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“The Greek experience in relationship with the EU and the role of Greek agricultural civil organisations in influencing EU policy – Successes and Failures”¹

For 25 years now, since the accession of Greece to the European Union (1981), Greek agriculture has become an integral part of European agriculture and is fully regulated by the CAP.

Given that the CAP is a “common policy”, the policy measures to be decided and applied in the agricultural sector, are under the almost exclusive competence of the European Institutions. In other words, the agricultural policy measures, which apply in the whole European territory, cannot be decided by the national authorities alone. Decisions are taken in common with the other 24 MS of the EU.

In this respect, the Greek government (through the Minister for Rural Development) actually **co-decides** the agricultural legislation together with his 24 colleagues and the European Commission, in the framework of the EU Council of Ministers for Agriculture.

Therefore, like in all the other MS, there are **two important stages** of the agricultural policy process, within which the Greek national authorities are called to act, support and protect the interests of the farming society:

- 1) to plan, elaborate, clarify and deploy the national targets, aims and positions of the country concerning the national agricultural policy and then, to lobby and negotiate these positions with our partners in the EU,

¹ The present paper has been the content of an oral intervention made in the National Agrarian University of Ukraine (Kiev, 23/02/2005), as a personal contribution, in the framework of TACIS – Institution Building Partnership Program “cooperation of public bodies with civil organisations in the process of agrarian policy design and implementation in Ukraine”. The views expressed in this paper are strictly personal and do not necessarily coincide with the official positions of the Ministry on the issue.

- 2) to take, afterwards, all the steps necessary to comply with the decisions that have been taken, because the European legislation becomes automatically a national legislation, given that compliance and enforcement remains primarily a full responsibility of each member state at national, regional and local level.

Both these stages require a systematic dialogue and a strong interaction with farming society, with the civil organisations of the farmers, as well as with the regional and local authorities. It is, therefore, indispensable to make sure that farming society participates and contributes to the policy process in a well-organised and effective way.

In my country, the most important entities of the farming society are, for almost a century now, the agricultural cooperatives. In this respect, the formation and the activities of the Greek cooperatives, which are formed and activated at the sole initiative of the farmers, are not a recent phenomenon. Their interference in the domestic agricultural policy process was always present, before and after the accession, even before the Second World War.

At this point, I think it is important to mention that the cooperatives in Greece appeared and developed (theoretically, at least) on the basis of the Western approach of the cooperative movement in general. What do I mean?

Due mainly to socio-economic but also to natural and geo-physical factors of the country (many mountainous and less favoured areas), the agricultural structures in Greece, in terms of farm size, employment, production patterns, etc, were always (and still are to a great extent), very weak, despite the radical changes that have occurred during the last 30 years.

It would be sufficient to mention that the Utilised Agricultural Area of the country (3.5 million ha) cover only 27% of the country's total surface, while there exist about 800 thousand of family-type holdings which appear to be still active in Greece. Indeed, this gives a very small average size of 4-5 ha/holding. If we add that, on average, each holding is dispersed in 6-7 parcels, then, it is clear

that the sector is strongly fragmented and characterised by quite small and medium-size farms, each one of which produces a relatively small output. Therefore, the strength of the farmers in negotiating their produce within the capitalist conditions is very limited and the competitiveness of the sector in total would be seriously under question, without any collective action and without some form of support and protection.

In this sense, the agricultural cooperatives were developed as a collective tool of the farmers in order to respond to the necessities created by the capitalist conditions. Their principal objective was, from the one hand, to improve their competitiveness by lowering the average cost of their individual production, and from the other, to secure and promote collectively their economic interests by strengthening their bargaining position against the big companies or business monopolies of the secondary and tertiary sectors, and generally against any exploitation brought about by the deficiencies of the capitalist system.

Therefore, by concentrating their own ***small capital*** and ***individual labour***, the cooperatives in Greece were always strongly associated with the idea and the reality of ***farm ownership***. After all, the cooperatives in general are characterised by the ***personal contribution and work*** of their members and this is the fundamental difference between the cooperatives and the anonymous capitalist companies. After all, the principal aim of the cooperatives is to increase the value added of the production and make additional profits to the farmers and this cannot be achieved without solidarity of their members.

Coming back to the issue of my presentation, the supreme civil organisation of farmers in Greece is the “Pan-Hellenic Confederation of Unions of Agricultural Cooperatives” (PASEGES), which represents ***118 Unions*** of agricultural cooperatives. Currently the Unions have a total turnover of more than ***1 billion Euros*** and they are activated at regional level as “federations” of the agricultural cooperatives. That is, each one of them represents the primary cooperatives created by the farmers in a certain region (prefecture).

Today, there are more than **6,000 agricultural cooperatives** active in Greece and this is the *first level* of farmers' organisations. The Unions constitute the secondary level of cooperative organisations, while PASEGES is considered to be the third level.

Therefore, PASEGES is the apex organ that guides, coordinates and represents all the Greek agricultural cooperatives and its principal aim is to secure a unified expression and action of the farmers in relation to the dialogue with the public and private institutions and partners.

In parallel to the Unions (federations), which are active at regional level, there are also **25 autonomous central** cooperative organisations, cooperative associations and cooperative companies, which operate **on the basis of product sector** rather than regional level (e.g. cooperatives of cereals, wine, olive-oil, tobacco, livestock production, sultana raisins, figs, etc).

It is true now that, the relations between the cooperative movement and the Greek state were not always harmonious. Given that the whole cooperative movement is regulated by national legislation and supported by the state, the first steps towards the formation of PASEGES before the War were characterised by the strong interference of the State to exercise its power and control over the cooperatives. Even after the Second World War until the military dictatorship of 1967, which ended only in 1974, there was always a tendency of the State to paternalise the cooperatives and because of it, the farmers were often motivated to consider their own cooperatives as “the long-hand” of the central Government. It was only after the dictatorship when a new period started, pointing out the need to strengthen the cooperative structure and mechanism in order to be able to meet with the new requirements emerging from the preparations of the State to negotiate and become a full Member of the EU.

The restoration of democracy in 1974 and the emergence of membership to the EU strengthened the initiatives of the farmers and another type of civil organisations appeared, rushed out of the cycles of PASEGES. It was the

“General Co-federation of Agricultural Unions of Greece” (GESASE, from the Greek acronym), to represent the “**trade unions**” of farmers. Some years later, following an extreme factionalism that dominated the activities of most societal groups, GESASE split into two parts and a third organisation was established, the “Co-federation of Democratic Agricultural Unions of Greece” (SYDASE, from the Greek acronym), following the conservative political thought of that time. Then, SYDASE became too, the third domestic actor in representing farmers at the central administration’s callings.

Under this environment, we could say that the interaction of the Ministry of Agriculture with the farming society was not unknown before the accession. Following a production-oriented national policy under a fully centralised governance, the Ministry was always considered as the privileged central administration, in which the well-known “clientele relations” between ruling powers and farmers-voters had thrived in various forms. Agricultural cooperatives, in particular, were traditionally the domain, through which the state permanently exercised its paternalistic attitude towards farmers. Due to this attitude, the cooperatives became rather state-dependent, with many structural and operational weaknesses that limited their capability to play their **prime economic role** to increase the efficiency, productivity and competitiveness of the farmers. Even so, they were usually **consulted** by the State in designing and implementing the national policy, mainly through PASEGES, their supreme organisation.

Obviously, after the accession, this interaction between the Ministry and civil organisations in general became much more apparent in particular because PASEGES became a member of COPA, while GESASE and SYDASE became members of COGECA.

As it is known, **COPA** and **COGECA** are the “umbrella” organisations at EC level, representing the cooperatives and the trade unions of the European farmers respectively. Both constitute the official partners, interlocutors and advisors of the European Commission when the latter elaborates and submits its proposals to the EU Council of Ministers. They are both involved and

effectively participate in the EU decision-making process either directly or through the **Economic and Social Committee**, which constitutes an important consultative body and acts as a European Institution. The Greek farmers are effectively and directly represented in this Body, through which they get an important experience in lobbying at European level.

From the other hand, regional and local authorities are also increasingly involved in the implementation of the CAP and, in particular, of the rural development programmes, while, since 1992 at least, they also participate in the decision making process through their representation in the **Committee of Regions**, another consultative European Institution. The Greek farmers are also very often represented in this Body, through their regional and local elected authorities.

Therefore, after the accession, all the three Greek supreme civil organisations have, in any case, a **strong consultative role** to play in the CAP making through their representations in European Institutions.

Under these developments and despite the fact that the differences between these three bodies remained always vague, the ties of the Ministry with them strengthened even further and consultations between the administration and the organisations were a permanent element in both, elaborating and fixing the Greek positions before a decision was taken at Community level, as well as implementing the CAP and other national measures at domestic level.

In fact, for a long time after the accession, the cooperatives of family-type holdings were considered as **the most suitable model of farming in Greece**, a means to partially overcome the weaknesses of small holdings, to contribute in lowering the average cost of production and, at the same time, to preserve agricultural employment in the countryside. The domestic policy, therefore, towards the cooperative movement became a source of intensive political disputes and one of the most important issues for the Ministry to deal with after the accession.

Indeed, to support and protect the cooperative model of farming, a national legislation was introduced and passed through the national parliament in 1985, aiming at the reorganisation of the whole cooperative movement, first by resettling its shape, and second by dictating the way the farmers should elect the new leadership of the cooperatives.

According to this Law (No 1541/85), farmers were given incentives to become members of one co-operative in each village, the co-operatives of each prefecture to fix one federation and, in turn, the federations of the 52 prefectures to be members of PASEGES. However, a large number of farmers, through their existed cooperatives, refused or strongly resisted to follow this dictation, considering that the new shape would strengthen further the authoritarian, bureaucratic and super-centralised structure of PASEGES. As a result, this provision of the Law did not work in full.

Aiming at the democratization of the whole movement, the same Law also dictated the compulsory introduction of the simple proportional system, under which the governing boards and the leaders of the cooperatives of all scales should be re-elected. The simple proportional system implied that, instead of different candidates in one ballot, separate ballots should be used during the elections, fixed in accordance to ideological formations. Although in principle, at this particular timing, this dictation appeared to be politically correct, the truth is, that it led the whole cooperative movement to enter into a climate of super-politicization and endless antagonisms. The political parties intervened by competing each other to increase their influence into the whole farming society, while the ***real economic scope*** of the cooperatives ***was left behind***.

From their own part, individual farmers proved to be ill-informed concerning the need to consider cooperatives their own business and, at the end, they were reluctant in adopting many of the changes introduced by the new Law. Most of its provisions remained practically ineffective and, to a great extent, the new Law failed to meet with its main objectives. It succeeded, however, in bringing the whole cooperative movement under ***a closer interaction*** with the state.

The cooperatives were called to play primarily their “social” role and they were canalized, through various financial and other incentives, to act as the “long hand” of the administration in transferring the Governmental policy to the farming society.

For instance, the cooperatives were called to intervene in the market, under the new leadership of PASEGES, by concentrating the products produced, and paying their members-farmers prices higher than a competitive market could absorb and beyond their own financial capability to pay. Obviously, this way of buying-in acted in practice as a peculiar “national intervention” system and soon led the cooperatives in budget deficits covered by loans from the Agricultural Bank that could not be paid back. The over-debit of almost all the cooperatives in 1980’s became a “trap” for the policy-makers later, as the Ministry was repeatedly called to cover their deficit out of the national budget. However, this was considered as a national subsidy by the European Commission, clearly incompatible with the CAP, and, for a number of years, the State entered into a long dispute with the EU Institutions trying to defensively negotiate a final compromise on the issue. It was only in the mid-90’s, when the whole problem was settled down, while the state had given up, not only much of its credibility out of this, but also other negotiating points in the daily CAP making.

From another point of view, it is true that a relatively high proportion of agricultural population still forms an important part of the electoral body. Based on their political power, people in rural areas have demanded the convergence of rural and urban incomes through price increases, direct income support, credit facilities, etc. Given that, during the first decade of accession at least, the domestic policy failed to promote structural change and increase the competitiveness through improvement and modernisation of production / marketing structures, agricultural extension and education services, the re-organisation of cooperatives looked to be the only way to respond to the above demands.

Despite the above, however, it should be mentioned that the interactions between the Ministry and the farmers’ organisations were gradually more and

more strengthened, through a **network of linkages** that had been developed with PASEGES and the two Unions, in particular, but also with the sectoral federations of cooperatives or autonomous Product Boards and other organisations (e.g. National Boards for Tobacco, Cotton, Olive oil, Milk, etc). Depending on the policy issue that each time was raised at EU level, these organisations were steadily called by the administration to participate in most working meetings of the Ministry, asking for their representatives and experts to contribute in fixing national positions by exchanging information and views, as well as by giving their opinion in all stages of preparation, implementation and control of binding decisions.

A considerable step towards enforcing further the previously mentioned style of policy came in the 90s, in the aftermath of the 1992 CAP reform. In line with the then expected further changes in the CAP under the Agenda 2000 proposals, a **national “Council of Agricultural Policy”** (SAP, from the Greek acronyms) had been established, to act as a consultative body of the Ministry².

Indeed, the primary aim of the SAP was to study issues of agricultural policy related to the developmental and social objectives pursued in the sector, as well as to elaborate and submit proposals for “defining priorities and alternative policy measures directed towards a national strategy for agriculture”. The SAP met 3-4 times per year in the central administration of the Ministry, and was chaired by the Minister himself. Members of the SAP were representatives not only of the farmers’ organisations but also of all the political parties, the scientific and academic community, the administration of co-responsible Ministries, the most important bodies and boards of agricultural interest (Agricultural Bank, Agricultural Pension and Insurance Boards, agricultural product boards, etc), processing industries, consumers’ organisations, etc.

² It should be noted that the legal provision of establishing the SAP had been introduced some years ago, by a conservative government (Article 44 of the Law No 2093/92 (published in Governmental Gazette, No A181/25.11.1992), but it had been set up and started operating regularly only in 1997 under a socialist government (Governmental Gazette, No B4163/1997). In this respect, it constituted one of the least cases in Greek political ethics, where continuation and consistency in action was kept between two successive governments of different political direction .

In the aftermath of the decisions on Agenda 2000 CAP reform, the start of the implementation of the third Community Support Framework and the Community initiatives in agriculture (1999), a further step was taken towards changing radically the style of policy of the Ministry by “institutionalising” the role of the SAP. To involve a higher representation of the regional actors too, the SAP has been already reorganised on a decentralised basis, in three levels; prefectures, administrative regions and national. It is chaired by the Head of each prefecture, the Secretary General of the Region and the Minister for Agriculture respectively. In all the three levels, the Body meets twice per year to discuss issues of a common agenda that have been formed at the end of the previous national SAP meeting.

The SAP, therefore, has become an important forum for dialogue between the MoA and all the social partners involved in the sector, in which openness, accountability and responsibility for all those involved is certainly promoted.

In this respect, it should be stressed that, through the SAP, the Ministry has established a framework within which, in line with the expected further developments of CAP, the agricultural sector (not only the primary producers, but also the processors and suppliers) could adopt new strategies. It is true that the guiding principle in the SAP is formulated on the ground that, the enterprises produce what the market demands and the enterprises themselves are in first instance responsible for their own products and their own methods.

Concerning other forms of civil organisations, I have also to add:

- The “**producer groups**” which were established in late ‘80s on a product basis, to respond to the requirements of the EC legislation on the Common Organisation of Market for **Fruits & Vegetables**. The producer groups usually operate within the cooperatives at regional level.
- The “**Inter-professional Organisations**” on product basis (cotton, tobacco, sugar beet, etc), which concentrate representatives of **existing** professional organisations, which are involved in the specific sector (producers, traders, wholesalers, transformers, entrepreneurs, etc). These organisations are formed usually after a demand from the

producers themselves and they are called to consult the state, when the market situation of the product has to be analysed and measures have to be proposed and adopted relevant to the problems of the market. They have been proved to be a very useful tool for the farmers but also for the state itself.

Finally, it would be mentioned that today the agricultural cooperatives in Greece operate on the basis of a new National Law (2000), which constitutes the latest version of the relevant legislation. On the basis of the difficulties appeared, the problems created and the mistakes made in the past, this new Law constitutes the latest effort of the State to strengthen even further the effectiveness of the Organisations' interactions by letting cooperatives to be fixed at the initiative of farmers only, so that they become and act completely independent from the interference and the embracement of the State.

Note on references: Most of the material used in the present intervention has been extracted from the websites of PASEGES and GESASE (<http://www.paseges.gr> and <http://www.gesase.gr> respectively), as well as the following two published articles of the speaker:

- ***“A brief overview of agriculture in Greece”***, in *S.Stamatiadis, J.M.Lynch & J.S.Schepers (eds): “Remote Sensing for Agriculture and the Environment”*, (2004), OECD & GAIA Center, Athens (GR), pp. 9-17.
- ***“The Common Agricultural Policy in the Greek context”***, in *D.G.Dimitrakopoulos & A.G. Passas (eds): “Greece in the European Union” (2004)*, Routledge, London (UK), pp. 19-34.