

# Seeking an Alternative Development Paradigm for Greek Agriculture

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## Abstract

In the current global economic crisis, Greece has implemented austerity policies which have resulted in an unprecedented social catastrophe. An alternative development paradigm based on the reorganization of production for the benefit of popular forces must give considerable importance to agriculture. Greek agriculture has been transformed by neoliberal policies and the imperialist integration project of the European Union. This is reflected in changes in production orientation, the concentration of farmland and livestock, the deepening of agro-food dependence, rural depopulation and the shrinking incomes of small farmers. The outbreak of the financial crisis has intensified this condition, revealing essentially the crisis of the former developmental paradigm. The main question which arises is whether there is an objective possibility for a small country like Greece to take up the challenge of an alternative route. This article argues that, despite the many transformations, there remain objective possibilities for an alternative agricultural model based on production cooperatives and democratic social planning that will take into account domestic food requirements and the protection of small farmers.

## Keywords

Greece, agriculture, European Union, Common Agricultural Policy, alternative development paradigm

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## Introduction

In April 2013, in the southern Greek province of Ilias, 33 immigrant farm workers claiming their wages in a strawberry farm were seriously injured by the foremen's gunshots. When news of this shocking event made its way around the world, no one could imagine that in a twenty-first century European Union (EU) country labour relations could approximate servitude. Obviously, the case of strawberry cultivation,<sup>1</sup> which is one of the export flagships of Greek agriculture, is not the norm in relations of production in the Greek countryside, which, to a large extent, are determined by small-scale and family-type landholdings. However, it captures the explosive nature of the whole developmental paradigm of Greek agriculture very strongly, in times of crisis, which is dependent on the international division of labour and entangled in EU policies.

Therefore, the debate on the agrarian question in southern European countries, such as Greece, has to be based on two specific analytical starting points. The first is that these social formations are embedded in the international division of labour through the filter of the imperialist integration project of the European Union (EU). Agricultural policy provisions are aligned with the agreements of the Common Agricultural Policy (CAP) of the EU, which, through continuous reforms, have decisively transformed the nature and orientation of post-war agricultural production among member states. Second, the global economic crisis, which for social formations such as Greece has produced an unprecedented social catastrophe, raises the crucial question of an alternative production paradigm as a key component of overcoming the crisis. The primary sector of agricultural production is a key pillar of such a process, and its transformation evidently will be determined by the results of the social conflict now unfolding in Greece. We argue, therefore, that the challenge of a radical transformation in agricultural production, within an overall alternative developmental paradigm (Sotiris 2014), is not mainly a technical issue—without underestimating, of course, the need for specialized and scientific approaches to the problem. It is, above all, a challenge for the social forces that produce the wealth in the country, and dependent on their ability to impose such an alternative paradigm. In this sense, the social dynamics that would be unleashed in such a process would need to be large scale so as to play, objectively, a decisive role.

The above points lead us to believe that any debate on agricultural production must necessarily grapple with two basic questions: is it possible for such transformations in the organization of agricultural production to occur without a rupture with the EU, whose mechanisms have had a critical impact on the present situation? Is it possible for a Southern European

country such as Greece to halt the degree of agro-food dependence obtained without questioning substantively the international division of labour? We consider the answers to both questions to be negative.

This article seeks to intervene in a debate that is active not only in Greece but in a number of countries that have been caught in the vortex of the global economic crisis and austerity policies with tight fiscal discipline. The article begins with a brief overview of the nature and transformations in agricultural production in Greece in the post-war period, especially after the country's accession to the European Economic Community (EEC), later the EU, and the regulations of the CAP. It offers a detailed review of the transformations that have occurred in the last decade by the implementation of the CAP reform of 2003, which substantially intensified the disintegration of agricultural production. Furthermore, it looks at the changes that have occurred since 2009, upon the signing of the Memorandum and the entry of Greece into the financial support mechanism of the EU and the International Monetary Fund (IMF).

The statistical data presented here is derived from material published by the European Statistical Service (Eurostat) of the European Commission, the Greek Statistical Authority and the Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (PASEGES). The data seeks to capture the trends observed in agricultural production, specifically with respect to agricultural land use, the number, size and structure of landholdings, and the organization of labour and the relations of production. Moreover, data will be presented regarding the levels of self-sufficiency in basic products of plant and animal origin, in order to assess the degree of agro-food dependence, as well as the possibility of a short-term adjustment in agricultural production in the case of disengagement from the existing EU framework. The distribution of EU subsidies in agriculture will also be studied in order to draw conclusions regarding the class orientation of the subsidies policy, as well as setting of targets in the planning of agricultural production.

Finally, the article outlines proposals for an alternative development paradigm in agriculture, opposed to the current neoliberal options, the existing framework of the EU, and the mechanisms of the IMF.

## **Transformations in Agriculture within the EU Policy Framework**

The fastening of Greece to the Western power bloc after the Second World War shaped the conditions of its Association Agreement with the

EEC, signed in 1961 (Studies of the Marxist Research Centre (SMRC) 1977). A key part of the implementation of the measures of the agreement was the country's harmonization with the CAP. In this process, the role of Greek tobacco played an important role, given that, until the signing of the agreement, the production of tobacco was channelled largely to the Soviet Union through clearing agreements. The political stakes in reorienting Greece's exports to EEC member-states were so great that the agreement received the overwhelming support of the US, even though the immediate interests of tobacco exporters did not seem to be served by this option (Mogens 2006).

The core structure of agricultural production until the signing of the Association Agreement had its origins in the specific terms of transition to the capitalist mode of production and the formation of the Greek state. The areas of southern Greece and the islands under Greek dominion, which were the first to be liberated from the Ottoman Empire and had developed commercial activity, were characterized by small and fragmented landholdings, indicating the hegemony of simple commodity production (Milios 1990), as well as the special role of small farmers as a revolutionary subject and guarantor of liberation. In contrast, large farmlands located in central and northern Greece, that were annexed later, obtained forms of exploitation based on land rent (Vergopoulos 1975), and included the phenomenon of servitude. A long period transpired before the agrarian reforms of 1917–38, after which simple commodity production became dominant (Milios 2000).

The implementation of EU policy by Greek governments in the field of agricultural production comes to shape a new reality, with respect to the structure of agricultural holdings, evolution of rural income, mechanization of production and labour productivity, as well as the trade balance in agricultural products. In order to understand these transformations, we should take into account certain factors that determined the changes that took place mainly from the 1980s onwards. The first one relates to the targeted reduction of the population employed in agriculture, a policy pursued under the CAP as part of an overall framework of capitalist restructuring. In the case of Greece, the implementation of this policy reduced the rural population by 20 per cent; thus, in 1981–2011, the population employed in agriculture fell from 31 to 12.4 per cent (PASEGES 2013).

The second factor consists in the gradual integration of agricultural production in the internationalized market economy. Since the early 1980s, there has been a gradual lifting of internal state controls on the agricultural market, such as protective tariffs, budgeted subsidies and

price controls (Fotopoulos 2005). This policy was implemented either by the country's insertion into the specific correlation of forces prevailing among the signatories of the CAP, which was tipped in favour of the powerful countries of the 'North', or by the gradual application of the rules of free trade in agricultural production. This process was sealed in the mid-1980s in the Uruguay Round trade negotiations, culminating in the establishment of the World Trade Organization (WTO).

The third factor concerns what is seen as the major structural issue of Greek agricultural production, specifically the small and fragmented landholding structure, which depends, to a large extent, on the multiple forms of employment of those engaged in agricultural production, as well as on the small agricultural households which produce for own consumption.

### *Evolution of the Orientation of Agricultural Production*

Greek agriculture has a broad production base, impressive for a country as small in territory and population as Greece. The favourable Mediterranean agro-ecological conditions allow for the development of a wide range of agricultural products of vegetable origin, livestock and fisheries. In terms of crop production, Greece produces a wide range of cereals (wheat, rye, oats, maize, rice), industrial crops (cotton, oilseeds and nuts, protein crops, tobacco, sugar beet), forage crops, vegetables and other horticultural products, vineyard products (grapes, wine, raisins), citrus and fruit tree crops (apples, pears, peaches, cherries). In terms of livestock farming, lambs, goats, poultry, cattle, pigs and horses are mainly reared, while eggs, dairy and other animal products are produced. Also important is the production of fish, both from inshore fisheries and from aquaculture (PASSAGES 2012).

The evolution of the trade balance of agricultural products is an indicator that can give us a picture of the orientation of Greek agricultural production within the context of implementation of the CAP. The trade balance for agricultural products ceased to be in surplus in 1981, the year that Greece became a member of the EEC. A downward trend in the surplus was registered throughout the 1960s and 1970s, the transitional period of adjustment to the CAP. Thus, in 1962, agricultural products accounted for 35.5 per cent of the country's total exports to the nine countries of the EEC. If we included in this calculation industrially processed food and beverages, as well as tobacco, the proportion would reach 69.5 per cent of total exports. By 1975, agricultural exports

accounted for 20.4 per cent of the total value of exports to the nine countries of the EEC; this proportion would reach 35.3 per cent, if we included industrialized food products, beverages and tobacco. This constitutes a reduction of about 50 per cent (SMRC 1977). At the same time, in the course of the 20-year adjustment period (1960–80), a deficit in basic foodstuffs, such as, dairy items, meat and cereals, becomes permanent.

The subjection of Greek agricultural production to neoliberal policies and the removal of the protective framework for agricultural products, intensified this trade deficit. For the period 1994–2008, just prior to the outbreak of the Greek financial crisis, the country's overall trade deficit had increased by 403 per cent, while the trade deficit for agricultural products had increased by 529 per cent. We may also note that, while in 1994, 5.6 per cent of the overall trade deficit corresponded to agricultural products, in 2008 this percentage stood at 7 per cent. Importantly, the analysis of individual products yields some further results. The category of cereals presents a trade surplus in 1994, while in 2008 it presents a deficit of €365 million. The reduction of the trade surplus in the category of oils and fats, by 79 per cent, is also considerable (Petropoulos et al. 2010).

The data shown above clearly indicate the intensity of Greece's dependence in basic foodstuffs. This dependence is recorded mainly in relation to northern EU member states, and was reinforced sharply from the moment Greece joined the Economic and Monetary Union (EMU) and adopted the single currency. In 2011, the deficit in all agricultural products amounted to €1.98 billion, while trade with EU countries recorded a deficit of €2.14 billion, and trade with non-EU countries recorded a small surplus of around €156 million (PASSAGES 2013). As the Greek case demonstrates, the implementation of the neoliberal policies of the EU creates deficits in Southern Europe which feed into the surpluses of the European North, in a policy orientation whose key mechanisms are the CAP and the EMU.

### *The European Subsidies Policy in Agricultural Production*

The distribution of subsidies within the CAP is a very crucial policy parameter, as it largely defines both the orientation of production and the nature of the alliance between ruling circles (domestic and international) and portions of the rural population that benefit from the policy. The CAP reform of 2003 played a key role, as it radically changed the

way that the subsidies are paid, disconnecting them from the volume of production. The philosophy of this arrangement was based on finding a way of payment which would replace the state-guaranteed minimum prices and the protectionist tariff framework, while at the same time leaving unaffected the international price formation of agricultural products (Lianos et al. 2009).<sup>2</sup>

This change essentially brought the subsidies in direct proportion to the size of landholdings, increasing the already existing imbalance between small- and medium-scale farmers and big landowners. Based on available data from the European Commission relating to the year 2011 (European Commission 2011), we observe a huge imbalance in the distribution of direct payments, which also constitute the largest proportion of total payments (76.1 per cent). Among the total number of beneficiaries, 75 per cent received subsidies of under €5000, corresponding to 17 per cent of total direct payments, while 1.3 per cent of beneficiaries, comprising big landowners, received subsidies of over €50,000, corresponding to 23 per cent of direct payments (PASEGES 2014). Meanwhile, the average payment per beneficiary in Greece stands at prices below €5000, an amount which is much lower than the average payments of the member-states of the EU-15, as well as the EU-27 (Kourou 2012).

The new CAP reform framework which is to be implemented in 2015 is based on the agreement for a total budget reduction for European agriculture generally. The target that has been placed includes reducing the total EU budget for agriculture by 8 per cent, from 44.3 to 36.1 per cent for 2007–20 (European Parliament 2013). In relation to the Greek situation, this implies even more drastic cuts in subsidies, estimated to decrease by 12.15 per cent for 2013–20 (European Council 2013). This reduction translates into a basic payment of €196 per hectare for 2020, down from €384 currently. This development is expected to have a decisive impact on rural income, if we consider that in 2012, of the total income of €5.57 billion, €2.9 or 52 per cent consisted of European subsidies.

We may conclude from the above that the European policy of subsidies has a dual purpose. On the one hand, it acts as distribution mechanism of funds for the benefit of big landowners, leaving only a small portion for the small- and medium-scale farmers, as an income supplement. In this sense, it becomes a mechanism of class restructuring of agricultural production by enhancing the concentration of agricultural land and livestock. On the other hand, it functions as a countervailing measure so as to sustain the removal of tariff protections among member states and

achieve the subordination of agricultural production to the neoliberal rules of the free market.

### *Changes in the Structure of Agricultural Production*

EU policy on agricultural production is directly reflected in the structure of landholdings, both through exposure to the open market and the allocation of subsidies from the CAP mechanisms. With respect to the size of the utilized agricultural area, a stable trend is recorded until 2007, although with periods of reduction (1985–97) or expansion (1997–2007). Since 2007, there has been a radical reduction in utilized agricultural area, from 4.1 million hectares to 3.3 million hectares in 2010 (PASEGES 2013). A similar picture is observed in the number of farms, which recorded a significant drop of 18 per cent in the period 2003–10. In 2010, the registered farms were 674,880, compared to 824,770 in 2003.

Despite the reduction in the number of holdings in the last decade, there has been a diachronic tendency of dominance of small-scale landholdings, such that approximately 75 per cent of holdings are of up to five hectares, while the average size of holdings in the EU-27 is about 12.6 hectares (European Commission 2011). This development has occurred alongside a slow but steady trend of concentration of agricultural land, especially in crops of 20 hectares or more. More specifically, the number of farms with 20–50 hectares increased from 17,500 (1.8 per cent of total holdings) in 1987 to 24,390 (3.6 per cent) in 2010, while the number of farms larger than 50 hectares almost doubled, from 3800 (0.4 per cent) in 1987 to 6680 (0.8 per cent) in 2010. At the same time, the number (but not the percentage) of farms under five hectares recorded a significant drop from 737,800 (77.4 per cent) in 1987, to 516,990 (76.6 per cent) in 2010. A similar reduction occurred in the number of farms of 5–10 hectares, from 140,700 (14.8 per cent) in 1987 to 83,390 (12.4 per cent) in 2010 (Economakis 1998, PASEGES 2013).

More powerful concentration and centralization trends are observed in livestock holdings, where the number of animals held is relatively large (Tsiboukakis 2012). Specifically, in 1990, small livestock holdings of up to 15 Livestock Units (LSU)<sup>3</sup> represented 38.41 per cent of the livestock and 91.52 per cent of the number of holdings, while holdings of 50 LSU and above represented 25.76 per cent of the total livestock and 1.06 per cent of the number of holdings. In 2007, holdings of up to 15 LSU represented 87.46 per cent of the total number of holdings and 22.99 per cent of total livestock. In contrast to the above reduction,



holdings of more than 50 LSU registered a major increase in the percentage of the overall livestock, reaching 39.03 per cent and accounting for 2.43 per cent of total holdings. These holdings have remain relatively constant proportionally and absolutely after 2007, while the decline in small- and medium-scale holdings continues unabated, reflecting the shrinking trend in small- and medium-scale livestock farming.<sup>4</sup>

### *Production and Employment Relations in Agriculture*

Employment in agriculture follows the characteristics of the sector's structure in relation to the size of landholdings. Thus, dominant in Greek agriculture is the category of 'self-employed without employees', including intensive use of auxiliary family labour, followed by 'self-employed with employees' and 'salaried labour'. As far as the number of persons engaged in agriculture is concerned, an explosive reduction of the rural population occurred throughout the 1960s, following, albeit with contradictions, the trends in all post-war European social formations.

Within one decade, over 700,000 people were removed from agricultural production, comprising mainly the young and productive age groups and resulting in the image of an aged rural population (SMRC 1977). Since then, the number of people engaged in agricultural production has declined continuously, until 2008, that is, the beginning of the economic crisis (the post-2008 trends will be discussed below).

Despite the overall decrease in agricultural employment, from the 1990s onwards there was a significant increase in salaried labour, both seasonal and permanent, reflecting the massive participation of immigrants in agricultural production, in accordance with the immigration currents of that decade. More specifically, while self-employment registered a reduction from 680,800 to 456,600 Annual Work Units (AWU)<sup>5</sup> in 1990–2009, salaried work increased from 65,300 to 114,000 AWU in the same period, reaching 20 per cent of total rural labour (Tsiboukakis 2012). This process was reinforced by the full deregulation of labour relations in the countryside, which took the form of brutal exploitation for immigrant farm workers.

We, therefore, draw the conclusion that the basic reduction in employment is due to the removal of the self-employed from agricultural production, as well as the reduction of auxiliary family labour. In contrast, the growth of salaried labour corresponds to the trends of concentration and centralization of capital in agriculture

## **Agricultural Production in the Crisis Years: Crisis of a Development Paradigm**

The outbreak of economic crisis in Greece in 2009, which has been followed by the implementation of austerity measures and fiscal discipline, has led to further significant changes in agricultural production. These changes are generally defined by the contraction of the domestic market and consumption, the exorbitant increase in energy expenditures, and the increase in the taxation of farmers, as well as the overall surge in production costs.

In this context, and as a result of EU accession, the cumulative problems acting upon Greek agriculture have been immensely aggravated in the ensuing years. The consequences have been felt particularly in the value of agricultural production and the contribution of the sector to GDP, as well as the income and living standards of small- and medium-scale farmers, who constitute the backbone of Greek agriculture.

Thus, for the period 2009–12, in relation to production costs, there has been an increase of 22.5 per cent (calculated as the sum of the value of inputs at current basic prices). This increase in absolute values approaches €1 billion, whereby the largest proportion relates to the increase in energy costs (by 64 per cent) and feed costs (31 per cent, PASSAGES 2013). The rising cost of these two specific inputs constitutes the basic factor in the reduction of the cost of other essential inputs, such as agricultural services and veterinary expenditures, which has resulted in the contraction of agricultural production so as to offset the total cost of production.

The increase in production costs, as well as in taxes, which in 2009–12 registered an increase of 93 per cent (from €181.3 million to €351.2 million), has a direct impact on rural income, which has been reduced by 20 per cent in the current period, a loss of the order of €1.4 billion (European Commission 2014). If further analyzed in relation to small- and medium-scale farmers, we may conclude that, in many cases, the annual cost of production exceeds rural income.

### *Back to Agriculture on the Terrain of Crisis: Myth or Reality?*

The evolution of occupation in agriculture during this four-year period shows an interesting change, reversing the picture of continuing decline in rural population during the previous years. At the end of 2008, agricultural employment registered an increase for the first time, reaching

12.5 per cent of the total labour force in 2010, up from 11.33 per cent, which translates into nearly 33,000 new jobs (Tsiforos and Stavropoulos 2011). The ruling elites sought to defend this trend by claiming that the economic crisis creates opportunities in the primary sector, which would objectively release new development dynamics. This was further cloaked with the argument of a potential success story, whereby young educated and unemployed urbanites could invest in the countryside in new dynamic and lucrative farming operations.

However, in examining the qualitative features of this trend, we observe that it concerns mainly a middle-aged labour force (45–65 years) for which agricultural production constitutes a last resort to the problem of protracted unemployment in the construction and service sectors, which have suffered severe decline under the economic crisis. The younger age group entering agricultural production (15–44 years) is proportionally more limited and concerns mainly regions which in the past have recorded intense tourism activity (Tsiforos and Stavropoulos 2011).

With regards to the labour relations that configure in this trend, we observe a large proportional increase in salaried employment, by 40 per cent for 2008–10. However, in absolute terms, this increase is lesser than that of the ‘self-employed without employees’ that are also entering agriculture. The latter category may record a lower growth trend, but in absolute numbers it constitutes the dominant labour relation of the newcomers to agricultural production.

Some interesting qualitative aspects of employment growth during this same period may be discerned in relation to the distribution among occupational sectors. In this regard, we may observe that the largest percentage is channelled to tree crop farming and secondarily to services in agriculture. By contrast, employment in arable crop farming exhibits marginal increase, while a decrease is recorded in the case of employment in nurseries, seed production, and the production of plant propagation material, which constitute basic pillars of inputs in agricultural production.

The above conclusions suggest that any occupational growth in agriculture during the early years of the Greek economic crisis does not exhibit dynamic developmental characteristics, within the existing framework of agricultural production. It consists, rather, in a contradictory survivalist situation, derivative of the enormous recession caused by the extreme austerity policies of the governments that have implemented IMF and EU policies. This assessment is supported by the decrease in agricultural employment in 2012, by 3.4 per cent compared to the previous year, although this decrease remains low when

compared to the slump in construction (by 17.4 per cent), manufacturing (13.4 per cent) and trade (10.9 per cent, PASEGES 2013).

## **Drawing some Basic Conclusions**

Summarizing the above, we may draw the conclusion that Greek agriculture is mainly characterized by a small- and medium-scale landholding structure, for it is in this category that the vast majority of the agricultural population is concentrated. Nonetheless, this reality is accompanied by a slow but steady trend of concentration of agricultural land and livestock. On this basis, we could argue that the small- and medium-scale farmers are under a dual pressure: on the one hand, the increase in production costs and taxation, and, on the other, the abolition of the protective framework for small- and medium-scale production. These pressures limit one part of agricultural activity to a more confined space, on the borderline of family farming with an own-consumption character. On account of this shrinking space, one part of these farming operations is maintained for supplemental income, with CAP subsidies being a basic factor for survival at this reduced level of production (although this category of subsidies does not exceed 17 per cent of total CAP payments). Another significant part of these operations is either entirely eliminated from agricultural production, or feeds into the trend of concentration of agricultural land and animal husbandry.

A contributing factor to this process has been the inability of the existing structure of cooperativism to serve as a protective mechanism for small- and medium-scale producers. The role of cooperatives has been largely characterized by clientelist relations with political parties and the formation of a bureaucratic elite that mediates between farmers, the state, and the financial system. Of the approximately 6000 primary cooperatives that exist today, a large proportion is idle, while a very large number is indebted and unsustainable. In this context, the initiative taken by governments has been to institutionalize the restructuring of cooperatives by means of mergers and their incorporation into limited companies.

Although small-scale operations bear the main brunt of this pressure, we cannot disregard the fact that a strong part is maintained (albeit at reduced levels) and remains the dominant form of landholding in the agricultural structure. This indicates that simple commodity production, which characterizes small-scale producers, has the ability to resist, as

it is based not on profit, but on the reproduction of its labour power (Economakis 2000). This 'singularity' does not constitute an inability to consolidate capitalist relations in the countryside, but, on the contrary, a strategic choice of capital. The generalized consolidation of contract farming, by means of contracts that supply exclusively agricultural products to food companies, dairy industries and commercial distributors, constitute the alternative subsumption model of agriculture to capital.

At the same time, the slow but steady trend towards the concentration and centralization of crop production and livestock marks a tendency (although not general) of a small part of agricultural production which switches from simple commodity production to capitalist agriculture.

In addition, we should not overlook advances in the productivity of labour, mechanization of production, and increase in the proportion of irrigated farmland, which are reflected in the recorded rise in yields per hectare. However, this process collides with the limits of the development of the productive forces and relations of production, because of the small-scale structure of landholdings, as well as the disorganization of the cooperative structure.

With regards to the entanglement of Greek agriculture in the CAP mechanisms of the EU, the data above point to the fact that the implementation of this policy has not worked to the benefit of the vast majority of people engaged in agriculture, which are small- and medium-scale producers. This observation is not limited only to changes in rural income, but also extends to changes in the balance of trade in agricultural products which reflects the orientation of the agricultural production model. It is evident that the entanglement of Greek agriculture in the EU mechanisms intensified agro-food dependence, transforming fully the orientation of agricultural production. Nevertheless, this does not necessarily mean that it consists in a linear process of a rise in imports and fall in exports. We could argue, instead, that Greek agriculture is basically export orientated, within a framework that exposes production to the European and, by extension, international division of labour.

The conditions are thus created for the importation on ever larger scale of agricultural products of basic nutritional importance, such as dairy, meat, pulses and cereals, while exporting mainly fruits, vegetables, olive oil and industrial crops (cotton). A contributing factor to this process is the economic crisis, as it has caused a significant contraction of the internal market, as well as restricted the ability of small farmers to have direct access to the distribution of agricultural products.<sup>6</sup> Moreover,

the dominant role of intermediaries in the chain of production, circulation and distribution of agricultural products is isolating primary producers from the disposal of their products.

Nonetheless, it would be wrong to adhere to an approach which presents the agricultural sector as totally disarticulated and destroyed. On the contrary, such an approach is basic to the dominant narrative and functions as an instrument of intimidation of popular layers against the potential of an alternative route in agriculture. The essence of this argument is based on the notion of an underdeveloped agriculture which fails to provide agro-food self-sufficiency and is dependent on the importation of a significant proportion of agricultural inputs.

This approach is flawed as it ignores two basic parameters. The first lies in the fact that despite the intensity of agro-food dependence due to the exposure of Greek agriculture to the European and international division of labour, Greece still produces a wide range of agricultural products, among crops and livestock. The favourable soil and climate conditions, as well as the relatively high levels of productivity and mechanization of production, ensure adequate levels of self-sufficiency, even today. The second parameter resides in the fact that an eventual reconstruction of agricultural production will reverse not a totally established reality in the Greek countryside but an evolving situation that is still reversible. More so if we consider that the evolving situation is not neutral, but the result of specific policies that will continue to deepen if they are not overthrown. Therefore, we argue that we are not in the phase of a generalized destruction of productive forces in agriculture,<sup>7</sup> but on the verge of a crisis of the former developmental paradigm, which in the period of economic crisis comes forth in a very aggressive and socially destructive manner.

The basic axes in the reversal of the existing situation are the orientation of agricultural production and the range and variety of agricultural goods that can be produced in the country, as well as the relations of production that will define the way that agriculture will be configured. These three axes essentially define whether agricultural production will be oriented to the satisfaction of basic domestic food needs, or a purely export oriented model; and whether it will develop so that it obtains features of self-sufficiency in as wide a range of agricultural goods as possible. In the final analysis, they define the nature of relations of production that will govern agricultural production: who produces, in what way, and who will benefit from the wealth of agricultural production.

## Seeking an Alternative Route in Agriculture Outside the EU and the CAP

The principal agents in the realization of such a radical plan of agricultural reconstruction are the small- and medium-scale farmers, as well as rural workers, who constitute the backbone and vital force of the countryside. Their initiative and mobilization, to the extent that it will form part of a wider popular alliance, will be able to interact dialectically with a necessarily broader and democratic system of central planning.

### *Reconstruction of Agricultural Cooperatives*

Considering the structure and nature of Greek agriculture, the process of agricultural reconstruction would be effective to the extent that it reconciled itself with the logic of agricultural cooperativism and the necessary reconstruction of the agricultural cooperative movement. Agricultural production cooperatives constitute an essential condition for overcoming the separation which holds between primary production, processing, circulation and distribution, and for expanding the role of local communities in the entire agro-food complex.

This particular logic, however, is contrary to free-market competition and the type of productivity that is defined in capitalist terms. Its terms of reference are the de-commodification of food production and consumption, as well as the redefinition of all activities related to social and ecological sustainability, support for agricultural employment and incomes, and satisfaction of the nutritional needs of the entire population.

Accordingly, it entails a continuous process of rupture and transformation that cannot be achieved within the EU framework and the Eurozone, and under the prevailing guidelines of the CAP. Without fully questioning the position of Greece in the European and international division of labour, there can be no substantial reconstruction of agriculture. A radically different agriculture, that would be socially and environmentally oriented, could in no way occur as a by-product of EU subsidies and 'green' capitalist development,<sup>8</sup> but only as a conscious choice of a people that has proceeded to break the iron grip of the EU and the logic of capitalist profitability.

### *Technical Issues of an Alternative Structuring in Agriculture*

With regards to technical issues, the short-term planning of an alternative route outside the EU policy framework ought to move in the direction

of immediate coverage of domestic food needs and, by extension, recovery of extensive self-sufficiency in agricultural products. Based on this rationale, and taking into account the existing capabilities in agricultural production, we could quite easily expect that, in a first phase, such an effort would focus on annual arable crops of common wheat and pulses, which are the main crops at a currently low level of self-sufficiency (PASEGES 2014).<sup>9</sup> At the same time, it would seek to maintain fruit and vegetable production and viticulture at the higher level of self-sufficiency which currently holds. Over the longer term, it would focus on increasing animal feed production and developing extensive and semi-intensive animal husbandry, as well as on improving yields by creating necessary infrastructure in primary production and processing.

The nationalization under public control of the sugar industry and the reopening of factories that have been closed constitute a necessary condition for the return of sugar beet production to self-sufficient levels. As far as agricultural inputs are concerned, their immediate availability must be taken into account, based on the domestic production capabilities, as well as their improvement through a plan aimed at increasing domestic coverage. Such a process would include the reconstruction of the National Fertilizers Industry and the support for a National Medicines and Pesticides Industry, as well as the re-orientation of geotechnical research towards breaking the various patents secured by large multinational firms in agriculture, for the benefit of public health and nutritional needs. The inelastic part of imported inputs (such as, fertilizers, raw materials, protein feed), after exhausting the possibilities of substituting them with other domestic inputs that are currently at levels of self-sufficiency, could be covered by mutually beneficial interstate relations, including with countries outside the EU.

The choice of disengagement from EU mechanisms thus makes imperative the reorganization of Greece's international trade relations in accordance with a new and devalued national currency and new price levels for imported agricultural products and inputs. In this context, which would probably entail an imperialist embargo and foreign exchange shortages, it would be necessary to find instruments to reduce the impact of disengagement, by exploring alternative sources of food imports and inputs (for example, beef from Argentina, oil and natural gas from Venezuela, Russia or Iran), as well as alternative payment methods (exchange of goods or services) based on egalitarian interstate relations and solidarity among peoples.

An orientation based on equality and solidarity could not yield results without an effort to develop an international solidarity movement towards the people of Greece, an assistance that could be crucial in



a range of issues, such as the breaking sanctions, supplying seeds not covered by patents, and exchange of experiences in cooperativism and agricultural production.

### *Addressing Issues of Production, Distribution and Circulation in Agriculture*

A further factor of crucial importance, that will determine to a large extent the success of a project of radical reform in agriculture, is the breaking of the cartels formed by intermediaries that currently organize the major part of circulation and disposal of agricultural products. The initiatives that have unfolded in the recent years of crisis, based on the development of alternative forms of direct distribution of agricultural products (cost-cutting networks ‘without intermediaries’), which have bypassed the intermediate monopolistic commercial structures, could undoubtedly be very promising.

The reconstruction of agricultural production cooperatives, as well as the establishment of consumer cooperatives that have already begun to make their appearance, could be particularly helpful in creating alternative circulation networks of agricultural products, as well as reconnecting the relationship between farmers and consumers. An essential condition that will determine the success of such a kind of dual commodity circulation of agricultural products is the active popular support and mobilization (which objectively will undertake a major part of the implementation of such planning), as well as the institutionalization of these structures by their inclusion in the legal framework. Examples can be drawn from Latin America, such as Venezuela, which attempted to follow a similar alternative paradigm.

Furthermore, at a central planning level, tools for controlling the underground economy markets and artificial shortages in basic foodstuff should be developed, together with state capacity for the assessment of prices in basic products, storage and control of exports, support for production through national subsidies, as well as prevention of ‘idle’ land and its provision to the unemployed.

### *Developing and Enhancing Existing Capabilities in Scientific Support, Research and Education*

The scientific personnel involved in agricultural production objectively acquire an upgraded role in a process of reconstruction. It is therefore

a matter of high priority the recovery of agricultural institutes and research foundations that are currently functioning below capacity, due to the policies of fiscal discipline. In the medium term, the new research institutes should be established, with an emphasis on conservation of local breeds and crop diversity, genetic improvement and agricultural education.

The basis for the staffing requirements of geotechnical research centres is the system of university education, which should be upgraded and also made available to farmers, workers and society, with emphasis placed on the fields of Agricultural Science, Veterinary Medicine, Food Technology, Forestry and Biology. The constitution of these fields can work against the deepening of the social division of labour, the distinction between decision-making and executive roles in production, as well as against the separation of theory and practice. In addition, the reorganization of state agricultural services becomes necessary in order for geotechnical scientists to have a supportive role in agriculture. The return of veterinarians and agronomists to the centre of the production process, as opposed to their current bureaucratic role of distributors of EU subsidies, is an essential condition for the reconstruction of agricultural production.

### *Towards an Alternative Consumption Paradigm*

Finally, the successful outcome of a radical reconstruction in agriculture, as mentioned in the introduction, is much more than a simple sum of technical and scientific issues. The transformation of the development paradigm in agriculture could only be conceived in direct connection to the transformation of the broader consumption paradigm and, by extension, of nutritional and social behaviour.

The increase of leisure time for working people is a necessary condition for the development of local cuisine and reduction of fast food (a derivative of Western consumption patterns). Moreover, the establishment of infrastructure and institutions of food service in places of mass gathering (education, industry, public sector, workplaces, etc.) and for releasing working parents (particularly mothers) from the daily routine of food preparation, could greatly enhance agricultural production in terms of guaranteed distribution of agricultural products. An alternative production orientation should adopt the seasonality of agricultural products as a fundamental component of nutrition and also utilize food that

is currently wasted in the capitalist chain of processing, circulation and consumption. In addition, the promotion of self-sufficient farming in rural and suburban areas can contribute to nutritional sufficiency, as well as ecological balance, which is considerably disrupted by industrialized intensive agriculture.

## Conclusion

Returning, therefore, to the initial question—whether there is an objective possibility for a small country such as Greece to take up the challenge of an alternative route in agriculture—we insist that the answer is positive. Recognizing that the outbreak of the financial crisis in the last five years has intensified the crisis of the former developmental paradigm, which was determined by the imperialist integration project of the European Union, as well as by the exposure of agricultural production to the international division of labour, we argue that this challenge can only be met by means of a rupture of these mechanisms which have had a critical impact on the present situation. However, the realization of such a radical plan of agricultural reconstruction cannot be carried without the initiative and mobilization of the small- and medium-scale farmers, as well as rural workers, to the extent of forming part of a wider popular alliance in order to interact dialectically with a necessarily broader and democratic system of central planning. In spite of the dominant narrative that presents agro-food dependence as an inevitable process, we believe that there are objective possibilities to recover extensive self-sufficiency in agricultural products, as well as to build alternative and egalitarian interstate and commercial relations. Finally, it should not be overlooked that this possibility is not only a Greek particularity, but it touches a number of countries of Southern Europe that have been caught in the vortex of the global economic crisis and austerity policies with tight fiscal discipline. In that sense, a debate on the agrarian question remains active in a manner that takes up the challenge of experimenting with transformations on a broader European scale.

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## Notes

1. Strawberry cultivation, with total coverage over 1200 hectares, is a typical case of capitalized agricultural production. It is purely export-oriented, with an annual turnover of close to €100 million, and hires seasonal labour which is exclusively immigrant, about 5000 farm workers annually.
2. The main exception to full decoupling of subsidies from production was cotton, which reflects the export priority attributed to this particular product by Greece and the EU. Greece produces 80 per cent of the cotton produced in the EU, while the shrinking of the domestic textile industry has resulted in a basically export-oriented production for the bulk of the crop.
3. LSU constitutes a unit used by Eurostat and corresponds to a dairy cow. The number of animals is converted into LSU by a set of indexes that represent the nutritional needs of different species reared.
4. In April 2014, the Greek government submitted, as a memorandum obligation, an amendment act which extends to two days the certification of 'fresh' pasteurized milk. This amendment essentially opens the market to imported dairy products, compressing even more the small- and medium-scale livestock farmers.
5. The AWU corresponds to the work performed by one person who is occupied on an agricultural holding on a full-time basis.
6. Restricting the framework of access of small farmers to popular street markets also constitutes a memorandum obligation, which the Greek government agreed to pass in 2014.
7. We should not overlook that the small- and medium-scale structure of Greek agriculture contributes to the transfer of collective experience and practice with regards to the methodology applied in production, in broader terms. Thus, the clearing of productive forces taking place in agriculture does not directly destroy production skills (cultivation practices, etc.), as would be the case if the structure were constituted by larger-scale concentration and centralization of capital.
8. In terms of CAP, 'green' growth in agriculture is defined as the set of good agricultural practices that contribute to ecological balance and sustainable management of natural resources. The cost, however, for the implementation of these practices is being passed by the state to the producers themselves, while serving also as a mechanism of financial discipline, since compliance or non-compliance filters the distribution of EU subsidies, through compliance regulations.
9. The re-orientation of arable crop production includes the redesigning of monocultures, such as cotton cultivation.

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