany and participation to public meetings held against the dictatorship, to radio-broadcasts, Lectures, writing of articles e.t.c.
 3/9/1974: Founding member of P.A.S.O.K. (Panhellenic Socialistic Movement). Member of the Central Committee of P.A.S.O.K.
 Main activities: Making known the positions of the Party according to its program through lectures and participation in public debates in Athens and every department of Greece.
 Interviews at radio and T.V. networks abroad.
 Political articles published in newspapers and reviews.

Books: The Structural Opposition 1979
 Politics, Government, Law 1981

NOTE: Biographical data on the Minister is attached. Photographs are available. Please contact the International Section of ANA at 20 Academias or phone 3639816.

Thank you for your
cooperation

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