106 72 ATHENS Akadimias Str. 35 Telephones 36.24.981, 36.02.078

Common European Economic Policy and Political Evolution

In Greece the class structure is different from the class structure of the northern Community Countries.

There exists neither a large majority of wage earners nor a small number of farmers of self employed. The proportion of the population which is involved in dependent labour relationships slightly exceeds one third of the total number of actively employed. The percentage of those currently employed in agriculture with respect to the total labour force has been more or less stabilized around 27%, which is three times as high as the Community average. The self employed outside the agricultural sector are about as many as the wage and salary earners.

The salary earners category demonstrates a noticeable characteristic: the large majority is employed in the public sector. Farmers as well as self employed persons depend, up to a significant degree, on the broader public sector. The farmers rely upon a continuous flow of subsidies in order to enhance low returns which are mostly due to the small size of agricultural holding. The self-employed demand substantial public assistance by means of special provisions in order to cope with increasing competition. This reality shifts social struggle from the class level to the level of confrontation with government.

In practice, due to the relative identification of the state with government and the ruling party, all demands expressed by the various interest groups are addressed to the parties.

The Community's policies which aim at creating a unified internal market and an economic and monetary union are designed for and addressed to advanced industrialized societies. They are not fit for societies with the characteristics dominant in Greece.

- 2 -

A prerequisite for a successful implementation of such a policy is a social economic organization which is characterized by a relative autonomy vis a vis the state and therefore can solve the problems created by Community policy guidelines without direct government involvement. Greek society lacks the relevant capabilities for reacting.

The accelezated incorporation of the country into the international environment and into the European Community leads to:

- the gradual marginalization of those social groups of the population which will not be able to adjust and compete within the new environment. Their members will be forced to move to other occupations. Such a development will take place within a climate of harsh confrontations and pressure against the state.
- the transformation of social structure according to the necessities imposed by the division of labour between Community Countries.

Both developments will influence party-policies. Can parties adapt their programms and contribute to an evolution that avoids major confrotations?