

(Agro)topia? A Critical Analysis of the Agricultural Cooperative Movement in Greece

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ABSTRACT

Agricultural cooperatives operate within capitalism but they differ from private organisations in both structure and aims in that control and ownership are in the hands of those doing the work. While cooperatives are often viewed as too small to confront capitalism and thus deemed to fail, or too similar to capitalist organisations, this thesis argues that cooperatives can be seen as a viable alternative.

Specifically this thesis focuses on the agricultural cooperative movement in Greece and historically investigates the role of Greek agricultural cooperatives in constituting an alternative form of organization. On the basis of a series of semi-structured interviews and casual conversations with Greek farmers, this thesis aims to contribute to the existing body of literature on cooperativism by bringing forth the perspective of the farmer-members. After reviewing the literature on cooperatives, the thesis examines the structure and activities of Greek agricultural cooperatives. The key themes of the empirical analysis turn around the credit-intermediary role of the Greek agricultural cooperatives, the political affiliation of the cooperatives, their bureaucratic and relatively undemocratic structure, and the relationship between the current structure and activities of the agricultural cooperatives in Greece on the one hand, and members' commitment and attitude towards cooperative action on the other hand.

In the final part, this thesis argues that agricultural cooperatives in Greece have to undertake a radical re-structuring that would create the grounds for the end to their political party affiliation and for greater autonomy. It also argues for the need to invent new forms of popular participation whereby cooperatives would be under the direct influence and control of the members. Finally, this thesis argues that Greek agricultural cooperatives should expand their activities to every stage of the production process. This could create the conditions for strengthening cooperation and interaction between the farmer-members, thus fostering a stronger sense of community and cooperative consciousness.

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In the memory of my grandmother Sofia Papaeliaki

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LIST OF ABBREVIATIONS

ATE	Agricultural Bank of Greece
CNT	National Confederation of Labour
GESASE	General Confederation of Greek Agrarian Associations
ICA	International Co-operative Alliance
KKE	Communist Party of Greece
ND	New Democracy
NEAK	New Agrarian Movement
PASEGES	Pan-Hellenic Confederation of Agricultural Cooperatives
PASOK	Pan-Hellenic Socialist Movement
SYDASE	Confederation of Democratic Agrarian Associations of Greece

Chapter 1 – Introduction

If we may speak of social and historical differentiations of utopian ideas, then we must ask ourselves the question whether the form and substance that they have at any given time is not to be understood through a concrete analysis of the historical-social position in which they arose.

Mannheim (2002, p.187)

The title of this thesis purposefully plays with the words utopia and agriculture; it focuses on agricultural cooperatives in Europe and more specifically on the agricultural cooperative movement in Greece as an alternative form of organisation. Utopia however refers, more often than not, to ideas that cannot be realised. But we can suggest this is far from the truth. Following Mannheim (2002), utopias can be analysed sociologically and politically precisely because they are ‘products’ of the social context in which they arise. Therefore, “most, if not all, fictional and actual utopias rely on a re-formulation of the principles of social order” (Parker 2002, p.217). In this vein, modern cooperatives could be seen as attempts to remedy some of the shortcomings of our present age by holding up a mirror of social arrangements, and offering an alternative way of organising, based on principles such as that of user-ownership, user-control and user-benefit (Barton, 1989a; Mooney, 2004).

My interest in, and thus use of, the word utopia derives from acknowledging that “the world does not have to be the way it is” (Coates 2003, p.29). I am neither interested in

future ideal societies nor nostalgic for a better past. My interest is rather in contemporary political actions for change and I feel that cooperatives can offer an appealing alternative way of organising. Instead of looking at cooperatives as organisations that operate at the margins and are thus insignificant, or are too similar to other capitalist organisations, we could instead, as Fournier (2006, p.300) invites us, “pay more attention to the differences in ways of organizing, even within ‘capitalism’”. Thus, my interest in cooperatives and particularly in the Greek agricultural cooperative movement derives from my intention to explore the extent to which Greek agricultural cooperatives, although within capitalism, operate differently both in terms of structure and aims.

Of course, economic gurus (see for example, Fukuyama, 1992; Legrain, 2001; Sachs, 2005) will cry out loud that any alternative to the current system is utopian; as if we “have become unable to conceive of anything other than global capitalism” (Fournier 2002, p.189). This is perhaps best captured in Fukuyama’s (1992) work, according to which, the fall of the *Berlin Wall* marked the triumph of capitalism and liberal democracy: “we cannot picture to ourselves a world that is essentially different from the present one, and at the same time better” (Fukuyama 1992, p.46; also cited in Fournier 2002, p.189). This is a typical response of the ‘realist’ supporters of capitalism every time they have to encounter an idea that does not fit within their ideological framework. But such a response, as Fournier (2006, pp. 295-6) puts it nicely, “can only be sustained by fundamentalist myopia, for not only does it make little sense for those who bear the cost of neoliberalism to believe in its eventual *promesse de bonheur*, but also many are constructing alternative moral economies and reclaiming control over the conditions and means of their survival”. However, what is interesting here is how liberal critiques

“become widely accepted as ‘common-sense’ knowledge” (Fournier 2006, p.298). For example, in the account of neo-liberal advocated, human agents are inherently competitive, ambitious and power hungry (Morland, 1997). As Fournier (2006, p.299) adds, “on this logic any economic system that draws on mutual aid and cooperation is bound to fail”. This ‘common-sense’ knowledge, in turn, affects the behaviour and rationale of human agents. That is of course the case with any social, economic or political system. From the ‘master’ and ‘slave’ of Hegel (1977), to the ‘fatalist Jacques’ and his master of Diderot (1999), we can refer to various historical models of social affairs, in which the behaviour of the protagonists and their social relationships in a given social setting is determined by their social status, the specific socio-economic and political structures. Similarly, capitalism and neo-liberal ideology require and create self-interested economic actors (*homo oeconomicus*) who behave and think in a certain way (Kosik, 1976; Read, 2009). At the same time, it marginalises as ‘banal’, ‘romantic’ or ‘unreal’ all those sets of ideas and actions that offer a possible alternative to capitalism. As Harvey (2007, p.3) nicely put it, “neo-liberalism... has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world”.

After all, in opposition to the economic ‘reality’ of capitalism and neo-liberalism, cooperative actions have inspired and motivated individuals and political movements throughout the 19th and the 20th century. Fuelled by an emancipatory commitment to an alternative, and moral, society, where “the material well-being of people and [the] sustainability of the community are prior objectives” (Gibson-Graham 2003, pp.4-5), grassroots cooperative practices offer an appealing, more humane, response to neo-liberal ideology.

Indeed, the available literature suggests that agricultural cooperatives in Europe were established as a response to the market economy (Davis, 2001) with the premise to answer some of the structural problems of the agricultural sector. By structural problems, I refer to farmers' lack of capital and technical knowledge, the high operational cost and their low bargain power in the market. The establishment of credit cooperatives, supply cooperatives, marketing cooperatives and, to a lesser degree, producers' cooperatives provided solutions to farmers' problems, often with very positive results (Tybout, 1967; Birchall, 1994; Guinnane, 1994; Bekkum and Dijk, 1997; Pedersen, 1997; Ryder, 2005).

It can be argued that cooperative organisations are more likely to come into existence when people, unable to protect their interests individually, feel the need to unite in order to collectively promote their interests – economic, social or cultural. Cooperatives are associations established to promote the common interests of their members. From the Rochdale Pioneers to the Tower Colliery in England and from the Mondragon cooperatives in Spain to the Norwegian *maskinrings*, cooperatives were established in order to promote members' economic, social and cultural interests. For example, in Kasmir's work it is clear that there is a connection between the Mondragon cooperatives and Basque identity and culture, while in the case of the *maskinrings* in Norway, their establishment was, initially, a reaction to the rise of labour cost and machinery cost and the squeezing of the products' price (Hornslie, 1964).

There is certainly ambiguity as to whether the majority of co-operators view cooperatives as an alternative economic system or just as the means to improve their

own individual living conditions. The important point, however, is that while cooperatives work for the sustainable development of their communities or individual members, they also offer a potential alternative model of organizing the economy in that cooperative enterprises are owned and governed by the members themselves (Cato, 2004b; Cato *et al.*, 2006). For example, while the *maskinrings* in Norway had been established as a reaction to the high operational cost of the farms and the low prices of the products, they also offered an alternative model of organising the economy, one was based on the cooperation of labour and the collective use of machinery and land (Hornslein, 1964). All the work was undertaken by members of the *maskinrings* and on many occasions (especially in small farms) farmers managed to eliminate the need for hired labour completely. Another notable example that lasted for 13 years was that of the Tower Colliery in Wales (Williams and Windebank, 2003; Cato, 2004a). After the closure of the mine in 1994, 239 miners were able to raise £1.92 million to buy back their colliery and make it the only 100% employee-owned pit in Europe. Until January 2008 when the colliery finally closed, the ownership and control of the mine was in the hands of those doing the work and their activities were a real boost for the local economy because all the profit made by the colliery was kept within the valley (Williams and Windebank, 2003). Reflecting on the above cases we can conclude that, “cooperatives directly address one of the central problems of capitalism by putting ownership and control back in the hands of the people who do the work. This eliminates the possibility of exploitation and profiteering, since profits will either be shared between workers or invested in the business” (Cato 2004b, p.65). In the following sections of this chapter I will focus on the rationale out of which the research questions of this thesis have emerged.

1.1 Research questions

A brief look at the Greek cooperative movement, which is the main focus of this thesis, indicates that cooperative action in Greece is mainly agrarian (Avdelidis, 1978; Christodoulou, 1986). To the present day, the Greek agricultural movement consists of over 6,000 cooperatives representing the interests of over 90% of the Greek rural population (*appendix 2*). Therefore, the history of the cooperative movement in Greece and its current arrangements have been subjected to considerable scrutiny, more often than not with a negative tone and a general sense of disappointment about its achievements (see for example, Avdelidis, 1978; Christodoulou, 1986; Labos, 1986; Louloudis and Maraveyas, 1997; Patronis, 2002). More specifically, agricultural cooperatives in Greece have been criticised for 1) their affiliation with political parties that undermine their autonomy and political neutrality, 2) their dependence on financial institutions, mainly ATE (Agricultural Bank of Greece) bank, which perpetuates their indebtedness, and 3) their limited range of economic activities which weakens their economic viability. However, as I will frequently mention throughout this thesis, the literature on Greek agricultural cooperatives relies primarily on the accounts of managers and other elected representatives; they ignore, or at least pay little attention, the experiences and feelings of farmers. In contrast, this thesis is written from the perspective of the farmer-members of Greek agricultural cooperatives. Drawing on data collected through interviews and casual conversations with small-scale farmers during my stay in Greece in the summers of 2007 and 2008, this work contributes to the existing body of literature on cooperativism by giving an alternative viewpoint regarding the role of agricultural cooperatives in Greece, and brings forth the feelings and experiences of the members.

In Europe, the establishment of credit cooperatives gave small-scale farmers the opportunity to raise capital and thus addressed the problem of capital shortage. The results were often positive for the farmers. For example, Horace Plunkett (2008, p.163) stresses that credit cooperatives “perform the apparent miracle of giving solvency to a community composed almost entirely of insolvent individuals”. However, credit cooperatives did not experience the same success in every European country. Despite the positive results in Germany, in other countries such as Ireland, credit cooperatives have been poor in terms of maintaining self-sufficiency in capital and management (Plunkett, 1931; Guinnane, 1994; Quinn, 1999; Ryder, 2005). In the case of Greece, the credit agricultural cooperatives, inspired by Raiffeisen (Avdelidis, 1978; Labos, 1986), have been the major expression of cooperativism while all other forms of agricultural cooperatives (such as producers’ cooperatives) continue to have an insignificant role in the agricultural sector. Drawing on the available literature on agricultural cooperatives in Greece, it is clear that Greek agricultural cooperatives have been historically structured and have operated more like intermediaries between farmers and the banks for the channelling of loans. All other activities that agricultural cooperatives may support, such as the supply of raw materials, the marketing of products, and assistance in the production process (e.g. through common use of machinery) have been limited. Thus, the first question this thesis asks is:

What possibilities and constraints are generated by the credit character of the Greek agricultural cooperatives and how do farmers view the Greek agricultural cooperative movement?

Moreover, among the fundamental principles of cooperatives – as these are defined by the International Cooperative Alliance (ICA) – are the political neutrality and democratic control of the organisation by the members themselves. Even though agricultural cooperatives operate within capitalist markets they differ from private enterprises in both structure and aims (Thornley, 1981). Their fundamental difference is that the ownership and control of the cooperative is in the hands of those who do the work (Cato, 2004b; Cato *et al.*, 2006). However, recent evidence shows that the apolitical nature of cooperatives is rather ambivalent (see for example, Mavrogordatos, 1988; Papageorgiou, 1991; Kioukias, 1994; Louloudis and Maraveyas, 1997; Kasmir, 1996; Patronis, 2002). For example, in the case of Mondragon, Kasmir (1996) argues that cooperatives are not apolitical institutions as most researchers unquestionably believe. Kasmir (1996, p.24) stresses that “to understand the cooperatives it is necessary to enter into the arena of Basque nationalist and working-class politics as they are played out in Mondragon”. In a similar vein, their democratic structure and the idea that ownership and control are in the hands of those who do the work is often at odds with actual practices (Dirscherl, 1991; Taylor, 1994; Kasmir, 1996; Somerville, 2007). In her work on *Utopianism and Grassroots Alternatives*, Fournier (2003) refers to the implications of self-management and self-governance for the organisation of work and division of labour. Looking at the agricultural cooperatives today, both the self-management and self-governance that would give farmers the opportunity to decide themselves what to produce, how to produce it and at what cost (Fournier, 2002; 2003) appear to be weak, with management boards gradually strengthening their influence in decision making. The weakening of self-management and self-governance in agricultural cooperatives is central to current debates which deal with power relations within the cooperatives, the role of members and that of the management board in the

governance of the cooperatives (Dirscherl, 1991; Taylor, 1994; Kasmir, 1996). In addition, the role of the State and party politics in the governance of the agricultural cooperatives has been subjected to considerable criticism. A number of Greek researchers (Avdelidis, 1978; Mavrogordatos, 1988; Kioukias, 1994; Louloudis and Maraveyas, 1997; Patronis, 2002) have reported the affiliation of the agricultural cooperatives with political parties and a lack of autonomy of the agricultural cooperative movement. Their criticism derives from the idea that the political affiliation of cooperatives seems at odds with the principles of political neutrality and democratic management by the members who are supposed to govern cooperatives. The second question of this thesis looks into this issue of political affiliation and asks:

What are the implications of the role of the political parties in the Greek agricultural cooperative movement and how do farmers view the current structure and democratic functions of their cooperatives?

In recent years, attention has been given to the redefinition or theorization of cooperatives from a purely economic perspective (Mooney, 2004). There is also a tendency in agricultural cooperatives to adopt a businesslike profile. The debate in the 1990s turned around the economic versus social objectives of cooperatives and whether cooperatives should be ‘businesslike firms’ or ‘social firms’. Supporters of the ‘social firm’ tend to “reject [a] narrow economic understanding of efficiency” (Taylor 1994, p.467) while advocates of the ‘businesslike firm’ view ‘profitability’ as the primary objective of cooperatives. Entrena and Moyano (1998) also stress that from a managerialist point of view, ‘efficiency’ is viewed as the single most important aim for cooperatives, even if other collective objectives (e.g. job security and equality) have to be sacrificed. This increased influence of business oriented philosophy in the operation

and objectives of cooperatives has created tensions among cooperatives members. For instance, in the case of Mondragon cooperatives, the aim to become more competitive by privileging efficiency and profitability over other collective objectives has caused tensions between the members regarding issues such as the salary ratio between managers and shop-floor employees and the range of participation and control over the decision making process (Taylor, 1994).

The relevant literature shows that there is an evident distancing of farmer-members from their cooperatives (Dirscherl, 1991; Kasmir, 1996). Members' lack of commitment and growing dissatisfaction with the current arrangements in their cooperatives derives from various factors. For example, in the case of the agricultural cooperatives in south Germany (Dirscherl, 1991) and Spain (Kasmir, 1996), the members' dissatisfaction appears to be a result of the cooperatives' shift to a more business oriented profile and the centralisation of power into the hands of a few appointed managers and representatives (Taylor, 1994; Somerville, 2007). In the Greek case, it is important to note that the development of the agricultural cooperative movement has been viewed by various researchers (Mouzelis, 1978; Papadopoulos and Patronis, 1997; Patronis, 2002) as an action organised 'from the top' due to the absence of a strong agricultural movement. The lack of class consciousness among Greek farmers (Mouzelis, 1978; Kioukias, 1994) created fertile ground for "the organisation and representation of farmers' interests [...] by the political power aiming at the aligning of the farmers' interests with the state politics" (Patronis 2002, p.2). The apparent affiliation of Greek agricultural cooperatives with the major political parties in Greece has also affected the commitment of the members and their interest in cooperative practices. In addition, the limited activities of the cooperatives (mainly

operating as intermediary between the farmers and the banks) restrict the cooperation between the members while their participation in the decision making process is restricted to the periodical election of their representatives (Louloudis and Maraveyas, 1997). Thus, the third question addressed in this thesis is:

To what extent and in what ways has the current structure and functions of the Greek agricultural cooperatives affected members' commitment and their consciousness of cooperative action?

1.2 Thesis structure

Drawing inspiration from the available literature and my empirical findings, the aim of this thesis is to treat the possible shortcomings of the Greek cooperative movement (as defined in the literature) not as inherent weaknesses but rather as reversible errors. Earlier, I wrote that all so-called utopias have to be analysed sociologically and politically precisely because they are 'products' of the social context in which they are developed. This study attempts to look at modern Greek cooperatives with the aim of investigating their historical development and functions. For this reason, this work has been structured in the following way.

In chapter 2, I focus on the development of capitalism in agriculture, and the complex relationship between capitalism and agriculture. My intention is to explore the transformation of social property relations as a point of departure for capitalist relations in production. My argument is that agriculture follows its own pattern of development. Thus, the preservation and strengthening of small-scale farming in various countries (including Greece) should not be viewed as a manifestation of pre-capitalist relations,

but rather, as a form of relations recreated by modern capitalism. This chapter is of particular importance because it analyses the conditions that led to the strengthening of small-scale farming. But under the capitalist laws of motion (e.g. the capitalists' compulsion to accumulation, the tendency towards constant technological innovation and towards the concentration and centralization of capital) the small-scale farmers had to either cooperate or cease to exist. Thus, the development of agricultural cooperatives in Europe has to be seen in the historical and social contexts in which they arose. As Davis (2001, p.30) explains, "co-operatives we should remember were formed in response to the market economy to give workers, small farmers and consumers better leverage in a market that otherwise would exploit and even ruin them." Looking at the historical moment that marked the transformation of social property relations will help us appreciate the development of the Greek agricultural sector and set the grounds for the analysis of the Greek cooperative movement.

In Chapter 3, I turn my attention to the history of cooperativism, and in particular agricultural cooperatives, in Europe. I begin my analysis by looking at the early experiments that led to the development of modern cooperatives in Europe (Ralahine in Ireland and New Lanark in Scotland) and America (New Harmony, Brook farm and North American Phalanx). My aim is to look at the socio-economic significance of the cooperative movement and the debates that arose around the potential and limitations of cooperativism in offering an alternative to capitalism (Gibson-Graham, 2003). Then, I focus on the development of agricultural cooperatives in order to provide a picture of their historical development and their contribution to the agricultural sector. I also explore some of the current tensions within cooperatives that emerge from the development of a greater business orientation, privileging profile that often favours

efficiency and profitability over social objectives (e.g. equality, job security and democratic management) and cooperative principles (e.g. user-ownership, user-control and user-benefit) (Barton, 1989a; Mooney, 2004; Taylor, 1994).

In chapter 4, I focus on the development of agricultural cooperatives in Greece by paying particular attention to the conditions which created the grounds for the establishment and preservation of small-scale farming. My aim is to provide some historical facts about the development of agricultural cooperatives in Greece in order to set the grounds for my analysis of the links between small-scale family farming and the credit-intermediary role of the agricultural cooperatives in Greece. This chapter also discusses the role of the State and political parties in the Greek agricultural cooperative movement with the aim of exposing the ambiguity around the autonomy and political neutrality of the movement.

Chapter 5 discusses the methodology underpinning this thesis. The empirical research was conducted in Greece where I interviewed small-scale farmers, all members of agricultural cooperatives and some with a position on the boards of first-degree agricultural cooperatives. The research was conducted for six months between March and August 2007 and for another four months between May and August 2008. In this chapter, my aim is to provide an account of the methodology followed, including a justification of my sampling and a discussion of issues such as access and trust. By giving a clear picture of the particular setting of Cretan countryside, I explain why I chose semi-structured interviews and casual conversations as my research methods.

In chapters 6 and 7, I present the results of my empirical study with small-scale farmers in Crete. In chapter 6, my aim is to bring forth the voices the small-scale farmers, because even though their labour has historically contributed to the development of the Greek economy, their opinions and thoughts have been largely ignored. More specifically, this chapter consists of three sections. In the first section, I look at the feelings and experiences of the Greek small-scale farmers in relation to the possibilities and constraints generated by the credit character of the Greek agricultural cooperatives. In the second section, I shift the focus on the role of the State and party politics in the cooperative movement. The third section explores how and in what ways the current structure and functions of the Greek agricultural cooperatives affect members' commitment towards their cooperatives and their consciousness and attitude regarding cooperative action.

In chapter 7, my aim is to reflect on the relevant literature and my empirical data for the purpose of discussing what could be done for the cooperatives I studied to operate more like cooperatives as understood in the literature. For the purpose of addressing the key themes that came out of my theoretical and empirical research, I have divided this last chapter of my work into two main sections. In the first section, my attention turns around the current democratic practices in the Greek agricultural cooperative. Drawing my inspiration mainly from the works of Finley (1996), Castoriadis (2000) and Bookchin (2005), my aim is to encourage us to re-think democracy in cooperatives by paying more attention on the importance of active participation. In the second section, my attention turns to the role of modern agricultural cooperatives in encouraging cooperation, mutual aid and solidarity amongst members. I draw from the relevant literature and my empirical findings in order to underlie the current arrangements within

agricultural cooperatives in Greece. My aim is to reflect on how these arrangements have affected the members' sense of ownership and commitment towards their cooperatives. In addition I discuss some possible ways in which Greek agricultural cooperatives could foster a stronger sense of community and cooperative consciousness amongst the members.

Finally, I draw the thesis to a close in chapter 8 by reflecting on the contributions of this study. This final chapter summarises the findings and conclusions of the study in relation to the three research questions that this thesis aims to address. This chapter also discusses some of the limitations of this thesis and introduces recommendations for further research.

Chapter 2 – Capitalism and Agriculture: The agrarian roots of capitalism

This chapter aims to draw the connections between capitalism and agriculture, and the complexity of the development of the agricultural sector. Unlike industry, there is little evidence to support the view that capitalist relations would inevitably lead to the concentration of the means of production in agriculture. On the contrary, there is evidence to suggest that agriculture follows its own patterns of development. As such, the preservation and strengthening of small-scale farming in various countries (including Greece) should not be viewed as a pre-capitalist relation but, in fact, as a capitalist one.

In the first part of this chapter, my aim is to show that it is reasonable to see the transformation of social property relations in England as a point of departure for capitalist relations in production. Therefore, contrary to the idea that the Acts of enclosure were often the inevitable and natural result of geographical factors and population pressures (Addy, 1972), I would like to consider the Acts of enclosure as a means which favoured the transformation of social property relations (Marx, 1990; Wood, 2002). I will argue that capitalism was not a ‘natural’ development of our society; it was not hidden or suppressed under feudal society, waiting for the right time to unfold. On the contrary, capitalism is a very local phenomenon which could only emerge under very specific socio-economic conditions. In the second part of this chapter, I will turn my attention to the reasons behind the preservation and strengthening of small-scale property by giving particular emphasis on the link between small-scale farming and the development of urban capitalism.

2.1 Capitalism, agriculture and the transformation of social property relations

To understand the transition from feudalism to capitalism, it is necessary to first appreciate the social structure of feudal society in Europe. Under the social property relations that characterised most of Medieval Europe, production was carried out by peasants through the conditional character of the feudal property system. The French historian Marc Bloch has examined the social relations of the feudal era in his well known work *Feudal Society* (1967a). In his analysis, Bloch (*ibid.*) suggests that in feudal Europe, exchange was made in produce, but that the use of money had never ceased as a standard method of exchange. He suggests that even when money was not used for exchange, it was the point of reference for the value of the products. Bloch asserts that the shortage of currency and the secondary role of the market in the first feudal era contributed to an even more important characteristic that distinguished the feudal system from capitalism, and that wage-labour had an insignificant, although not completely absent, role. Looking at the fundamental characteristics of European feudalism, Bloch (1967b) suggests that it should be seen as the violent dissolution of older societies. The feudal system required the close economic relation of the peasants with the lords. The main characteristic was the human bond of the subordinate (peasant) linked to the nearby chief. As Bloch (1967b, p.443) explains:

Having received from earlier ages the Roman villa [...] and the German village chiefdom, [feudalism] extended and consolidated these methods whereby men exploited men, and combining inextricably the right to the revenues from the land with the right to exercise authority, it fashioned from all this the true manor of medieval times.

These ties of man to man enabled the social re-production of the economic actors without the medium of the market. Under feudalism, as Brenner (1995) suggests, there were in place distinctive mechanisms of distributing income among the economic actors (peasants and landlords) while the market had a rather secondary role for their self-reproduction. Under these mechanisms, the continuous increase of productivity and profit was not an imperative for the self-reproduction of these economic actors. Instead, the lords were able to squeeze the peasants' surplus labour through extra-economic means, a term coined by Marx (1990). As Wood (1998, p.2) explains, extra-economic means are the "means of direct coercion, exercised by landlords and/or states employing superior force, privileged access to military, judicial, and political power".

Marx (1990) describes pre-capitalist society as one within which each individual household contained an entire economy. From a Marxist perspective, self-sufficient communities with common ownership and collective agreements of production, as was the case for most peasants, are referred to as 'natural economies', also known as *Mark*¹ (Engels, 1975; Weber, 1979; Kautsky, 1988). Bloch (1967a) asserted that rural life, during the feudal era, was based on the particular organisation of the community in terms of social interaction and agricultural practices (see also Rhodes, 1974). Pirenne (1947) also observed that the agricultural practices of the feudal era were in line with the feudal custom rights and the old social property relations. Pirenne (1947, p.65) explains that

the two great methods of cultivation [were] long strip or irregular fields. In both the rotation of cultivation, whether the two-field or the three-field system was

¹ The *Mark* is a German term popularised by Engels (1975) in his essay.

in use (that is to say, whether one-half or one-third of the cultivable surface lay fallow each year), imposed collective cultivation in all alike.

Both Weber (1979) and Kautsky (1988) paid attention to the old three-fold system of agricultural production which gives us a good indication of the structure of the pre-capitalist societies. As Kautsky (1988) suggests, the three-fold system became dominant in every area that Germanic people settled. This agricultural system, with the common use of forests and pasturelands required no external inputs, and provided the *Mark* with all the stock needed for the survival of the peasants. The method of cultivation of the three-fold system required one third of the arable fallow every year. Also, every farmer had certain obligations to the community. For instance, Kautsky explains that nearly all *Mark* communities forbade the removal or sale of any type of product that was for the use of the community without the permission of the members of the village. The same regulation applied for the cultivation of new crops such as potatoes. The cultivation had to be taken either in the individuals' kitchens or in large fields which were not subject to communal cultivation. Braudel (1992a), in *Civilization and Capitalism*, highlighted the superstructure of feudalism and the obstacles feudal relations placed on innovation. Although Braudel (*ibid.*) acknowledged that not all peasant societies were the same, he explained that no products could be grown in these 'archaic' societies, as he called them, unless permission was given.

The point of departure from feudalism to capitalism appears to be the transformation of social property relations (Perelman, 2000; Wood, 2002; Luxemburg, 2003). This transformation of social property relations required the elimination of the 'natural economies' of common ownerships and the feudal system of bonded (Lenin, 1956;

Kautsky, 1988; Marx, 1990; Luxemburg, 2003). In this ‘campaign’ against natural economy, the separation of industry from agriculture was required; that is, the isolation of the various branches of rural industry and their concentration in factories for mass production (Lenin, 1956; Luxemburg, 2003). Having severed the connection between industry and agriculture, capitalism replaced natural economy with a simple commodity economy. Capitalism “needs the medium of commodity production for its development, as a market for surplus value” (Luxemburg 2003, p.382), but as soon as it replaces natural economy it turns against the simple commodity. Drawing on the case of small farmers in America, Luxemburg shows how simple commodity production turns against the interests of small proprietors by first isolating them, “to sever the community ties which protect [them]” (*ibid.*), and then by taking their means of production away, leading to their eventual disappearance and the inevitable concentration of the means of production into the few hands of capitalist farmers.

This transformation of social property relations, which was required for the introduction of simple commodity production, first took place in the English countryside with the alienation of the peasants from the means of production. This ‘divorcing’ of the peasants from the means of production is associated with the parliamentary Acts of enclosure (Marx, 1990), which denied the peasants what was previously for common use, such as the use of forests and the pasturelands. Perelman (2000) adds that this brutal dispossession of the peasants from the means of production was perfectly legal since the peasants had no property rights in strict terms. In fact, this ‘divorcing’ of the peasants from the means of production was viewed as ‘improvement’ (Wood, 1998). Therefore, the very notion of ‘improvement’ meant something more than just new methods of agricultural practices. Wood (1998) argues that this meant new forms and

conceptions of property that lead to more productive and profitable use of the land. Advocates of so-called 'improvement' went as far as to suggest that individual property is a 'God-given natural right'. For example, Locke (1884, p.204) suggests that "God, who hath given the world to men in common, hath also given them reason to make use of it to the best advantage of life, and convenience". As soon as man "mixed his labour" (*ibid.*) and removed something from its natural state, it became his property. For Locke, unimproved land is 'wasted' and so those who enclose it are acting in the interests of humanity (Wood, 2002).

The enclosures – which historically go back to the late 13th century (Addy, 1972), but were more intense in the 15th to the 18th centuries (Thompson, 1991; Wood, 1998) – have to be seen as a means (although not the only means; heavy taxation was another) of destruction of the natural economies (Lenin, 1956; Kautsky, 1988; Marx, 1990; Luxemburg, 2003). As such, the enclosures were not simply a fencing of the lands; instead, they carried a redefinition of property rights with the extinction of the common and customary use rights and the universalization of exclusive property ownership (Wood, 1998). In a similar fashion, Marx (1990) and Luxemburg (2003) suggested that by the 19th century, the connection between agricultural labourer and communal property had become but a memory.

As Perelman (2000) explains, the alienation or divorcing of the peasants from the means of production and the abandonment of their self-sufficient lifestyle was clearly not by their willing action. Marx (1990, p.928) writes that,

[t]he expropriation of the direct producers was accomplished by means of the most merciless barbarism, and under the stimulus of the most infamous, the most sordid, the most petty and the most odious of passions.

The enclosures created the conditions for the redefinition of social property relations. For capitalist relations to be in motion, the elimination of all the customary rights to common lands was presupposed, so that all industries would be singled out from agriculture, and peasants would be forced to abandon their self-sufficient lifestyle. Capitalism did not require only the conception of property as 'private' but more importantly as 'exclusive' meaning that there were no restrictions for the use of the land but that others had to be excluded from the use of that land.

The Acts of enclosure were viewed by many economists of that period as a manifestation of 'progress'. For example, Arbuthnot (1773, p.128) proposed that "if by converting the little farmers [by enclosing the commons] into a body of men who must work for others more labour is produced, it is an advantage which the nation should wish for". Arthur Young also observed in 1771 that, "everyone but an idiot knows that the lower classes must be kept poor, or they will never be industrious" (cited in Perelman 2000, p.98). In this vein, Townsend (1971, pp.23-24) noted in his work *A dissertation on the poor laws* that "hunger is not only a peaceable, silent, unremitted pressure, but, as the most natural motive to industry and labour, it calls forth the most powerful exertions". David Hume (2006, p.274), a philosopher and economist, also highlighted that "necessity [...] is the great spur to industry and invention", a view that was also shared by William Temple in his famous dictum, "the best spur to industry is necessity" (cited in Perelman 2000, p.102). In other words, the parliamentary Acts of

enclosure – along with heavy taxation² – had favoured the artificial creation of scarcity among the rural poor, which was necessary in order for the peasants to abandon their self-sufficient lifestyle and be forced to sell their labour to capitalists.

Furthermore, the change of social property relations gave rise to the capitalist laws of motion (e.g. the capitalists' compulsion to accumulation, the tendency towards constant technological innovation and the tendency towards the concentration and centralization of capital). In his work, Marx (1990) meticulously describes the transformation of social property relations and the genesis of the capitalist farmer through a systematic analysis of rent. In England, the bounds between the peasants and the lords disappeared and gave way to a system of tenant farmers employing wage-labourers on their lands and paying their landlords an amount of their produce in a form of ground rent. As Brenner (1995) suggests, the roots of agrarian capitalism in Europe have to be seen in relation to this transformation of the social property relations. Unlike pre-capitalist societies, where both peasants and landlords were able to reproduce themselves outside the medium of the market, under capitalism the market becomes an imperative for the self-reproduction of all the economic actors. This unique system of market dependence, Wood (1998) explains, requires the constant development of productive forces. Unlike other pre-capitalist systems, capitalism requires the constant expansion of the productive forces and constantly imposes its imperatives on the labour force and on nature.

Moreover, tenant farmers were more than simply dependent on the market for the selling of their products. They depended on the market for their very access to the land.

² See Luxemburg (2003) about oppressive taxation and the effects on American Farmers.

Tenant farmers had to constantly improve their cultivation methods and increase the productivity of the land in order to meet the landlord's demands for rent. Castoriadis (1998) reminds us that, in pre-capitalist societies, economic efficiency and the maximization of productivity did not play a central role in social relations. That of course, does not mean that production in pre-capitalist societies was organised in an 'irrational' way; rather, under capitalism, emphasis is placed on the constant increase of efficiency and productivity (*ibid.*). By the 16th century, this market-mediated relation between the peasants and the landlords was evident in the attitude to rent (Wood, 1998). The landlords were in position to squeeze more rent through a system of 'competitive rent' which allowed for the leasing of their lands to the highest bidder.

Therefore, the rise of the triad, Landlord-Capitalist tenant-Wage labourer system, provided the basis for the capitalist laws of motion. The landlords were accumulating capital in the form of competitive rent in response to market imperatives. The capitalist tenants had to increase their profits through the constant improvement of cultivation methods and reduction of cost, while the wage-labourers had only their labour to sell for their self-reproduction. In England, the imperative of the market that required the constant increase of productivity and expansion of productive forces led to increasing pressures for the less effective and productive farmers to be driven off their lands, and a tendency towards the concentration of the land into fewer hands.

In spite of the fact that small owners were common in the 19th century, this should not be viewed as a pre-capitalist form of production (Goodman and Redclift, 1981). In fact, looking at the development of the agricultural sector in countries such as Spain or Germany, we observe that small-scale farming is a common practice to this very day,

while in Greece small-scale farming is the dominant form of agricultural production. Thus, “[a]griculture does not develop according to the pattern traced by industry: it follows its own laws” (Kautsky 1988, p.11). In the next section, I will try to show that capitalism can penetrate agriculture in various ways. As such, the preservation and strengthening of small-scale farming in some countries should not be viewed as a pre-capitalist relation but instead as one recreated by modern capitalism.

2.2 Capitalism and small-scale farming

In his analysis, Kautsky (1988) suggests that the institution of private property can also be seen as a barrier to the concentration of the means of production into a few hands. Since in agriculture the main means of production is the land, the large farmers are not able to extend their holdings at will. To do so, they have to purchase the land of the small farmers, if possible next to their existing holdings. So, unless the small farmer is willing to sell his property, the means of production of the large farmer cannot be extended. In the course of history and regardless of the extreme difficulties farmers have faced in different periods and places, we have witnessed that small farmers keep possession of their holdings. As Kautsky (1988, p.147) explains:

[...] the unique nature of land under private ownership is a major obstacle to the development of large scale enterprises in every country with small-scale land-ownership, irrespective of how superior the large farm may be – an obstacle which industry never has to face.

Although Kautsky’s (1988) argument that private property could be a barrier for the expansion of large-scale farming is of course valid, I will also add that small-scale

farming can, under certain conditions, be the only method of farming, with no conflict with the capitalist system.

Following De Janvry's (1981, p.84) work on Latin America it seems that the agricultural sector is characterised by a "functional dualism" between the capitalist sector and the peasant sector. Small-scale farming is integrated into the capitalist system through the sales of products and while they generate surplus, this surplus is "to the benefit of other social classes (functional dualism)" (De Janvry 1981, p.240). The peasants, although they control both the means of production and the production process as direct producers, nevertheless do not function for profit but for mere subsistence. Subsistence agriculture, De Janvry (1981, p.39) states,

becomes the ultimate embodiment of the contradictions of accumulation in the disarticulated economies³. There, the peasants household constitutes an articulated dominated purveyor of cheap labor and cheap food. However, subsistence agriculture slowly integrates under this domination as it performs its essential structural function under disarticulated accumulation.

For De Janvry (1981), family farming is a mode of production that is highly integrated into the capitalist system. Another interesting account of the dissolution of large landowners comes from the Belgian Marxist scholar Gutelman (cited in Harris, 1978). In an attempt to provide a theoretical perspective on the agrarian reform in Latin America, Gutelman employs a Marxist theory of ground rent. His thesis proposes that the dissolution of large landowners is beneficial for the development of capitalist agriculture and industry. That is due to the fact that the surpluses made by the direct

³ By disarticulated economies, De Janvry refers to the 'third world' countries.

producers are directed to other sectors of the economy instead of the parasitic large landowners, who were able to make super profits through their ownership of large amount of land (Gutelman, cited in Harris, 1978). This is also true in the case of Greece where land reform created the conditions for 1) the establishment of small-scale farming as the dominant form of production, and 2) the redistribution of surplus value in favour of the development of industry, as I will discuss in Chapter 4 below. On this subject, Vergopoulos's (1975; 1978b) work offers an interesting explanation for the preservation and strengthening of the small-scale family oriented farming which he does not view as a form recreated by modern capitalism. Drawing on the case of Greece which will be further discussed in chapter 4, Vergopoulos's (1978b, p.446) central thesis is that,

family farming is the most successful form of production for putting the maximum volume of surplus labour at the disposal of urban capitalism. It also constitutes the most efficient way of restraining the prices of agricultural products.

As such the production of food is cheaper under peasant production compared to capitalist production for the simple reason that capitalists would continue only if they have a positive rate of profit while peasants are not constrained by this consideration. That of course does not mean that peasants have any presumed desire for non-profit activities. Instead it is important to appreciate the conditions (e.g. small-scale character of production and farmers' constant indebtedness) for the peasants' inability to secure profit. As such, it is important to appreciate how and why family farming creates favourable conditions for the development of urban capitalism. For Vergopoulos (1978b, p.447),

[it is] important to study the conditions of social incorporation of the family farming economy. [...] the social deformity which is manifested in the relations between urban economy and agriculture, is not of a nature which would prevent an approach to this phenomenon in terms of an analysis of capitalist society. In other words, it is indeed this family farming which constitutes a necessary mechanism for the accumulation of urban capital and the development of capitalism.

His analysis in Greece does indeed show a positive correlation between the farmers' low income and high productivity. Drawing statistical data regarding the period between 1952 and 1973, Vergopoulos (1978b) suggests that Greece is a perfect example of how family farming has been incorporated into the capitalist system. He suggests that,

[t]he Greek peasant has a low income not because of the supposedly archaic or stagnant character of domestic economy, but rather because of his full integration into the system of urban capitalism. In spite of seemingly traditional social relations, the Greek peasant economy is far from being blocked: it is developing at an astonishing rate. Between 1952 and 1973, the general index of Greek agricultural production rose by 120 per cent (in constant prices); this rate of growth is the highest in relation to the respective indices of 22 European countries. (Vergopoulos 1978b, p.450)

Vergopoulos (1978b) argues that Greek farmers are not capitalist because their activities do not depend on their ability to obtain a positive rate of profit. However that does not imply that family farming is not capitalist. In fact, it is "capitalism without capitalists" as De Janvry (1981, p.101) points out. The paradox evident here is that the lower the income of the small-scale farmers the more they intensify their personal

labour in order to increase their productivity, while their returns are equivalent to a wage-labourer. In other words, urban capitalism articulates peasants' family production in such a way that the high productivity of the small-scale farmers has nevertheless a very low remuneration. This in turn favours the development of urban capitalism. Vergopoulos (1978b) observes that the peasant production is more beneficial for the development of urban capitalism. Urban capitalism incorporates small-scale family farming while agrarian capitalism is progressively removed (Mouzelis, 1979; De Janvry, 1981).

However, Vergopoulos' (1978b) views regarding the strengthening of small-scale farming and the positive link between low income and high productivity have been criticised by Mouzelis (1976 and 1979). In his reply to Vergopoulos, Mouzelis (1976 and 1979) points out that the statistical data used by Vergopoulos to support his argument about the positive linkage between low income and high productivity are rather problematic. As Mouzelis (1979, p.354) points out, "Vergopoulos' base for his calculations are the years immediately after the civil war, when agriculture and economy in general lay in total ruin". Along with the possible limitations or the potential manipulation of statistical data, Mouzelis (1976 and 1979), find another limitation in Vergopoulos's assumptions. More specifically, Mouzelis criticises Vergopoulos's attempt to give some sort of universality to his theoretical assumption of the relationship between peasant production and the development of capitalism. In my view, both of Mouzelis's (1979) objections are fair. It is true that statistical data can always be manipulated and definitely any attempt for generalisation would be problematic. As Mouzelis (1976, p. 488) puts it, "industrial capitalism in the twentieth century can very easily prosper with or without the existence of big landed agricultural

property” and as such it is rather problematic to over-generalise about the efficiency or inefficiency of large-scale agriculture to support the development of urban capitalism. On that, Vergopoulos (1978b, p. 458) concluded that, “when I say that family farming presents advantages for the development of urban capitalism, I certainly formulate a general and theoretical proposition; but it is at this level, in the end, that I must be challenged”. In my view, Mouzelis is right to question the universality of Vergopoulos’s theoretical assumption about the role of small-scale farming in the capitalist system. However, in analyzing the specific case of Greece and how small-scale family farming has been incorporated into the capitalist system, Vergopoulos’s analysis offers an interesting theoretical framework.

To sum up, capitalism has to be seen as a very local phenomenon that occurred under very specific socio-economic conditions. The transformation of social property relations needs to be seen as the cornerstone of the development of capitalism. The Acts of enclosure in turn, may accurately be viewed as the necessary medium for the destruction of the so-called natural economies. The new social property arrangements transformed the market into an imperative for the self-reproduction of all the economic actors. As such, the economic actors, both peasants and landlords, were not able to reproduce themselves under the old feudal relations. Rather they had no alternative but to join the market for their self-reproduction. The idea of ‘competitive rent’ was supported by the new social arrangements where the constant need for improvement of the productive forces dictated the market. Therefore, although it may be correct to suggest that in England, the capitalist laws of motion favoured the concentration of the means of production into fewer hands, this pattern certainly doesn’t have a universal validity. Instead it is fair to suggest that the development of small-scale farming poses

no conflict to the capitalist development of the economy at large. For example, Vergopoulos's (1975; 1978b) works offer another explanation for the preservation and strengthening of the small-scale family oriented farming. Vergopoulos does not view small-scale farming as a pre-capitalist relationship; rather as a form recreated by modern capitalism. Greece, as I will show later on, is a very good example of how the strengthening of small-scale farming creates favourable conditions for the development of urban capitalism and the State's intervention in the agricultural sector. As such, it may be fair to suggest that there are different 'roads' to the development of capitalism in agriculture which do not necessarily imply the concentration of the means of production into few hands.

Chapter 3 - Cooperatives in Europe

This chapter constitutes an overview of the historical development of cooperatives in Europe, and in particular agricultural cooperatives. In doing so, I have structured this chapter in the following way. I begin my analysis by looking at the first steps of modern cooperatives in Europe. Of course cooperation in work has existed since time immemorial but for the purpose of my work I only focus on the modern days starting with the founding fathers of cooperation (Robert Owen and Charles Fourier). I will discuss their works and provide a picture of the early experiments mainly in America but also in Ireland and Scotland. After mentioning briefly the cooperative principles I turn my attention to the importance of and dilemmas regarding producers and consumers' cooperatives as well as the debates around their potential and limitations in offering an alternative to capitalism. Then, I focus on the development of agricultural cooperatives in order to provide a picture of their historical development and their contribution to the agricultural sector. In the last section of this chapter, I sketch the experiments of libertarian communism in rural Spain which I treat as an experiment that represents one of the most impressive examples of alternative forms of organization. The purpose of looking at the case of libertarian communism in Spain is that it can serve as an inspiration in our search for an alternative, more humane form of organizing.

3.1 The early days

without the utopians of other times, men would still live in caves, miserable and naked. [...]. Utopia is the principle of all progress, and the essay into a better future.

Anatole France
(cited in Mumford 2008, p.27)

Throughout time, many have had a vision of their own 'utopia'. For example, in 1516 Thomas More wrote a well known novel called *Utopia*⁴. *Utopia*, named after its founder *Utopos*, was the imaginary tale of an island where economic and social relations were different from, and therefore critical of, the society of More's time. The novel also criticises poverty as the result of the enclosures of the commons and the greed of landlords.

In the second part of the novel, More introduces this mysterious island named *Utopia*. In *Utopia*, private property did not exist. Instead everything was held in common under State control. Particular emphasis was given to agriculture, for all inhabitants had to practise farming for at least two years. Other than that, work was organised in rotation and 6 hours shifts for all the members of the society while they were also free to choose their occupation. However, at the end of the book Thomas More remained sceptical as

⁴ More's Utopia may be regarded as dystopia today but it is fair to acknowledge that for the time Utopia was originally written (1516), Thomas More had a vision for a different society. Even in disagreement with almost every point of More's Utopia, I nevertheless accept the significance of his work in inspiring others to put in motion attempts for alternative societies.

to whether his view of a ‘better society’ such as that of the *Utopia* could ever be realised in our society. As More (2003, p.113) concludes in his work, “I freely admit that there are many features of the Utopian Republic which I should like – though I hardly expect – to see adopted in Europe”.

In the next pages I will focus my discussion on some other ‘utopians’, known also as the ‘utopian socialists’ (Marx and Engels, 1998); the British Robert Owen and the French Charles Fourier (who along with Etienne Cabet, William King and Henri De Saint Simon are regarded as the ‘fathers’ of cooperation) who tried to put their views of an alternative society into action. The true significance of their ideas should not be judged only on the success or failure to actualise their vision but on the fact that they became a source of inspiration for others (Holyoake, 1908).

In *A New View of Society*, Owen (2004) gives particular emphasis on the formation of human character by highlighting the importance of the social environment and education. Owen (2004, p.11) stresses that,

[a]ny general character, from the best to the worst, from the most ignorant to the most enlightened, may be given to any community, even to the world at large, by the application of proper means, ‘which means are to a great extent at the command and under the control of those who have influence in the affairs of men’.

One of Robert Owen first attempts to put his ideas in motion was the New Lanark experiment in Scotland (Holyoake, 1908; Avdelidis, 1978; Coates, 2001; Owen, 2004). It is important to note that the experiment of New Lanark was successful and shared

some of the cooperative principles but it was not a cooperative in the true sense of the word. For example, Owen tried to reduce the working hours (from 16 to 12 per day) and to offer better working conditions to workers and children. He believed that children should get proper education while women should also have more rights. However, Owen was not yet keen on the idea of equal distribution of profit among all the members nor on the idea of overthrowing the existing status quo. For example, in his work the *New View of Society* we find a letter Owen sent to other industrialists. In this letter, Owen highlights the benefits of the practices he had introduced at New Lanark (e.g. reduction of crime and alcoholism, increase of productivity and happiness) and invites other industrialists to follow his example in order to increase their profits. The letter starts with the following lines, “like you, I am a manufacturer for pecuniary profit, but having for many years acted on principles the reverse in many respects of those in which you have been instructed” (Owen 2004, p.4).

In his later experiments Robert Owen became more radical and believed that the transition to a socialist society was to be peacefully realised through the development of cooperative communes or villages, where agriculture and manufacture would rest on the principles of common labour and property, as well as equal rights for all members. In his view, cooperative villages would accommodate around 1500 inhabitants and be based on the common use and ownership of around 600 to 1800 acres (Holyoake, 1908; Avdelidis, 1978; Owen, 2004).

However not all of Owen attempts were successful. *New Harmony*, was a commune that he attempted to establish in 1826 in America. More specifically, in 1825 Owen purchased an already existing commune in South Indiana with a land of approximately

8,000 hectares (Holyoake, 1908). The *New Harmony* experiment lasted only 2 years. One of the reasons for the decline of this commune was that, because the large number of intellectuals in the commune, there were very few farmers or other individuals able to do manual work which made the sustainability and prosperity of the community even more difficult (Clayes, 2005). Holyoake (1908) adds that the absence of Owen from the commune in order to inspire the members was a crucial factor for the decline of the commune. In addition, the members themselves were not all driven by the same vision for an alternative society (Holyoake, 1908; Lockwood and Harris, 2003).

Despite the eventual failure of New Harmony, Owen continued his experiments. In 1830, around 40 labourers willingly entered Owen's plan at Ralahine in Ireland. The estate at Ralahine was not purchased by Owen (as he had done in the *New Harmony*) but rented from Mr. Vandaleur (Holyoake 1908; Kautsky, 1988; Smith, 1961). This estate according to Kautsky (1988, p.127) consisted of "618 English acres, about 267 acres of which was pasture land, 258 tilled, 63.5 bog, and 2.5 acres of orchard; the soil was generally good, some stoney". The experiment at Ralahine had good results and generated sufficient profits for members to sustain and improve their commune over a period of 17 years. Despite the positive results of the Ralahine society and the determination of the commune's members, the experiment folded due to factors beyond members' control. The owner of the land, Mr. Vandaleur, had a gambling habit which led to his fall with his creditors who acquired his properties and broke up the society (see: Potter, 1899, p.30; Kautsky, 1988, pp.126-129; Holyoake 1908, pp.178-181).

The Frenchman Charles Fourier was also concerned with the destructive impacts of capitalism and he shared Owen's view of a peaceful transition from capitalism to a

socialist society. Charles Fourier believed that society could be organised into agricultural and craft communes, known as *phalanges* (Fourier, 1971). Future society had to invest in agriculture, while manufacturing would have an important but rather subsidiary role.

Like the cooperative communes of Robert Owen, the *phalanges* had to accommodate between 1500 to 1600 inhabitants and cover a sufficient area of land to ensure the prosperity of the community. For Fourier (1971) the great majority (seven out of eight) of the communes' members had to be farmers and craftsmen, while capitalists, scholars and artists would constitute the remaining one-eighth of members. In his writings, Charles Fourier described in great detail the everyday life in the phalanges (he even provided a schedule with a timetable for lunch, dinner and bed time), where all inhabitants (men, women and children) had to work and the profits had to be distributed according to three factors: Capital; Labour; Talent (Fourier, 1971). Some of Fourier's disciples tried to put Fourier's ideas into action but the experiments shared the fate of Owen's. For example, Baudet Dulaury bought around 1,200 acres in an attempt to establish a *phalange* near Rambouillet, in Conde-sur-Vesgres, but the experiment was abandoned before even starting due to lack of necessary capital (Fourier, 1971). Other attempts by Fourier's disciples took place in Algeria and America. These experiments include *Brook Farm* near Boston and the *North American Phalanx* in New Jersey (Fourier, 1971; Oved, 1992).

Brook Farm was established in 1841. The settlement consisted of around 200 acres of land cultivated by members without any hired labour. Oved (1992) suggests that at the beginning the members of the commune did not have a clear ideology. It was only in

1844 that *Brook Farm* started operating according to Fourierist principles. It was also renamed *Phalanx of Brook Farm* (Oved 1992, p.148). Apart from farming, the commune had various operations including the publication of the Fourierist periodical known as *Phalanx* which was then renamed *Harbinger*. They also had a school which was one of the main sources of income for the commune. By 1844 *Brook Farm* was considered to be the model *Phalanx* (Oved, 1992). However, most of the new members had a materialistic attitude which often conflicted with some of the commune's values. Also, the transformation of *Brook Farm* along Fourier's principles intensified its alienation from other communities. As such people outside the commune were reluctant to send their children to the *Brook Farm* school which in turn reduced the commune's income. Another, rather unfortunate event that contributed to the decline of *Brook Farm* experiment was the chicken pox epidemic of 1845-1846 which caused the school to be quarantined. By 1846 the population of the commune did not exceed 60 members while by 1847 the commune was abandoned. Oved (1992) describes the last days of the commune as a sad story where cultivation of the land had altogether been abandoned.

Another, more successful, experiment was that of the *North American Phalanx* established in 1843. The commune was located in a fertile land with 700 acres of farmland close to New York and New Jersey which created favourable conditions for the marketing of their products (Oved, 1992). Contrary to other experiments such as that of Owen's *New Harmony*, a strict selection process had been established at the *North American Phalanx*. As Oved (1992, p.153) stresses,

[c]andidates were invited to stay as visitors for a whole month, and then they were accepted for a year's candidacy in which they had to work in a variety of

jobs, to give members a chance to judge their character. Only then could they apply for membership.

But this strict selection process was also a drawback as the commune did not manage to exceed 150 members even 10 years after its initial operation. As such the labour force was relatively low and the commune often depended on external hired labour for farming activities.

Regarding the life in the commune, all members had to work 10 hours every day. They were able to keep their private property but were not allowed to establish any private industry in the area of the commune. In the commune they had a three floor building with offices in the ground floor, library and reading room. They also had a central hall for various activities including concerts and theatre. The central hall was also used for meals and was able to accommodate more than 200 people (Oved, 1992).

The experiment enjoyed economic prosperity until the early 1850s. As Oved (1992, p.154) stresses,

[o]ne of the factors that helped bring the North American Phalanx to economic prosperity was the combination of industry and agriculture. Their main income was from market gardening. They provided fruit and vegetables to New York City, and their produce – marketed in crates stamped NAP – had an excellent reputation.

These good results of the *North American Phalanx*, which enjoyed both a social and economic stability, increased the hopes for the establishments of other settlements that would follow Fourier's principles. However, a series of unfortunate events and the

conflicts between the members that followed these events were to prove fatal for the existence of the commune. According to Oved (1992), in 1854 a fire burned down the flour mill and all the stored harvest. In addition, their insurance company went bankrupt at the same period which made their financial recovery from the thirty thousand dollars debts an impossible task (*ibid.*). While some people like Horace Greeley offered them a loan of \$12,000 this was rejected by some of the commune's members (*ibid.*). There was a debate about whether they should re-establish the commune in the original location or at a new site nearby sea. The conflict between the members resulted in the collapse of the community and all the property of the commune was sold during the winter of 1855-1856 (*ibid.*)

Although the experiments by Owen and Fourier's disciples did not last for long, their ideas inspired the worker and consumer cooperative movement. The Rochdale Pioneers Society⁵ in England was influenced by Owen's doctrine and it is often considered as the first successful example of modern cooperative. The Rochdale Society of Equitable Pioneers registered on the 24th October 1844. In declaring the views of their association, the Pioneers intended to establish, as soon as practicable, a self-supporting society of united interests (Holyoake, 1893). The distribution of the profit was to be made quarterly to the members in proportion to their purchases after the deduction of costs such as management expenses and interest on loans. Investment was made in the education of their members. As Holyoake (1893) describes, the Rochdale Pioneers spent around 2.5% of their quarterly profits on what they called *Educational Funds*. These funds allowed them to maintain and expand a Library which contained 2,200

⁵ Those interested on the Rochdale Pioneers story could possibly read Holyoake's work "The history of the Rochdale Pioneers" published in 1893.

volumes of the best and some of the most expensive books published, which the members were able to use for free. Above all, the Rochdale Pioneers remains significant for setting out the principles which form the basis of the modern cooperative movement (Holyoake, 1893; Bonner, 1961; Lambert, 1963; Watkins 1990).

3.2 A brief account of the cooperative principles

The cooperative principles first introduced by the Rochdale Pioneers in the 19th century have been constantly revised. Today, these principles include democratic member control and voluntary and open membership. More specifically, the principles, as defined by the *International Co-operative Alliance* (ICA, 2007), can be summarised as follows:

1st Principle: Voluntary and Open membership.

This principle implies that “Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination” (ICA, 2007).

2nd Principle: Democratic member control.

This is perhaps the single most important principle. Democratic member control implies that the cooperative follows the principle of ‘one member one vote’ with the aim of

promoting and securing the direct or indirect participation of all the members in the decision making process.

3rd Principle: Member Economic Participation.

This principle implies that there is an equal contribution of capital by the members of the cooperative. The members of the cooperatives receive little, if any, compensation for the capital they have subscribed as a condition of membership while the decision regarding the distribution of surplus is taken democratically.

4th Principle: Autonomy and Independence.

This principle implies that cooperatives are autonomous organisations controlled by their members. Cooperatives are allowed to form agreements with other organisations or governments as long as they can ensure democratic control by their members.

5th Principle: Education, Training and Information.

According to this principle the cooperatives should aim to contribute towards the education and training of their members while at the same time they should try to promote the cooperative idea, nature and benefits of cooperation, to the general public.

6th Principle: Co-operation among Co-operatives.

This principle encourages the alliance of co-operatives in local, national and international level with the aim to strengthen the cooperative movement and better serve the cooperatives' members.

7th Principle: Concern for Community.

This principle encourages the sustainable development of communities through policies that promote solidarity, mutual help and equality.

3.3 The Importance and Dilemmas of Cooperatives

Cooperatives are associations established to promote the common interests of their members, while governed democratically by the members on the principle of *one member one vote*. It can also be argued that cooperative enterprises are more likely to come into existence when people, unable to protect their interests individually, feel the need to unite in order to collectively promote their interests – economic, social or cultural. This could be the reason that it is debatable whether the majority of co-operators view cooperatives as an alternative economic system or just as the means to improve their very individual living conditions. However, while cooperatives work for the sustainable development of their communities or members, they also offer a potential alternative model of organizing the economy. This alternative model differs from capitalist organizations in that cooperative enterprises are owned and governed by the members themselves. This socio-economic significance of the cooperative movement has historically triggered many debates about its potential and limitations. For example, Gide (1921) and the Webbs (1921) seem to be dubious about the potential

of producers' cooperatives and place more emphasis on consumers' cooperatives due to their firm belief in consumers' 'supremacy'. Others, such as Marx and other Marxists (Engels, Lenin) adopt a clearly positive stand towards producers' cooperatives (Jossa, 2005). This section will serve a double purpose. On the one hand, it reviews the arguments around the supremacy of producers' over consumers' cooperatives and vice versa. But at the same time it will question the rather mistaken view that Marx and Marxists in general were negative towards cooperative experiments. In the last part of this section my discussion will turn around some of the shortcomings of producers' cooperatives as highlighted in the works of the Webbs (1921) and others.

It is true that in the *Communist Manifesto* Marx and Engels refer to cooperatives as a conservative or bourgeois form of Socialism. However, on several other occasions Marx seems to strongly support the formation of cooperatives and more specifically that of producers' cooperatives, since there is no reference to other forms of cooperatives such as that of consumers associations. The importance of producers' cooperatives lies in the elimination of the dichotomy between capital and labour, even though they operate within the capitalist market. This abolition of the opposition between capital and labour is of great socio-economic importance. It shows that producers' cooperatives could very much serve as an alternative form of organizing the economy. As Marx (1991, p.571) argued,

[t]he cooperative factories run by workers themselves are, within the old form, the first example of the emergence of a new form, even though they naturally reproduce in all cases, in their present organisation, all the defects of the existing system, and must reproduce them. But the opposition between capital and labour is abolished here, even if at first only in the form that the workers in association become their own capitalist [...]. These factories show how, at a

certain stage of development of the material forces of production, and of the social forms of production corresponding to them, a new mode of production develops and is formed naturally out of the old.

In his 1864 inaugural address to the International Working Men's Association, Marx again refers to the producers' cooperatives with great respect for their socio-economic significance, emphasizing the contribution of the cooperative movement to the overthrowing of the inferior form of 'hired labour' in favour of the advanced 'associated labour'. In Marx's (1969, pp.16-17) words:

[T]here was in store a still greater victory of the political economy of labour over the political economy of property. We speak of the co-operative movement, especially of the co-operative factories raised by the unassisted efforts of a few bold "hands". The value of these great social experiments cannot be over-rated. By deed, instead of by argument, they have shown that production on a large scale, and in accord with the behests of modern science, may be carried on without the existence of a class of masters employing a class of hands; that to bear fruit, the means of labour need not be monopolised as a means of dominion over, and of extortion against, the labouring man himself; and that, like slave labour, like serf labour, hired labour is but a transitory and inferior form, destined to disappear before associated labour plying its toil with a willing hand, a ready mind, and a joyous heart.

Similarly, Lenin (1964) had on several occasions strongly opposed cooperatives as bourgeois forms of organising. However, in his work *On Cooperation*, he suggests that the cooperative system is not just a point of departure for socialism but is in fact a system of socialism due to the social ownership of the means of production and the elimination of the dichotomy between capital and labour. In his terms,

[...] given [the] social ownership of the means of production, given the class victory of the proletariat over the bourgeoisie, the system of civilised co-operators is the system of socialism. (Lenin 1969, p.693)

So far I have highlighted the importance of producers' cooperatives in forming an alternative to capitalist economic relations and I have also shown that Marx and other Marxists did in fact have a positive view of the cooperative system. However, authors such as Charles Gide (1921) and the Webbs (1921) were rather sceptical of the importance of producers' cooperatives. Charles Gide was an eminent theorist of the cooperative movement, who argued for the importance of consumers' cooperatives and gave particular emphasis on consumers' supremacy. For Gide, all members of society are above all consumers and thus the economy should be controlled by them, since their interests reflect the interests of the community at large. As Lambert (1963, p.163) explains,

[Gide's idea of] the consumer's right to supremacy derives from two ideas. The first: consumption is the aim of any economic activity. The second: when man acts as a consumer his interest merges with that of the whole community, each is interested that commodities should be sold at the lowest possible price; while the man acting as producer aims at obtaining the highest possible remuneration for his services, through selling the commodity that helps to create at the highest possible price in this way he defends strictly corporative interests and comes into conflict with the general interest.

In his doctrine, Gide imagines the expansion of cooperatives happening in three stages with, in the final stage, consumers' cooperatives running the economy down to the last detail (Gide, 1921; Lambert 1963; Tardy, 1933). When talking about "Social Democracy", Gide argued that in order to transform capitalist property into collective property, the productive societies had to become the property of all the consumers.

Like Gide, the Webbs (1921) had a rather negative view of producers' cooperatives and considered them too weak to confront capitalism. For them, producers' cooperatives were either destined to fail or to be transformed into capitalist enterprises. Due to their firm belief in consumers' 'supremacy' the Webbs drew on various cases of unsuccessful experiments of producers' cooperatives and highlighted their shortcomings as inherent weaknesses instead of reversible errors. In the next pages I will try to discuss some of these shortcomings with the hope of highlighting their reversible nature.

Webb and Webb (1921) attempted to highlight the importance of consumers' cooperatives over producers' cooperatives by identifying a number of drawbacks that constitute the well known 'degeneration thesis'. This thesis suggests that producers' cooperatives are too weak to confront capitalism and that they will either adapt to its logic or fold. The question of whether cooperatives can stay loyal to their cooperative character while they operate within the capitalist system continues to be an issue of much debate (Taylor, 1994; Entrena and Moyano, 1998; Mooney, 2004).

One of the main arguments against the potential of producers' cooperatives is the idea that they are not able to generate enough capital. As a result, their reliance on external capital could inevitably pose a threat to their democratic principles. Greece is perhaps a good example where the State intervenes in the agricultural cooperatives and operates as the main source of finance. This dependence on the State and the political parties in Greece has affected the democratic operation of the agricultural cooperatives (see chapter 3). However, there is evidence for the opposite in other countries too. For

example both in Italy and in Spain, cooperatives addressed the issue of capital shortage by establishing their own banks (Thornley, 1981; Hoover, 1992; Gibson-Graham, 2006). For example, Thornley (1981) suggests that *the Lega*⁶ in Italy established in 1970 “its own financial institution - the Fincooper” in an attempt to raise money. Similarly, Gibson-Graham (2006) suggests that the Mondragon cooperatives in Spain show that cooperatives can very much create conditions to generate capital from within. The establishment of the cooperative bank, *Caja Laboral Popular* in the case of Mondragon, has created just such conditions (Mellor *et al.*, 1988; Gibson-Graham, 2003). Hoover (1992, p.6) stresses that the cooperative bank is

[p]erhaps the most innovative aspect of the Mondragon cooperatives [...] that works diligently at providing capital, monitoring performance, and planning new cooperatives. Founded at the initiative of Fr. Arizmendiarieta in 1960, it is now the 15th largest bank in Spain [...]. It has several hundred thousand depositors, over \$2 billion in assets, and more than 200 branches.

But capital shortage is only one of the shortcomings that the Webbs (1921) identified as inherent to the producers’ cooperatives. Both the Webbs (1921) and Warbasse (1927) shared the view that in the rare cases that producer’ cooperatives managed to survive in a capitalist economy, they were inevitably turning into associations of capitalists serving the interests of the members at the expense of the community at large. This view regarding the failure of producers’ cooperative was influenced by their belief that human beings are inherently competitive and self-interested; and thus inevitably the

⁶ *The Lega* stands for *Lega Nazionale delle Co-operative e Mutue*, the cooperative group possible affiliated with the communist party.

members of the cooperatives would eventually have conflicts with the community at large. As the Webbs (1921, p.464) put it,

[i]n the relatively few cases in which such enterprises have not eventually succumbed as business concerns, they have ceased to be democracies of producers, themselves managing their own work; and have become in effect associations of capitalists on a small scale – some of them continuing also to work at their trade – making profit for themselves by the employment at wages of workers outside their association.

But this transformation of producers' cooperatives into capitalist enterprises also creates a tendency between democracy and bureaucratisation. As cooperatives grow into larger and more complex organizations, their democratic nature becomes eroded as power shifts from the general membership to the hands of a few appointed managers (Taylor, 1994; Webb and Webb, 1921). Jones (1975, p.33) cites Webb and Webb who stress that “[a]ll such associations of producers that start as alternatives to the Capitalism System either fail or cease to be Democracies of producers”. Webb and Webb (1921) viewed this bureaucratisation of the producers' cooperatives as an inherent weakness. An excerpt from Webb and Webb (1921, pp.467-468) runs as follows:

No self-governing workshop, no Trade Union, no Professional Authority – and no office or industrial enterprise belonging to any of these – has yet made its administration successful on the lines of letting the subordinate employees elect or dismiss the executive officers or managers whose directions these particular groups of employees have, in their work, to obey.

Despite this rather pessimistic view – which in some cases might be valid – Jones (1975) suggests that there is enough evidence that contradicts Webb and Webb's claim

that democracies of producers have failed with almost complete uniformity. Jones (1975) stresses that employees' participation followed an upward trend between 1890 and 1936, despite the Webbs' effort to prove the contrary.

A look at more contemporary examples also reveals that cooperatives can very much promote self-management, and that serving the interests of cooperatives' members does not necessarily implies a turn away from the interests of the community. The Tower Colliery, "the world's only cooperatively owned coal-mine" (Cato 2004b, p.65) — in the Cynon Valley in Wales is perhaps a contemporary example that proves both of the Webbs' claims wrong. After the mine was shut down in 1994, employees were able to raise £1.92 million to buy back their colliery to make it the only 100% employee-owned pit in Europe. While they recognise that they had to operate within the capitalist system in order to survive and that to make profit was an imperative, the Personnel Director stressed that,

[W]hat we were doing here wasn't joining the capitalists, we were forming a company, a predominantly socialist company, socialist beliefs, having to work in a capitalist world. (Lincoln 2003, p.115)

To achieve their objectives they have created a new management structure where employees are encouraged to participate in business decisions through joint union-management meetings and quarterly share-holders meetings. At the same time, the cooperative enterprise is supporting the local economy by supporting local businesses (Lincoln, 2003). As the Chair of Tower NUM stressed,

[A]ll of the profits from [their] colliery are actually kept within the valleys. It doesn't go to London or anywhere else, it is actually spent in the valleys. As long as the price is okay, [they] try to deal with local businesses as much as possible to keep other people in work. (Lincoln 2003, p.116)

The most successful example of workers' management could perhaps be the cooperative group of Mondragon, that despite its enormous growth has (arguably) retained an emphasis on workers' participation in the decision making process (Gibson-Graham, 2006). Mondragon has achieved that by setting up a number of committees (Gibson-Graham, 2003). As Hoover (1992) also suggests, the Mondragon cooperatives have constantly evolved their decision-making system in an attempt to minimise the conflicts of interests among the members of the cooperatives (managers and workers). However, it is worth saying that despite the introduction of several committees in order to ensure the indirect participation of all the workers-owners, there is evidence from Taylor (1994) and from Kasmir's (1996) ethnographic research that shows an increased dissatisfaction from workers and plant-level managers who feel excluded from the decision making process.

The case of the Mondragon cooperatives also serves as a counter-example to the 'degeneration thesis' according to which producers' cooperatives would inevitably be transformed into organisations operating at the expense of the community at large. For example, in Mondragon they have established a principle of pay solidarity with the aim of reducing inequality between various groups of the cooperative (Hoover, 1992; Gibson-Graham, 2003). As such, there is a wage ratio of 1:6 in an attempt to reduce wage differentials between the cooperative members while all decisions about wages are taken democratically by the members of the cooperatives at the Cooperative

Congress (Hoover, 1992; Gibson-Graham, 2003). This principle of pay solidarity has been established in order to ensure that the members of the Mondragon cooperatives will not become a class of wealthy individuals within the region (Gibson-Graham, 2006). In addition to pay solidarity, Mondragon cooperatives have a commitment to business solidarity by establishing business that did not exist in the region while they avoid replacing business that already exist in the region (*ibid.*).

To sum up, cooperatives have been seen by some as an alternative to capitalism. As I have suggested, Marx and other Marxists were not as inimical towards cooperatives as they have often been portrayed. Although they have, on some occasions, been sceptical about the role of cooperatives, they have also highlighted the social significance of the cooperative movement. However, while my reading indicates that Marx and other Marxists seem to have a rather positive view of producers' cooperatives, this is not shared by other prominent writers on cooperatives such as Gide (1921) and the Webbs (1921). Both Gide and the Webbs were rather sceptical towards producers' cooperatives due to their shared view of consumers' supremacy. According to this view, all members of society are above all consumers and thus the economy should be controlled by them, since their interests reflect the interests of the community at large. In an attempt to highlight the importance of consumers' cooperatives over producers' cooperatives, the Webbs (1921) identified a number of drawbacks that constitute the well known 'degeneration thesis'. This thesis suggests that the producers' cooperatives are too weak to confront capitalism and that they will either have to adapt to its logic or fold. However, there is enough evidence to contradict this view. For example, the case of the well known Mondragon cooperatives and the Tower Colliery in England could serve as good empirical examples to counter to the 'degeneration thesis'.

3.4 Agricultural Cooperatives in Europe

In this section my discussion will turn to the agricultural cooperative movement in Europe. It is important to highlight that I cannot sufficiently cover the long and rich history of the agricultural cooperative movement in this section. Nonetheless, I will begin my discussion with an attempt to give a picture of the historical development of agricultural cooperatives in Europe and their contribution to the agricultural sector. It is sensible to stress that agricultural cooperatives were established as a response to the market economy (Davis, 2001) with the intention of answering some of the structural problems of the agricultural sector. By structural problems, I refer to the farmers' lack of capital and technical knowledge, high operational cost and lack of power in the market. The establishment of credit cooperatives, supply cooperatives, marketing cooperatives and, to a lesser degree, producers' cooperatives, helped address these problems.

Even though agricultural cooperatives operate within capitalism they differ from private enterprises in both structure and aims (Thornley, 1981). The fundamental difference is that the ownership and control of the cooperative is with those who do the work (Cato, 2004b; Cato *et al.*, 2006). This section will also look at the attention that has been given in recent years to the redefinition or theorization of cooperatives from a purely economic perspective (Mooney, 2004), and the tendency in agricultural cooperatives to adopt a businesslike profile which weakens their cooperative principles and puts into question their 'alternative' identity.

One of the most widespread forms of agricultural cooperatives in Europe is that of credit associations. The first credit association was set up in Germany, by Friedrich

Wilhelm Raiffeisen and Herman Schulze-Delitzsch (Avdelidis, 1978; Dirscherl, 1991; Birchall, 1994; Guinnane, 1994; Bekkum and Dijk, 1997; Ryder, 2005). As Ryder (2005) explains, during the 1840s German farmers experienced economic difficulties and the development of cooperatives of all kind were an answer to these harsh economic conditions. Raiffeisen organised his first credit union in 1849 at Flammersfeld (Boner, 1961; Labos, 1986; Ryder, 2005) and this experiment enjoyed much popularity in many European countries. From Greece (Avdelidis, 1978; Labos, 1986) to Spain (Chaves et al., 2008) and from Italy (Ryder, 2005) to the Netherlands (Tybout, 1967), credit cooperatives influenced by Raiffeisen's principles were set up. As Chayanov (1991) explains, the peasant family could hardly secure any loans from banks and as such the establishment of credit cooperatives allowed farmers to raise capital and meet their credit demands. However, credit cooperatives did not experience the same success in every European country. Despite the positive results in Germany (Plunkett, 2008), in other countries such as Ireland the development and prospering of credit cooperatives has shown poor results (Plunkett, 1931; Guinnane, 1994; Quinn, 1999; Ryder, 2005).

Apart from credit cooperatives, other forms of agricultural cooperatives have also experienced great success and played a crucial role for the well-being of the farmers-members. Through marketing cooperatives, farmers have been able to exercise control in the market and minimize the exploitation from economic middle men, while supply cooperatives allow farmers to get raw materials at competitive prices.

From the above it is clear that, in Western Europe, cooperative actions in the agricultural sector have been mainly manifested through the establishment of credit,

marketing and supply cooperatives in contrast with producers' cooperatives. By producers' cooperatives, I refer to those cooperatives for collective use of land and/or machinery. Looking at the relevant literature on *collective farms*, it is more likely that we will come across cooperatives like the *Kolkhozes* and *Sovkhozes* that existed in the so-called communist or socialist States like Poland (Turowski, 1991; Wierzbicki, 1991), former Czechoslovakia (Schimmerling, 1991), Bulgaria (Zhirkova, 1991), former Yugoslavia (Milenkovic, 1983) and Russia (Jasny, 1949) or the *Kibbutz* and *Moshav* in Israel (Don, 1977; Sherman and Daniel, 1979; Gil, 1996). In Western Europe, cooperatives for collective use of land and/or machinery have been given very little attention. One example can be found in Norway with the *maskinrings*, a successful type of mechanisation cooperatives during the 1950s and 1960s (Hornslie, 1964). As Hornslie (*ibid.*) explains, despite the conflict of interests among farmers' communities in Norway due to their dissimilarities (e.g. in age, size of farms, prestige and wealth), the establishment of the *maskinrings* was, at least partly, a result of the rise in labour cost and machinery cost and the squeezing of the products' price. All the *maskinrings* were geographically close in distance for better communication, which in turn reduced the conflicts among farmers' communities. The functions of the *maskinrings* included processing and marketing cooperatives, the division of labour among the farmers' members, with small group of farmers' (between four to seven) working together as a team. Other characteristic of the *maskinrings* included the elimination – at least in the small farms – of hired labour, and the equal distribution of power among the members (*ibid.*). Other examples can be found in Italy where, at least according to the limited information Smith (1961) provides, cooperative farms worked by landless workers, exceeded 150,000 acres. Ginsborg (2003) also briefly describes the collective actions of landless peasants during the second half of 1940s, with the occupation and collective

cultivation of land in Sicily and Calabria among other areas. Other more recent examples can be found in France. More specifically, the collective management of 6,300 hectares of land divided into five cantons in Larzac has been a successful experiment for over twenty years. The land is rented from the government for 60 years with an option to renew the contract and is used in common by those living in the community for the development of the community (Bove and Dufour, 2001; 2002). In Spain too, we can find during the 1970s at least 787 cooperatives for the joint management of land (McGready, 1973) while the most notable period being that of the 1930s which I discuss extensively in the next section. It is important to note though that these examples and in particular the case of the Spanish experiments during the 1930s provide a fruitful space of alternative possibilities to capitalism.

Just like all other cooperatives, agricultural cooperatives have historically offered an alternative way to organise our social and economic affairs by putting people at the centre of their activities. However, in recent years agricultural cooperatives have tended to adopt a more businesslike profile. In the pursuit for higher profit and efficiency there has been a tendency in agricultural cooperatives to concentrate into few larger organisations. For example, in 1962 there were 1,100 dairy cooperatives in Denmark which reduced to 45 dairy cooperatives in 1985 and with only 15 remaining in 1997 despite the stability of the revenue during the middle of the 1980s and, at least, until the end of 1990s (Bekkum and Dijk, 1997). In the Netherlands, the number of dairy cooperatives reduced from 426 at the end of 1940s to only 10 in the mid-1990s, while supply farms reduced from 1160 in 1949 to 45 in 1995 (*ibid.*). Other cooperatives related to egg, cattle and sugar beet processing (to name but few) followed similar trends. In Germany too, there has been a strong concentration of cooperatives.

Indicatively, in 1950 there were around 23,753 Raiffeisen cooperatives and in 1996 this number was reduced to 3,950 cooperatives (*ibid.*).

This general trend of the merging of agricultural cooperatives and concentration into fewer agricultural cooperatives is reinforced by those advocating the adoption of a more business like profile for the cooperatives in order to remain 'competitive' in the market. This merging of agricultural cooperatives does not only take place within the borders of one country but also between cooperatives from different countries. For example, Nilsson and Madsen (2007) explain the reasons for cross-border merging of cooperatives with examples of Swedish, Finnish and Danish agricultural cooperatives. For Kalogeras *et al.* (2007), the changes in the economic environment affect the profile of the cooperatives, their governance operation and business behaviour. For example, Chaves *et al.* (2008) highlight that in the credit cooperatives in Spain and beyond, the increase in the distancing of members has resulted in the weakening of members' power and the strengthening of the power of the professional administrators. In a similar vein, Somerville (2007) also warns that as cooperatives grow, this expansion creates difficulties for the exercise of direct democracy by members while the turn to representative democracy, often weakens the internal democracy of the cooperative. Many have highlighted the crucial relationship between size and democracy, with for example, Cato *et al.* (2006, p.33) stressing that,

[t]he size of a co-operative business is naturally limited so long as the requirements of direct democratic governance are adhered to. This is because once the size of their ability to debate issues, the co-operative principle of democratic decision-making will have reached its limit. In such circumstances, the natural response may be to spin off one part of it or divide the business into two.

Therefore, the increase in the size of a cooperative often generates tensions between democratic impulses and bureaucratic tendencies as in the case of the Mondragon cooperatives for example (Taylor, 1994; Kasmir, 1996). In his work, Mooney (2004) explains that there is a tension within cooperatives between democratic impulses and bureaucratic tendencies, two qualities that can hardly co-exist. Indeed, there are many cases where members feel that their power in exercising control over their cooperatives is weakening and shifts to the boards of directors who often take decisions without the members' consent in the name of 'profitability' and 'efficiency' (Dirscherl, 1991; Taylor, 1994; Kasmir, 1996). This is due to the belief that the members themselves are incapable of making decisions that require what is called 'technical' knowledge and as such decision should be taken by those 'better' qualified to evaluate the dynamics of the market. This turn to a businesslike philosophy in cooperatives is threatening a number of collective objectives (e.g. equality, job security and democratic management) of the cooperatives (Taylor, 1994) and core cooperative principles such as that of user-ownership, user-control and user-benefit (Barton, 1989a; Mooney, 2004). An indicative example is the case of the agrarian cooperative LANA of the Mondragon complex established in 1961 (Whyte and Whyte, 1991). In the 1990s, the debate turned around a 'businesslike firm' and a 'social firm'. Supporters of the 'social firm' tended to "[...] reject [a] narrow economic understanding of efficiency [...]" (Taylor 1994, p.467) while advocates of the 'businesslike firm', viewed 'profitability' as the primary objective. Entrena and Moyano (1998) also stress that from the managerialist point of view, 'efficiency' is viewed as the single most important aim for the cooperatives even if other collective objectives have to be sacrificed. As LANA's management put it,

[i]n order for the firm to survive it must earn money. This principle must prevail over any other private short term interest. Free services and social works which disturb the firm's economic balance and affect its continuity should come from somewhere else. Anything which is not economically profitable, in the long term more or less annuls those social activities (cited in Taylor 1994, p.469)

At the agrarian cooperative LANA, the management team viewed small-scale farmers as a burden to the competitiveness of the firm which led to the “[...] circumvention of LANA's dependence on small farmers [...]” (Taylor 1994, p.474). Of course this is not the only example. In Germany, to give another, agricultural cooperatives often favour the large farms over the small-scale farmers by giving large farmers better services such as exclusive deliveries and higher prices (Dirscherl, 1991). This principle of proportionality (Barton, 1989b; Somerville, 2007) supports the idea that the greater the contribution from the farmer-members to the cooperatives, the greater the benefits the farmer-members should receive from the cooperative. This is clearly creating a distinction among the members and is weakening the principle of equality. In turn, this purely economic-centric logic of the cooperatives creates tensions and mistrust on the part of small farmers. Dirscherl (1991) also highlights that agricultural cooperatives in South Germany tend to show little interest in maintaining their relationship with small farmers. They often restrict the information they provide to their farmer-members about prices, investments and other important business decisions, which in turn weakens both the principle of democracy and the ties and commitment of German farmers-members (*ibid.*). The farmers' mistrust towards their cooperatives finds its main expression in apathy and passivity at the general meetings, with little interest in participating in the decision making process and a weakening of their commitment to cooperatives with farmers often choosing to sell their products privately rather than through the

cooperatives (*ibid.*). The farmers' apathy to participation derives from the farmers' belief that their voice will not be heard and their power to influence decisions is minimal. This is not restricted to the two examples I have provided here about the agricultural cooperatives in Germany and Spain and neither is it restricted to cooperatives operating in the agricultural sector. For example, in both Taylor (1994) and Kasmir (1996) we read about the increased dissatisfaction from workers and plant-level managers who feel excluded from the decision making process.

Moreover, if there is anything that cooperatives have to offer it is exactly the alternative perception of organising the economy and a different mentality that is based on the idea of the ownership and control of the organisation by those who do the work. As Thornley (1981, p.178) concluded in her work, "[t]o succeed, cooperatives have to accept the rigours of democracy and stand up unflinchingly to capitalism". Of course, both efficiency and profitability are necessary for an organisation (alternative or not) to survive within a capitalist economy (Wood, 1995). But at the same time the pursuit of higher efficiency and profit often comes into sharp contrast with the interests of the cooperative's members. Examples such as LANA in Spain and the cooperatives in South Germany already mentioned, show that the management's pursuit of higher efficiency and profit is often in conflict with the interests of the members and weakens some of the cooperatives' principles. For instance, the lack of interest from LANA's management in strengthening their relationship with small-scale farmers, and the distinctions between large and small-scale farmers at the German agricultural cooperatives, are clearly a result of the economic logic which prioritises higher efficiency and profitability. Cooperatives are of course both political and economic entities and that inevitably creates tensions and contradictions within the cooperative

movement. Looking at neo-classical agricultural economics there is an evident attempt to eliminate these tensions and contradictions “by redefining or theorizing cooperation from a purely economic and individual rational or “asocial” point of view” (Mooney 2004, p.79). For example, Österberg and Nilsson (2009) discuss the issues of governance, participation and commitment from the members’ point of view but this analysis derives from their theorization of cooperatives primarily as economic entities while their survey studies also suffer from methodological pitfalls. For example, the use of questionnaires and the testing of hypotheses have been designed in such a way that they do not really explore the farmers’ views but rather confirm the authors’ prejudged assumptions of cooperatives operating as economic entities. Perhaps we should view cooperatives as both economic and political entities and view the tensions and contradictions, as Mooney (2004) invites us to, as productive forces for the development of a cooperative movement which acknowledge the diversity of the interests of the members. The objective, Mooney continues, is neither a purely economic theorization of the cooperatives nor a purely political theorization of cooperatives but “rather a political economy of agricultural cooperation” (Mooney 2004, p.79). So, looking at both the economic and political dimensions of the cooperatives will create the opportunity to embrace, instead of fear, the apparent tensions of these dimensions,

not only because they exist in the lived experience of cooperative members, but also because the theorisation along a single dimension is the point of departure for the sort of rationalisation process that ultimately leads to substantive irrationality. In this sense, the elaboration of the political dimension provides a check on the development of a substantive irrationality of economic rationalization, just as the exclusive focus on only the political dimension would lead to a substantive irrationality in relation to the economic interest also deeply embedded in cooperatives (Mooney 2004, p.80).

To conclude, agricultural cooperatives have historically played a crucial role for the development and modernization of the agricultural sector in Europe and the wellbeing of the farmers. The available literature shows that the great majority of agricultural cooperatives established in Europe were supply, credit or marketing cooperatives, which aimed to answer some of the structural problems of European agriculture including the small farmers' lack of power in the market, the increased production cost and their apparent lack of capital. Today, cooperatives tend to adopt a business profile which entails the danger of losing their identity as an 'alternative' in the name of superior efficiency and profit. This increased influence of business philosophy in the operation and objectives of the cooperatives has created tensions among the cooperatives' members which are often externalised through apathy and lack of commitment towards the cooperatives. Acknowledging cooperatives as both economic and political entities can only further enrich our understanding of the tensions and contradictions within the cooperatives and offer the opportunity to better appreciate the diversity in the interests of the members.

3.5 Cooperatives and Libertarian Communism: the case of Spain

In its roots Spanish Anarchism is rural.

Brenan (1980, p.199)

Equality, Liberty, Fraternity, the great dreams of the French Revolution, have not yet been realized in the world. They were being realized in Aragon.

Souchy (1982, pp.18-19)

This section aims to sketch the experiment of libertarian⁷ communism in rural Spain. By libertarian communism I am referring to the “organisation of society without State and without capitalist relations” (Puente 1974, p.28). Unlike the so-called Communism in Soviet Union and Yugoslavia (Jasny, 1949; Milenkovic, 1983) under the totalitarian regimes of Stalin and Tito respectively, the collectivisation process in Spain was not in any way imposed from the top-down. Influenced mainly by the anarchist tradition that had long been more influential in Spain than other varieties of socialist thought (Hobsbawm 1965; Guerin, 1970), rural Spain represented one of the most notable cases, within Europe, of alternative forms of organising the economy until its fall in 1939 and the victory of Franco’s fascist regime. As Hobsbawm (1965, p.90) stresses, “Spanish agrarian anarchism is perhaps the most impressive example of a modern mass millenarian or quasi-millenarian movement”. That the collectivisation of rural Spain involved over half the land in the Republican zone and more than seven million people (Dolgoft, 1974) shows that social experiments lightly regarded as ‘utopian’ can be actualised.

It is important to note that collectivisation in Spain during the 1930s was not new in that region of Europe (Souchy, 1982). In fact, Souchy (1991) stresses that the peasants in Spain have a long tradition of collective action that goes back to the 9th century. Souchy (*ibid.*) suggests that after the withdrawal of the Arabs from Spain the peasants took control of the land and cultivated it collectively. Other researchers such as Sam Dolgoft (1974) and Gerald Brenan (1980) inform us of collective experiments that had existed in Spain for centuries. For example, a village named Port de la Selva in Catalonia was

⁷ According to Brenan (1980, p.162), the term ‘libertarian’ was first used by Sebastien Faure in 1898 as a way to express the anarchist ideas in a period where anarchist propaganda was forbidden.

one that achieved libertarian communism which extended beyond the collective use of land into other aspects of daily life. The village coined its own money and there was common ownership and mutual aid among the members of the community. Brennan (1980, pp.337-338) writes that,

[t]he village was run by fishermen's co-operative. They owned the nets, the boats, the curing factory, the store house, the refrigerating plants, all the shops, the transport lorries, the olive groves and the oil refinery, the cafe, the theatre and the assembly line. [...] Here then we have a modern productive co-operative grafted on to an ancient communal organization and functioning perfectly.

In the aforementioned works as well as in Borkenau (1963) and Hobsbawm (1965) we read about the revolutionary character of the Spanish peasants and their revolts over many centuries.

Among other reasons, anarchist ideology found favourable grounds in rural Spain due to the Spaniards refusal to adapt to the modern industrialisation. As Borkenau (1963, p.38) suggests, "it is precisely because of the slightness of their adaptation to modern industrialism that anarchism has remained near the heart of the Spanish people". The poor living conditions of the large masses of Spanish peasants had also contributed to the appeal of anarchist thoughts. As Brennan (1980, p.122) says about the landless workers, "the labourers are all Anarchists. What else can one expect under such conditions – miserable pay, idleness for half the year and semi-starvation for all of it?"

As an example, in Brennan's (1980) description of the peasantry in Andalusia we learn that almost three-quarters of the population were landless peasants, *braceros* as they are

called in Spanish. Their wages were extremely low, earning in 1930 “on an average from 3 to 3.50 pesetas [...] for an eight-hour day” (Brenan 1980, p.120), while they were unemployed for almost half of the year leading to their constant starvation (Hobsbawm, 1965; Brenan, 1980). During the working period their diet remained poor and, as Brenan (1980) says, they were living in containers, *cortijos* in Spanish, with other labourers away from their families. There were no separate *cortijos* for men and women; they all had to sleep together. Brenan (*ibid.*) explains that, with the exception of the First European war (1914-1918), the landless peasants were not allowed to cultivate the uncultivated land. After the end of the First World War in 1918 the amount of uncultivated land began to increase again. In 1931, Brenan says that in Osuna, Utrera and Seville, among other places, thousands of acres of fine land were kept uncultivated for bull breeding and as shooting estates for landlords while the peasants were starving. And when the starving peasants attempted to take control of these lands they were beaten by the police.

Therefore, the collectivisation process in Spain was propelled by the desire of people to organise their daily lives differently. From the smallholders and artisans, the barbers and the mine workers, all played an important role in putting libertarian communism in action (see for example, Souchy, 1982; Orwell 1989). As Dolgoff (1974, p.20) correctly put it,

[r]ural collectivism was not limited to land tenure alone, as in many other parts of the world. In fact an amazing strength of Spanish collectivism was the tendency of the people to introduce collectivist or cooperative ways of doing things into other aspects of their daily life.

In my discussion so far I have used the terms libertarian communism and collectives interchangeably and that is precisely because, as Leval (1974d, p.166) put it, “[t]he agrarian collectives, [...] were to all intents and purposes libertarian communist organisations”. The collectives were spread all over rural Spain held by the Republican forces from Andalusia to Aragon (Guerin, 1970). In the following pages I will try to outline some of the main characteristics of the collectives in Spain as defined in the available literature. I should note though that not all collectives were influenced by anarchist thought. In fact, Leval (1974d) suggests that the members of some collectives were Catholics and socialists.

Perhaps the most notable characteristic of the collectives in Spain was that they were propelled from the bottom-up, and control was in the hands of those doing the work. The agricultural collectives established a system of economic and geographical management where an assembly of working peasants from each village elected a management committee responsible for the economic administration of the collectives (Guerin, 1970). In the region of Barbastro⁸, forty-seven out of the seventy villages choose to be collectivised and joined the federation (Souchy, 1982). The federation was responsible for providing the collectives with the necessary machinery and raw materials. The collectivisation process and self-management of agriculture and industry had very positive results. Notable is Guerin’s (1970, p.134) description that, “[a]gricultural self-management was an indisputable success except where it was sabotaged by its opponents or interrupted by the war”. In similar fashion, Leval and

⁸ Barbastro was the headquarters of one of the largest regional federations controlled by the CNT. CNT stands for *Confederacion Nacional Del Trabajo* (National Confederation of Labour) and it was a confederation of anarcho-syndicalist labour unions in Spain.

Prats (1974, p.138) use the case of Graus (the capital of a district consisting of forty-three villages in a mountainous area in the north part of the province Huesca with around 2,400 inhabitants) to stress that “[t]he collective modernized industry, increased production, turned out better products, and improved public services”. For example, the better use of machinery and fertilisers increased the productivity of the land by 50% per hectare in the property owned by the collective compared to that owned by individualists (Leval and Prats, 1974). In all towns and villages the cultivation of the land was the responsibility of the collectivists who were working in teams of approximately 10 to 15 persons (Leval, 1974c). Each team had to elect its own delegates. The delegates in turn, met to plan the work. Also, the management committee responsible for the economic administration was elected by the general assembly in each village (Guerin, 1970). In Carcagente, Leval (1974b, p.153) writes,

the general membership meeting of all the peasants [...] elects the Technical Committee of six comrades to take care of technical matters, and the five member Administrative Committee, to look after the expropriated big estates, payment of wages, sale of produce, bookkeeping, etc. There is also a committee concerned with the export of orange and other products.

The success of self-management and cooperative practices in agriculture is depicted well in the case of Levant which shows that the collectives were not isolated from the rest of the world. The peasants’ federation of Levant coordinated around 900 collectives in 1938 and had established their own agencies in France in order to export their surpluses (Leval, 1974a). “The 900 collectives of the Levant were subdivided into 54 local or district federations which reassembled into 5 provincial federations” (Leval 1974a, p.124). For their coordination, the district Federation had regional administrative commissions consisting of 26 technical sections. Looking at the operations of the

Peasant Federation of Levant, these were expanded to England, France and Switzerland while they produced more than half of the total production of oranges and more than 70% of the crop in Spain (Leval, 1974a; Souchy, 1991).

There was no centralisation in the operation of the agrarian collectives. Each agrarian collective experienced relative freedom in dealing with their own affairs while the federation was there to ensure that any assistance needed by the collectives was sufficiently provided through a system of mutual aid (Souchy, 1991). At Levant, like elsewhere, they had developed a spirit of mutual aid with the wealthier villages helping the poorer villages through their established district committees (Leval, 1974a).

Another characteristic of the collectives was that membership was voluntary and those who joined them had the right to withdraw from the collective if they desired. Those joining the collectives had to give up their private possessions and were no longer allowed to cultivate any land independently from the collective. Although the collectives were appropriating uncultivated land, i.e. land from large estates and those supporting the fascists, there was tolerance towards the individualists. Individualists were those who refused to join a collective and preferred to continue working alone. For example, in Alcaniz and Carcagente, a minority of small proprietors refused to join the collectives and preferred to continue to cultivate their land alone (Souchy, 1982; Leval, 1974b). Despite their refusal to join the collectives they were respected by the members of the collectives. This reinforces the argument that collectivisation in Spain during the 1930s was indeed voluntary.

Another notable characteristic of the collectives was the distinctive methods of exchange and the role of money. In Souchy (1982), Dolgoff (1974) and Leval (1974d), we learn that the collectives had applied the principle “from each according to his ability, to each according to his needs”, a famous slogan used by Marx (1972, p.17) in his *Critique of the Gotha Programme*. In some villages (for example in Mas de la Matas) money had been abolished completely. However such cases appear to be rare. In most cases the collectives either coined their own money or used other methods of exchange such as coupons. Looking at the methods used for the distribution of products, Guerin (1970, p.132) stress that “various systems were tried out, some based on collectivism and other on more or less total communism, and still other resulting from a combination of the two”. In the case of Barbastro, all the collectivists were able to get the necessary supplies from the regional stores (Souchy, 1982). In the case of food, the distribution system was affected from the surplus or shortage of each product. For example, Souchy (1982) explains that some products such as bread were freely distributed among the collectivists while other products such as meat had to be rationed based on individual needs. In some cases like in Alcaniz, the distribution of all products had to be rationed (for example each person was able to consume no more than 300 grams of bread) and in cases of extreme shortages such as milk, the distribution was restricted only to those who were sick.

Last but not least, particular emphasis was given to the role of women in the collectives, and in the majority of the agrarian collectives women received wages equal with men (Leval, 1974d). Emphasis was also given to children’s livelihood and education. Schools were opened for their education as in the case of Graus where there was an elementary school and a school of fine Arts operating in the evenings for those young

people who had to work in the morning. In other areas universities were even established such as the *University of Moncada* in Levante (Leval, 1974a). In these ways, the social experiment in Spain was not limited to the economic affairs of the people but also addressed other aspects of social life such as the role of women and education.

To conclude, the Spanish experiment represents one of the most impressive examples of an alternative form of organisation. The collectivisation of agriculture and industry during the 1930s was highly influenced by anarchist thought and it was propelled from below. A notable characteristic was that membership in the collectives was voluntary and control was in the hands of those doing the work. Therefore, the experience of libertarian communism in Spain can serve as an inspiration in our search for an alternative, more humane form of organising our socio-economic affairs.

3.6 Summary

The history of modern cooperatives in Europe goes hand in hand with the development of capitalism. Robert Owen and Charles Fourier were among those who visualised an alternative society where people would live more cooperatively. Whilst the experiments they set up were mostly short-lived, their work has been a source of inspiration for others in the search for an alternative way to organise society. For the past two-hundred years, cooperatives have been at the centre of debates about their potential to constitute an alternative or a so called third way to capitalism. Specifically in agriculture, cooperatives have played a crucial role for the modernisation of the agricultural sector in Europe. Cooperative actions in the agricultural sector have been mainly manifested

through the establishment of credit, marketing and supply cooperatives; in contrast producers' cooperatives for the common use of the land and/or machinery have remained marginal. But, in recent years, agricultural cooperatives have undergone a shift in their philosophy and practices. They often adopt a more business oriented profile and tend to prioritise their economic objectives over other social objectives. This turn to a businesslike philosophy is threatening a number of the collective objectives (e.g. equality, job security and democratic management) of cooperatives (Taylor, 1994) and core cooperative principles such as that of user-ownership, user-control and user-benefit (Barton, 1989a; Mooney, 2004). This has also created a feeling of mistrust towards the cooperatives and a lack of commitment among the members. The case of collectives in 1930s Spain is in this respect an interesting and inspiring counter example. Libertarian communism in Spain was a bottom-up expression of people's desire for an alternative society that would be based on the idea of self-management and guided by principles such as that of user-ownership, user-control and user-benefit.

Looking at the Spanish experiment in the 1930s, but also at other more contemporary examples such as the Tower colliery in England, the case of Larzac in France or the *maskinrings* in Norway, might suggest that agricultural cooperatives need to undergo a radical re-structuring. That would open up a space for democracy to be re-thought and practiced within cooperatives. Then cooperatives might create conditions for a more equal distribution of power amongst the members and strengthen their active participation and collective decision-making. Agricultural cooperatives will also have to cultivate conditions that would expand the cooperation between the members and strengthen the mutual aid and solidarity amongst them. The case of agricultural cooperatives in Greece will serve as a point of reference, with the aim of arguing for the

importance of expanding agricultural cooperatives' activities in the production process. My argument will be that apart from the obvious and immediate economic benefits that collective actions could bring to the farmers, expanding the space where cooperation is practiced can also create conditions for challenging some of the fundamental preconditions of capitalism (private property and the dichotomy between capital and labour) and open up the space for the cultivation of alternative possibilities by giving emphasis to "their collective attempts to organise themselves differently" (Fournier 2002, p.193).

Chapter 4 - The case of Greece: The development of the agricultural sector and the agricultural cooperative movement

The economists explain to us how production is carried on in the relation given, but what they do not explain is how these relations are produced, that is to say the historical movement which has created them.

Marx (1995, p.114)

This chapter constitutes an overview of the available literature on the development of Greek agriculture from the period of the establishment of the Modern Greek State in 1828. This is the period that Roman law, which gives strong emphasis on the absolute rights of property, was introduced to Greece for the first time (Mouzelis, 1978). As Proudhon (1994, p.35) writes, “[the] Roman law define[s] property [...] as the right to use and abuse a thing within the limits of the law”. The introduction of Roman law in Greece transformed the social property relations and created the grounds for the abolition of the Greek peasants’ traditional rights on the land (Vergopoulos, 1975). Regarding the traditional rights of Greek peasants, it is worth mentioning here that in Greece, the Muslim law during the Ottoman rule admitted no private ownership of the land which belonged, at least in theory, to the Sultan. As Boeschoten (1993, p.616) writes, “[t]he Ottoman system was based on two basic principles: the prevention of large privately owned estates and the preservation of cultivators’ rights to remain on the land and retain a portion of its fruits”.

For the purpose of discussing the most important events that contributed to the current small-scale character of Greek agriculture and the development of the agricultural movement in Greece, this chapter is divided into four sections. In the first section I will focus on two issues of significant importance. First is the question of the national land which led to the first agrarian reform of 1881. The annexation of Thessaly and Arta in 1881 created the conditions for the development of large landed estates named *chifliks*. The hostility of the State and urban capitalism towards the large landed estates and the conflicts between the large landowners (*chiflikades*) and the Greek peasants led to the second agrarian reform of 1917 which contributed to the expropriation of the *chifliks* and the strengthening of the small-scale family oriented character of Greek agriculture. In the second section I will try to provide some historical facts about the development of agricultural cooperatives in Greece. My aim is to set the grounds for my analysis of the link of small-scale family farming and the credit nature of agricultural cooperatives; which is the dominant form of cooperation in Greece. The available literature suggests that the strengthening of small-scale family farming appears to go hand in hand with the rapid development of agricultural cooperatives in Greece. As such, the third and fourth sections of this chapter will focus on the role of small-scale family farming and credit agricultural cooperatives in supporting the development of urban capitalism and creating the grounds for the intervention of the State in the agricultural sector. In the last section (4.4), particular emphasis will be given on the evolution from State intervention to party politics intervention in the agricultural cooperatives. The aim is to appreciate the degree of dependence of the agricultural cooperative movement towards the political parties and explore the drawbacks generated by the apparent lack of autonomy in the Greek agricultural cooperative movement.

4.1 Greek Agriculture: The question of the national lands, the *Chifliks* and the second agrarian reform

Since its formation and until 1917, the Greek State faced two issues of significant importance for Greek agriculture: the question of the national land (1828-1881) and the question of the *chifliks* (1881 – 1917). These periods are of importance in understanding the development of the agricultural sector in Greece and the strengthening of small-scale family farming that is the dominant form of production to the present day.

The question of the national land arose immediately after the formation of the Greek State, with the State becoming the owner of all the lands abandoned by the Turks (Vergopoulos, 1975; Psychogios, 1994; Malkidis, 2001). The national land, as Malkidis (2001, p.25 – translation mine) explains, was previously controlled by “Muslim citizens, the Ottoman state or in other Muslim religious institutes”. These lands were mainly in Peloponnesus where the revolution for independence started. Immediately after the revolution, the Greek State instead of distributing the lands to the Greek peasants decided to nationalise the land. As such, although the Greek farmers were able to continue cultivating the land, the Greek State became the owner of that land and had the right to sell it to a third party. The nationalisation of the lands allowed the new born Greek State to accumulate part of the farmers’ surplus labour through taxation and rent on the lands that was called *epikarpia* (Psychogios 1994). In brief, we could say that the *epikarpia* is the ground rent that the landowner extracts from those employed to cultivate his lands. As Marx (1991) explains, under capitalism ground rent creates the conditions for the accumulation of farmers’ surplus labour by the landowner, although the latter is not involved in the production process. In the case of Greece, the farmers’

surplus labour was accumulated by the State. As such, Psychogios (1994) stressed that the *epikarpia* was nothing more than a pre-capitalist relation inherent in the Ottoman law, according to which the State was acting as a capitalist landowner and accumulated part of the farmers' surplus labour.

The first serious attempt to distribute land to Greek farmers occurred in 1835. As Psychogios (1994, p.46 – translation mine) stresses, “[t]he law of 26th of May 1835 (on endowment of Greek families) was the first attempt to deal with the question of the national land”. According to this law, every head of a rural family in Greece as well as those foreigners who contributed to the war for independence had the right to buy from the State land of up to the value of 2,000 drachmas. Those Greek farmers or foreigners who decided to buy land had to repay their loans to the Greek State within 36 years and with an interest rate of 6%. In cases where the value of the land was above 2,000 drachmas the rest of the amount had to be paid within 10 years while the interest rate remained the same (Psychogios, 1994). However, Greek farmers could hardly make use of the aforementioned law for the distribution of the national land because of their inability to repay their loans. The inability of the Greek farmers to pay their instalments became such that the Greek State had to introduce a law in 1855 which would write off part of these debts (*ibid.*).

Therefore, as Malkidis (2001) explains, the very day after Greek independence, the Greek peasants' poor financial conditions were worsened due to the obligations they had towards the new born Greek State. Vergopoulos (1975) suggests that the new property relation found the peasants in a worse position since they were transformed into tenant farmers and lost their traditional rights on the land, that is the cultivators'

rights to remain on the land and retain proportion of its fruits. This led Thiersch (1833) in his work *De l'état de la Grece* (cited in Vergopoulos, 1975) to observe that almost 5 out of 6 Greek farmers had no land. In a similar fashion, Doukas (1945, p.81) writes that,

in 1833, there were still more than half a million Greek peasants who were landless and who possessed no implements to work the soil except from their bare hands. Lack of foresight and the absence of any program perpetuated this situation for almost one hundred years.

Another researcher Eihtal (cited in Kordatos, 1964) describes, perhaps with some exaggeration, the Greek peasants' houses as being built of mud and thatch while the majority of them were comprised of one room without ceiling. As Kordatos (1964) notes, these were the conditions of Greek peasants from 1830 to 1930. He describes the Greek peasants as ill-nourished, shoeless, naked or wearing rags. Meat was absent from their diet (except one or two times per year), and their main diet was onions, cheap bread and olives. Whether Thiersch, Eihtal and Kordatos have exaggerated their descriptions of the Greek peasantry is of little importance. The point here is that Greek peasants continued to live in difficult conditions despite the liberation from the Ottoman Empire and the establishment of the independent Greek State.

Therefore, despite the fact that the Greek State continued to own a significant amount of cultivated land, it soon realised that the distribution of this land to small farmers would improve the State's revenue and favour industrial capitalism. As Soutsos (1885) argued, the enthusiasm of the farmers to finally have their own land, gave to the Greek State the opportunity to further increase its revenue through an increase in taxation.

The first agrarian reform took place on 25th March 1871 and was completed by 1911. The outcomes of this reform can be summarised as follows: 265,000 hectares of land were distributed into 357,217 plots, which given the fact that the population of the countryside was no more than 254,000 families in 1879, suggests that almost all Greek farmers became owners of land (Vergopoulos 1975, p.110; Psychogios 1994, p.101; Malkidis 2001, p.29). Thus, the nationalisation of the land disadvantaged the development of *chifliks* and agrarian capitalism during this period. Also, the small-scale character of Greek agriculture favoured the increase of the production of vines and tobacco, products with high profit which were exported to other countries, mainly to England and France (Vergopoulos, 1978a; Malkidis, 2001). This resulted in the increase of the State's revenue from export duties. At the same time, the Greek State was able to exercise more control over the farmers through the incorporation of agriculture in the international market (*appendix 1*). As both Vergopoulos (1975) and Malkidis (2001) suggest, after the first agrarian reform (1871) the production of raisins was favoured by the State and it became the only product that the Greek banks accepted for loan approvals. Also, the Greek agriculturalist Halkiopoulos (cited in Malkidis 2001, p.29) complained about the brutality of the Greek police forces on those peasants who refused to cultivate raisins.

Vergopoulos (1978a, p.103 – translation mine) writes that, “in a few words, the raisin was the axis of the traditional agro-trade structure until 1880 in Greece. We should not forget that the production of raisins was supported merely by the independent small-scale ownership and production. Thus, the development of raisin economy disfavoured the creation of large-scale estates”. That was also reinforced by two other indirect factors. Firstly, the production of raisin by small-scale family farms created

unfavourable conditions for the creation of labour force necessary for the operation of *chifliks*. Secondly, the State's increased revenue from export duties allowed the import of the necessary wheat in order to cover the food shortage in Greece. At the same time, this compressed the price of wheat (mainly produced by the *chifliks*) in the domestic market which further disadvantaged the creation of *chifliks*.

In summary, we can say that the Greek State, either through the nationalisation of the land at 1828 or its distribution at 1871, kept a 'hostile stand' towards the *chifliks* and the development of agrarian capitalism. With the first agrarian reform, the Greek State proceeded to the detriment of the formation of the *chifliks* and attempted to maximise its revenue by encouraging family farming.

But this was to change with the annexation of Thessaly and Arta in 1881 the incorporation of which into the Greek State created conditions for the formation of *chifliks* and intensified the importance of the second agrarian reform (1917) which marked the end of the *chifliks*. This is because between the years 1878 and 1881 large plots of land were transferred, or more accurately were sold, by Turks to wealthy Greeks (Vergopoulos, 1975; Mouzelis, 1979; Malkidis, 2001). According to the available data (*table 4.1.1*), between 1896 and 1907 more than 60% of the cultivated land in Thessaly was controlled by the *chifliks* while the proportion in Macedonia and Epirus was approximately 50%.

Table 4.1.1 - Land controlled by Chifliks 1896-1907

Province	% of Total Land	% of Cultivated Land
Thessaly	50.5	50-64
Macedonia	41	41-52
Epirus	33	33-42

Source: Vergopoulos (1975, p.136).

That was due to the fear that the Greek State would attempt to nationalise their land, as they previously did in Peloponnesus, despite the agreements of Berlin and Constantinople in 1881 which prohibited any attempt by the Greek State to nationalise the land of the Turks in the area of Thessaly and Arta (Vergopoulos, 1975). The formation of *chifliks* in Thessaly by wealthy Greeks created a significant change in the policies of the Greek government. Thus between 1880 and 1895, Charilaos Trikoupis (Prime Minister for most of these 15 years) who was famous for his stand in support of the industrialisation of the country (Doukas, 1945), did not hesitate to change the policy of the Greek State and protect the large-scale farms (Vergopoulos, 1978a). As I said earlier, between 1828 and 1881, it is clear that the Greek State did not favour the formation of *chifliks*. That changed with Trikoupis who, despite his support for the industrialisation of Greece, attempted to attract foreign investments from wealthy Greeks abroad. To do so, he introduced a series of economic policies such as attractive taxation and the protection of the domestic wheat that was mainly cultivated by the *chifliks* (Malkidis, 2001). From the available data (**Table 4.1.2**) it is clear that in the period before 1884 the tariffs on wheat had reached their minimum level.

Table 4.1.2 - Development of tariffs on Wheat

Year	Wheat
1867	100
1884	500
1892	8,000
1904	22,000
1905	24,200
1914	30,560

Source: Vergopoulos (1975, p.142) - Note: Index on 1960 = 100 base).

But from 1884 onwards the Greek State introduced a clear protective policy for the domestic production of wheat by increasing the tariffs, which was clearly in the interests of the large landowners. However, as Vergopoulos (1975) explains, this new

stand of the Greek State was nothing but an ephemeral compromise between the industrial and agrarian social formations.

It is important to note that the *chifliks* developed in the 17th century as an institution in which the landowner exchanged his land for the labour of the direct producer. The net product, after the removal of the production cost and taxation, was divided into three parts: the landlords would appropriate one-third of the produce, while the other two-thirds were retained by the direct producers. This relation of the landlord with the direct producer was not only related to large-scale farming, but to small-scale farming as well. The produce could also be divided into halves under specific conditions (Vergopoulos, 1975). If however the farm had no profit – not unusual in agriculture – then the farmer was not obliged to give anything to the landlord. It is clear that this relation gave the direct producer some form of security.

However, the *chifliks* gradually developed into a mechanism of decentralisation of the Ottoman rule because the large-scale landowners (*chiflikades*) were developing into powerful provincial potentates, asserting great wealth and political power. The *chifliks* transformed into a mechanism of concentration of wealth and power of the *chiflikades* to appropriate more and more surplus production and exercise more direct control over the farmers. As such, it is important to see the *chifliks* not as an inheritance of the pre-capitalist Ottoman social formation, but one of the reasons for the decline of the Ottoman Empire (Vergopoulos, 1975; Christodoulou, 1986; Damianakos, 1997; Malkidis, 2001). Although, the *chifliks* as a form of large-scale private ownership of the land originated in the 17th century, it is important to remember that the *chiflikades* never questioned the peasants' traditional rights on the land during the Ottoman period

because the Ottoman law protected the rights of the small cultivators. The expropriation of the peasants from the land only occurred after the formation of the modern Greek State and the introduction of the Roman law which gave strong emphasis on the absolute rights of private property.

Therefore, the formation of the *chifliks* intensified the already poor conditions of the Greek peasants. The traditional rights of the Greek peasants on the land were abolished, with the *chiflikades* now able to expropriate the Greek peasants from the land. The works of Kordatos (1964), Vergopoulos (1975) and Malkidis (2001) give a good picture of the conflicts between the *chiflikades* and the Greek peasants. A notable example is that of the large landowner named Zografos. According to Vergopoulos (1975), in 1889, Zografos demanded that the farmers who cultivated his lands sign an annual contract. According to this contract, the peasants were to accept his absolute ownership rights over the land which meant that Zografos had the right to expel them from the lands they had been cultivating for generations. Another notable case is that of the Karapanou family (Vergopoulos 1975 and Malkidis 2001). According to Malkidis (2001), Karapanos forced the Greek peasants to sign a contract that would accept the absolute rights of Karapanos to the land. After the annexation of Arta, Karapanos used the Greek legislation on property rights in order to expel a large number of Greek families from the lands they had cultivated for years (Malkidis 2001, p.42). Similarly, Kordatos (1964) refers to the case of Sygros, a wealthy Greek from abroad, who became a large landowner in the region of Attica. According to Kordatos (1964, pp. 164-167) the Greek peasants were subjected to economic exploitation by Sygros who also used the police to brutally discipline those who dared to complain. When the peasants' complaints intensified, Sygros did not hesitate to use a Greek law called

‘expulsion of ill-natured tenants’ and drive out from his lands those peasants who questioned his practices.

From these examples, it is clear that the introduction of Roman law and its strong emphasis on private property rights, created the conditions for the Greek peasants to lose their traditional rights on the land. The large landowners were able to squeeze the peasants’ surplus labour while the Greek peasants were subjected to expulsion at the landlords’ will. As such, while previously the relationship between the landowners and the peasants had been characterised by traditional rights with the peasants enjoying some sort of security, the abolition of these rights transformed them into mere tenants.

Moreover, as I have already mentioned, unlike small-scale farming, the large-scale farms favoured the cultivation of wheat rather than raisins. The conflict between the large landowners and the State that supported the development of industrial capitalism was intensified when the large landowners refused to play the role of the provider of cheap agricultural products in the urban centres for the development of industry (Vergopoulos 1975; Malkidis, 2001). Instead, the large landowners made the conflict between rural and urban sector even stronger by attempting to maximise their profits. According to Vergopoulos (1975), the annexation of Thessaly intensified instead of reducing the shortage of wheat in Greece. That was due to the monopolistic position of the large landowners who chose to maximise their profits by reducing the production of wheat while significantly increasing its price (Vergopoulos 1975 and 1978a). As such, the Greek State viewed the *chifliks* as a barrier to the development of industrial capitalism (Vergopoulos, 1975; Malkidis, 2001).

A similar argument which can shed more light on the case of Greece, existed in Italy with the conflict between the role of the *latifundia* (big landed estates) in the South of Italy and the industrial development in the North of Italy. Antonio Gramsci (1981; 2005) argued that the *latifundia* of South Italy were a factor that slowed the development of industry in North Italy. The southern peasants were bound to the large landowners in such a way that they created “a monstrous agrarian bloc which functions wholly as intermediary and overseer for Northern capitalism and the large banks” (Gramsci 2005, p.58). Gerschenkron (1979) also suggests that the slow development of industry in Italy was in fact a result of the Italian’s State protectionism of the *latifundia*. As Gerschenkron (1979, p.79) suggests, “some of the reasons for preventing Italy’s big industrial push from displaying its full potential force” could be found in the rigorous protectionist climate of the Italian government through tariff on the production of wheat in support of the *latifundia* in the South. That led Gerschenkron (1979) to suggest that the contribution of the Italian government to the industrialisation of the country was rather poor.

Going back to the case of Greece, in the years after 1900 the conflict between the large landowners and the peasants intensified, and led to the well known (in Greece) military *movement of Goudi*. The military *movement of Goudi* supported the urban middle class who saw that the industrialisation of the country required the abolishment of the *chifliks* (Christodoulou, 1986). But the *movement of Goudi* was not the only response. The peasants’ peaceful demonstration of 1909 was followed by powerful strikes in Karditsa, Trikala and Farsala at 27 February 1910. The same year (6th of March 1910), the events which occurred in Killeler marked the most notable strike in the history of the Greek agrarian movement with the mass mobilisation of Greek peasants from every corner of

Thessaly (Kordatos, 1964). The Greek farmers' demands for property rights (also favoured by the urban middle class) led to a discussion about the expropriation of land and private property in the Greek parliament from the 16th to the 19th of March 1911.

In the same period (1907 and 1914) Christodoulou (1986) notes that the Greek State expropriated 54 *chifliks* in Thessaly covering almost 106,000 hectares of cultivated land, even though that was less than 1/6 of the total area covered by *chifliks*. Even after the second agrarian reform of 1917, Malkidis (2001) explains that a single expropriation of *chifliks* occurred during the following two years. From the available data (**Table 4.1.3**), it is clear that the second agrarian reform (1917) really came into effect after 1922 when the resettlement of 1,500,000 Greek refugees from Asia Minor speeded up the agrarian reform (Mouzelis, 1978; Malkidis, 2001) which was completed by 1937 (Kamarinou, 1977).

Table 4.1.3 - The 2nd Agrarian Reform

Year	Expropriated Chifliks
1917	0
1918	1
1919	-
1920	63
1921-1922	12
1923	642
1924-1925	561
1926	146
1927	100
1928-1932	101

Source: Labos (1983, p.256 for 1917-1932) and Vergopoulos (1975, p.178 for 1917-1925) - Note: For the year 1923, in Labos work it has 622 chifliks.

The outcome of the second agrarian reform was the complete destruction of the *chifliks* and the strengthening of small-scale family farming. The Greek State did not favour the proliferation of the *chifliks*, with the exception of a period between 1880 and the first

years of 1900, and saw small-scale family farming as the mean for the development of the industrial sector in Greece. Thus, as suggested in chapter 2, the strengthening of small-scale family farming should not be viewed as a pre-capitalist relationship, but rather as a form recreated by modern capitalism (Vergopoulos, 1975 and 1978b). As I will show in the following sections of this chapter, family farming favoured the development of urban capitalism and created fertile grounds for the intervention of the State in the agricultural sector. Above all, the State achieved complete control of the agricultural sector by controlling all the organisations for the representation of the farmers, cooperatives and syndicates alike, as will be discussed in sections 4.3 and 4.4. But before this, I will give some basic information regarding the development of agricultural cooperatives and their structure in Greece.

4.2 Greek Agricultural Cooperatives: Some Historical Facts

There is much debate about the origins of the first cooperative in Greece. A famous case of cooperation in Greece is that of the 22 villages of Ampelakia in the valley of Tempi (Klimis, 1985). The cooperative of Ampelakia goes back to the end of the 18th century and the beginning of the 19th century when Greece as we know it today was under Ottoman rule. The cooperative villages of Ampelakia focused on the yarn industry and traded in the biggest markets in Europe. For some researchers (see Boulanger, 1875 and Koukkides, 1948), the case of the Ampelakia villages has been celebrated as the very first true cooperative village in Europe, well before Owen and

Fourier spread their ideas⁹. The French architect, and supporter of Fourier, Francois Boulanger published his book in 1875 with the title *Ambelakia ou les Associations et les Municipalites Helleniques*. Translation of passages from Boulanger's work can be found in Klimis's (1985) work. From these passages we read that the cooperative of Ampelakia was based on the distribution of profit according to the contribution in labour and capital of each member, a principle similar to that in Fourier's (1971) work *Design for Utopia* about the Phalanxes. In Fourier's (1971, p.140) work we read that, "[for] the maintenance of the Phalanx, and, especially, [for] perfect harmony regarding the division of the profits, [these should be divided] according to the three factors, Capital, Labour [and] Talent". According to Boulanger (cited in Klimis, 1985), in the cooperative of Ampelakia, part of the profits were always used for the greater good of the community: the education of children, assistance to the poor, orphans and widows as well as for the purchase of tools for the poorest members. Boulanger explains that all the members of the community were also members of the cooperative and he speaks of the outstanding achievements of this community, their wealth and social stability as a result of the cooperative practices. A special report on the experiment of Ampelakia can also be found in Holyoake's (1908) work and more specifically under the section "The lost communities"¹⁰. Holyoake (1908, p.167) uses Urquhart's work which stressed that, "Ambelakia, by its activity, appears rather a borough of Holland than a village of Turkey".

⁹ Robert Owen published his first work in 1813 with the title a *New view of Society* whereas Charles Fourier published his first work in 1808, called *The Theory of the four movements and of the general destinies*.

¹⁰ Holyoake refers to the Ampelakia as Ambelakia. To avoid any misunderstanding the reader should note that both words refer to the same villages despite the different spelling.

However, the success of the experiment at Ampelakia did not last for long. For Urquhart (cited in Holyoake 1908, p.169) the real cause for the decline of the cooperative of Ampelakia was “the exclusion of the workmen from a due influence in the administration and share in the profits”. However, this was not the only reason. As Malkidis (2001) suggests, one of the reasons for the decline of Ampelakia was the industrial revolution in England. The industrialisation of the cotton industry in England had rendered the British cottons far cheaper than the handmade cottons from Ampelakia, which resulted in the reduction of their market share. Also, the attack of Ali Pasa's army at Ampelakia in 1811 and the bankruptcy of the Austrian banks in which the cooperative had large deposits, had a determining effect in the dissolution of the cooperative (*ibid.*).

However, historians such as Kordatos (1973) have strongly disagreed with Boulanger's (1875) and Koukkides's (1948) claim that the cooperative of Ampelakia was the first in Europe. In his work, *The Ampelakia and the Myth of their cooperative*, Kordatos (1973, p.170 – translation mine) concluded that,

[a]t Ampelakia we do not have the establishment of the ‘first cooperative in the world’. The legendary cooperation between ‘capital and labour’ was nothing more than a cartel of merchants and manufacturers. Thus, anything written about the cooperative of Ampelakia is but a myth.

Other researchers such as Avdelidis (1989) had a more neutral stand on whether the cooperative of Ampelakia should be considered as the first cooperative in Europe. For Avdelidis (1989), the communal society of Ampelakia could be considered as a collective enterprise that shared some of the cooperative principles. This society was

established during the slow development of manufacturing under the Ottoman occupation with the intention to minimise the socio-economic difficulties of the manufacturers, merchants, workers and peasants. Similarly, Klimis (1985) suggests that instead of trying to prove or disprove the idea that the community of Ampelakia is indeed the first cooperative in Europe, it is important to acknowledge that the experiment of Ampelakia established and prospered while Greece was under the Ottoman rule which was characterised by distinctive socio-economic and political conditions unlike those of other European countries in that period.

Notwithstanding the debate about the cooperative nature of Ampelakia, all Greek researchers agree that the cooperative of *Almyros*, established in 1900, can be considered as the first attempt of modern cooperativism in Greece (see for example: Tzortzakis, 1971, 1980; Klimis, 1985; Labos, 1986; Avdelidis, 1989; Malkidis, 2001). The cooperative of *Almyros* started with 48 members, all farmers, and provided credit services to all the farmers-members (Klimis, 1985; Malkidis, 2001). According to Klimis (1985), in 1911 the cooperative of *Almyros* purchased the first threshing machine for common use which they named *Omonoia* and then a second threshing machine that was named *Proodos*¹¹. Cooperativism in Greece was at such an early stage that Klimis (1985, p.190) talks about the purchase of the threshing machine as a ‘heroic achievement’ of the visionary co-operators.

¹¹ *Omonoia* in English is translated as unity while *Proodos* is translated as progress. This shows the possible semiotic connotation behind these names as possibly an attempt by farmers-co-operators to promote the cooperative spirit (however no clear evidence to support this is to be found).

Although, the development of agricultural or other forms of modern cooperatives in Greece was characterised by slow development during the first fifteen years of the 20th century, the cooperative of Almyros was a point of reference for modern cooperativism in Greece. In addition, the establishment of Almyros cooperative contributed to the establishment of the first cooperative law in 1915 (602/1915). Despite its limitations, as I will discuss later, it is important to acknowledge that the cooperative law gave the cooperatives a legal status that was necessary for their rapid increase in the following years. In 1915 there were 150 agricultural cooperatives with 4,500 members, and by 1920 the number of agricultural cooperatives had increased to 1,171 with 58,000 members (Klimis, 1985; Mavrogordatos, 1988).

From the works of Tzortzakis (1980), Christodoulou (1986), Mavrogordatos (1988) and Avdelidis (1989) it is clear that the second agrarian reform with the expropriation of the *chifliks* went hand in hand with the rapid increase of agricultural cooperatives. As we can see from the statistical data presented in *appendix 2* the number of agricultural cooperatives increased from 1,171 in 1920 to 4,149 in 1926 while the members increased from 58,000 members in 1920 to 268,437 members in 1926. The number of agricultural cooperatives continued to increase throughout the 20th century, and in 1986 there were 7,513 agricultural cooperatives with 940,860 members which indicates that almost all farmers were members of a cooperative. As such it is fair to suggest that along with the second agrarian reform which was completed by 1937 we witness a spread of agricultural cooperatives in every corner of the country. It is particularly interesting however to notice that the agricultural cooperatives in Greece were mainly of credit character which strongly indicates a link between the strengthening of small-scale family farming and the development of credit-intermediary cooperatives. Looking

at the statistical data presented in *appendix 2* it is clear that from 1923 the credit agricultural cooperatives have always counted for more than 60% of the total active agricultural cooperatives, and this remains true today.

Regarding the growth of producers' cooperatives in Greece, the available data (*appendix 2*) show that these continued to increase from the middle 1930s (when we have the first available data) and until the late 1960s. Despite this seemingly large number of producers' cooperatives it is important to note that their functions remained very limited. As Kamarinou (1977) explains, producers' cooperatives were mainly responsible for providing farmer-members with a very limited number of machines for the cultivation of agricultural products and simple processing activities, such as olive oil refineries (Kamarinou, 1977; Patronis, 2002). Cooperatives for common use of land were and still are non-existent. As for agricultural cooperatives for supply of raw materials to the farmers, they had always been insignificant in numbers (less than 2% of the total agricultural cooperatives) since the main provider of raw materials (such as fertilisers) had been the ATE bank (Kamarinou, 1977).

It is important at this stage to say something about the structure of the Greek cooperatives; these are organised around three levels that form a structural pyramid. At the base of the pyramid, we find the first degree cooperatives. There are 6,376 first degree cooperatives at local level with approximately 713,714 farmers-members (*appendix 2*). The first degree cooperatives function in every rural area where there is some agricultural activity; the main role is to act as an intermediary between ATE bank and the farmers for the supply of loans. They are also responsible for processing plants such as olive-mills and packing station for fruits and vegetables. Above the first degree

cooperatives we find the Regional Unions that are second-degree cooperatives. There are 122 second degree cooperatives (Regional Unions) which function at a regional level and perform similar activities to first degree cooperatives (PASEGES, 2009). Their activities include the distribution of EU subsidies, the processing and marketing of various products; while some unions use their own supermarkets for the trade of some of their products. The National Central Unions and the Regional Central Unions are the third-degree cooperatives and they usually market, and often process too, specific products or group of products at national or regional level. For example, the cooperative of sultana association 'K.S.O.S' established in 1940 is responsible for raisins, while 'Elaiourgiki' established in 1949 is responsible for olive oil (Tzortzakis, 1971). At the top of the structural pyramid, is the Pan-Hellenic Confederation of Agricultural Cooperatives (PASEGES) established in 1935; this is the official representative of cooperative farmers to the government and European Union committees.

To sum up, credit agricultural cooperatives have been the major expression of cooperativism in Greece, while all other forms of agricultural cooperatives continue to have an insignificant role. As I will show in the next section of this chapter, the development of credit agricultural cooperatives has been viewed as a necessary mechanism for the penetration of banking capital in the agricultural sector, and a tool for the State to secure the returns of the loans from the indebted small-scale farmers. This in turn created fertile grounds for the intervention of State in the agricultural sector, and the perpetuation of clientelist relations between farmers and politicians.

4.3 Small-scale farming and the nature of agricultural cooperatives

In the last part of chapter 2, the discussion turned to the complexity of the agricultural sector in terms of its development. Following the works of Vergopoulos (1975; 1978b), Greece appears to be a perfect example of the incorporation of small-scale family farming into the development of urban capitalism. The establishment and perpetuation of small-scale farming in Greece constitutes a form of production which is recreated by modern capitalism and is not an inherent pre-capitalist relationship. In this section my aim is to look at the relationship of small-scale family farming with the development of urban capitalism, the intervention of the State in the agricultural sector and the development of credit-intermediary cooperatives.

In the case of Greece, small-scale farming complements the development of urban capitalism in various ways. First, it provides cheap food supplies to the urban areas which are necessary in order to maintain an urban labour force at low wages. Secondly, it operates as a reservoir of labour force which also reduces the wages in the urban sector. Here we can add that the small-scale character of Greek agriculture has allowed the development of part-time farming in recent years, which operates as a supplementary income for people working in the urban sector.

Greek farmers are the landowners and the workers at the same time. But unlike large-landowners, the small-scale farmers cannot make a profit through ground rent; their small-size plots of land do not allow them to manipulate the level of land supply and generate profit through an increase in the ground rent. As such, while in the case of large-landowners their land reserves usually give them the opportunity to extract the direct producers' surpluses through competitive rent, in the case of small-scale

producers these surpluses are directed to other sectors of the economy (i.e. the urban sector).

Since the small-scale producers cannot obtain a ground rent income, they have to engage in the production process. However, their return from this engagement is equivalent to a worker's wage (Vergopoulos, 1975; 1978b). This is particularly evident in the case of Greece where the small-scale farmers suffer from low bargaining power in the market which constrains the price of their agricultural products to the benefit of the urban sector. Indeed, the small-scale size plots and thus the insignificant quantities produced by individual farmers make them unable to have control over the selling process or determine the price of their products. Therefore, in order to compensate for the loss of control over their products' prices in the market, Greek farmers have to constantly improve their productivity. This involves the farmers having to intensify their personal labour and increase their investment in agricultural equipment (e.g. machinery and fertilisers). This in turn allows the urban sector to obtain the surpluses produced by the small-scale farmers at low prices.

According to the available data it is clear that in the period after the Second World War, the productivity of Greek farmers (*appendix 3*) and their investment (*appendix 4*) in agricultural equipment was constantly increasing between 1950 and the late 1970s. This invalidates the idea that the low income of the small-scale farmers in Greece is due to the non-modernisation of the production forces or their low productivity. In fact, the available data shows otherwise. For example there is a significant increase in the use of tractors between the 1950s and 1960s. More specifically, in 1951 6,100 tractors were used for agricultural activities and in 1967 this number increased to 71,283 (*appendix 4*

- *table 1*). An equally impressive increase is found in the use of fertilisers. From 79,400 tonnes in 1955 to 337,600 tonnes in 1970 (*appendix 4 - table 2*). But despite the huge effort of Greek farmers to modernise the agricultural sector, their income remained low. That led Vergopoulos (1978b, p.451) to conclude that, “the falling rate in the remuneration of labour leads both to the development of technical progress, and to the intensification of the family’s labour”. Thus, the production of cheap food supplies necessary for the development of the urban sector is more likely under small-scale family production compared to capitalist production. This is simply because small-scale farmers are not bound by the profit imperative, while capitalists would produce only if they could make a profit. That of course does not mean that small-scale farmers have any desire for this non-profit activity. On the contrary, their inability to retain the wealth they produce is due to the small-scale character of their production. Thus, small-scale family farming constitutes the most effective way of keeping the price of agricultural products low, putting the surplus labour of the small-scale farmers at the disposal of the urban sector (Vergopoulos, 1978b).

Moreover, small-scale family farming not only provides cheap food supplies to the urban sector, but also constitutes a reservoir of labour force which keeps the wages in the urban sector at low levels. Small-scale farmers, who are unable to cover their living expenses through agricultural activities, seek an extra income in the urban centres. Although small-scale farming has not lost ground (*Table 4.3.1*), in recent years we witness a trend towards part-time farming.

Table 4.3.1 - Agricultural holdings in Greece (1990-2007)

Year	Total	0- 5	5-20	20-50	<50
1990	850.14	645.21	183.06	17.95	3.92
1993	819.15	620.2	175.72	20	3.23
1995	802.41	603.26	173.95	21.81	3.38
1997	821.39	626.76	169.91	21.56	3.16
2000	817.06	627.19	161.67	23.92	4.28
2003	824.46	627.38	163.18	27.41	6.49
2005	833.59	636.4	161.97	28.21	7.01
2007	860.15	655.14	167.65	30.25	7.11

Source: Eurostat (2010) - Note: Numbers are in hectares.

Lianos and Parliarou (1986, p.233) suggest that “[t]he continued existence of these small farms can be attributed to part-time farming”. Gidarakou (1990) conducted her study in two communities in Greece and her results show that there are a number of factors favouring the development of part-time farming. More specifically, in areas where the opportunities for having multi-jobs is greater, such as islands or areas with good infrastructure, it is more likely that farmers will engage in part-time farming. As such, small-scale farmers can adapt their production according to the needs of their second occupation. In a similar fashion, Damianakos (1997) suggests that in recent years, the Greek farm has become pluri-active, with an increased number of farmers employed in non-agricultural occupations. The point here is that small-scale farming remains the dominant form of production in the Greek agricultural sector, precisely because it does not demand full-time employment. As such, this labour reserve of Greek farmers who seek a non-agricultural occupation further contributes to the reduction of wages in the urban sector.

Furthermore, the establishment and strengthening of small-scale family farming in Greece can only be understood through the omnipresence of the State in the various sectors (i.e. agriculture, urban, mercantile) of the Greek economy. As Vergopoulos

(1978b, p.455) argues, “[t]here is a national economy, with the state as its principal axis”. As such, in the following pages I will try to illustrate how the State achieved the appropriation of the farmers’ surplus labour through the establishment of small-scale family farming and the development of credit-intermediary cooperatives.

The second agrarian reform of 1917 (completed in 1937) gave small proprietors exclusive rights to the land and strengthened small-scale family farming (*Table 4.3.2 and 4.3.3*).

Table 4.3.2 - Distribution of Agricultural holdings in Greece (1929-1971)

Year	0 to 1	1 to 10	10 to 50	Over 50
1929	358,000	555,000	35,000	2,853
1950	287,000	687,000	30,000	1,000
1961	278,000	830,000	44,000	655
1971	236,000	758,000	50,000	880

Source: Vergopoulos (1975, p. 212) - Note: Holdings are in hectares.

Table 4.3.3 – Distribution of Agricultural Holdings (1961-1981)

Year	1-9	10-49	50-99	100-199	200-499	< 500	Total
1961	22.6	56.9	14.9	3.4	0.6	0.06	1,156,172
1971	21.6	56.7	15.7	4.1	0.8	0.08	1,047,260
1977	22.9	54.4	15.8	5	1.3	0.16	957,040
1981	24.7	54.2	15	4.7	1.4		998.876

Source: Mavrogordatos (1988, p.59) – Note: The numbers presented are the percentage of the total cultivated land. The headings are counted in stremmas while the Total represents the actual cultivated land also counted in stremmas.

But at the same time, Greek farmers became indebted towards the State for approximately 70,000 drachmas (Vergopoulos, 1975; Malkidis, 2001). As such, land ownership also became a burden. This led Vergopoulos (1975) to argue that small-scale land ownership was nothing more than a mechanism for squeezing the surplus labour

out of the agriculture sector for the benefit of the urban sector (discussed earlier) and the State. Vergopoulos (1975) and Christodoulou (1986) go so far as to suggest that the Greek farmer is but a wage-worker in his own land. In a nutshell, the State set the conditions – through the small-scale ownership – for its intervention in every stage of the agricultural production and beyond.

The State increased its intervention in the agricultural sector in various ways. Firstly, it did this by gradually increasing its control in the commercialisation of the agricultural products. Secondly, by becoming the main provider of finance in the agricultural sector through the National Bank of Greece (initially) and ATE bank (from 1930 onwards). Lastly, by achieving complete control of agricultural cooperatives from their foundation (see next section 4.4).

To turn to the first factor above, the Greek State achieved control over the commercialisation of agricultural products through the establishment of state-owned organisations responsible for the distribution of the agricultural products in the market (both domestic and foreign). Thus, between 1920 and 1936 the Greek State established organisations for the commercialisation of the domestic agricultural products such as raisins, wheat, olive oil and cotton (Tzortzakis, 1971; Vergopoulos, 1975; Patronis, 2002). To appreciate the extent of State's control in the agricultural sector one can consider the statistical data presented by Vergopoulos (1975, p.186) concerning the concentration and commercialisation of wheat production by the state-owned organisation. In 1927, the Greek State controlled 1% of wheat production. By 1939, 43% of the production of wheat was controlled by the State.

To turn to the second factor outlined above, the State also intervened in Greek agriculture in terms of financial control and provision. As mentioned earlier, the second agrarian reform gave to the landless Greek farmer access to land; but at the same time the Greek farmers became indebted to the State for an amount of approximately 70,000 drachmas. As such, Greek farmers had to constantly increase their productivity in order to secure a living and repay their debts. However, their low bargaining power in the market and the squeezing of the price of the agricultural products often made the Greek farmers unable to repay their loans. It is notable that by 1933, as the available data indicate (*Table 4.3.4*), 83% of the Greek farmers were indebted towards ATE Bank (Vergopoulos, 1975; Malkidis, 2001).

Table 4.3.4 - Number of Greek farmers' indebted to ATE bank (1930 - 1939)

Year	Short-term	Mortgage
1930	286,000	58,000
1933	238,000	58,000
1934	241,000	48,000
1935	275,000	67,000
1936	349,000	107,000
1937	391,000	105,000
1938	397,000	94,000
1939	424,000	95,000

Source: Vergopoulos (1975, p.183).

As Malkidis (2001) stressed, the huge debts of Greek farmers in that period, put under question their very ownership of the land. To avoid a rising of agrarian movements that could threaten the status *quo*, the military junta of Metaxas in 1937 passed the law 677/1937 and proceeded to an adjustment of the debts (Vergopoulos, 1975; Malkidis, 2001). According to this law all debts that exceeded the 60% of the value of the farmer's holding had to be written off and all overdue interests had to be cancelled. The interest rate of the farmer's loans had to be reduced to 3% and the repayment of the farmer's debts had to be spread over a longer period of time (Vergopoulos 1975;

Malkidis, 2001). This periodical adjustment of the farmers' debts throughout the 20th century, led Vergopoulos (1975, p.231 – translation mine) to conclude that, “in reality, these state interventions constitute an indication of a silent admittance of the de facto socialisation of the family agricultural economy”.

Moreover, Greek farmers suffered from credit shortage which subjected them to the exploitation by loan-sharks (Tzortzakis, 1980; Klimis, 1985). To eliminate this phenomenon, the Greek State became responsible for the financing of the agricultural sector by providing loans to the farmers through the National Bank of Greece and at a later stage (1930) through ATE bank, which is also presented, rather ostensibly, as the ‘Bank of the Peasants’ (Boeschoten 1993, p.621). But one of the challenges for the state-owned banks was to find a way to secure the return of the banking capital from the Greek agricultural sector which comprised almost entirely insolvent individuals.

Here, the relationship between state-owned banks and the agricultural cooperative movement is of particular importance. According to the available Greek literature, it is clear that the agricultural cooperatives in Greece were, and still are, mainly of a credit-intermediary character (see Vergopoulos, 1975; Kamarinou, 1977; Christodoulou, 1986; Malkidis, 2001). The small-scale Greek farmers had to use the medium of the credit agricultural cooperatives in order to get a loan since the credit agricultural cooperatives played the role of the guarantor and were an extra security measure used by the banks for the return of the banking capital in the agricultural sector (Vergopoulos, 1975; Kamarinou, 1977; Malkidis, 2001). This has led Gerakaris (cited in Malkidis 2001, p.106) to conclude that, “the agricultural cooperatives provide for the bank the best, the cheapest, and the most effective way to develop the agrarian credit”.

To appreciate the relationship between the state-owned banks and the credit-intermediary cooperatives one has but to look at the available statistical data regarding the loans distributed to the agricultural sector by the state-owned banks from the second agrarian reform onwards. More specifically, the available data presented in *appendix 5* indicate that loans from the State to the agricultural sector increased significantly after the second agrarian reform and the development of the credit agricultural cooperatives, with the latter taking the role of the mediator between the banks and Greek farmers. As Kamarinou (1977) explains, the credit-intermediary cooperatives were practically passive. Their role was mainly to distribute the loans granted by the state-owned banks to the farmers but they had no involvement in the decision-making process regarding the amount of the loans distributed to the cooperatives' members. This has led Kamarinou (1977, p.174) to suggest that the credit-intermediary agricultural cooperatives in Greece were acting more like "bank clerks" rather than autonomous organisations.

Another important observation from the available data in *appendix 5 (table 2)* and *appendix 6* is the significantly large number of short-term loans. This large number of short-term loans in the agricultural sector (compared to long-term loans) has led many Greek researchers (see for example, Vergopoulos, 1975, Kamarinou, 1977, Christodoulou, 1986; Malkidis, 2001; Patronis, 2002) to highlight the opportunistic behaviour of the Greek State in the agricultural sector. This opportunistic behaviour is shown in its credit character and more specifically in the large number of short-term loans to farmers. A modernisation of the agricultural sector requires a large investment in its infrastructure, and thus the necessity of long-term loans. However looking at the

difference between the number of long-term loans and the large number of short-term loans, the Greek State seems not to be interested in modernising its agricultural sector (Kamarinou, 1977). Short-term loans could only be used for the farmers' running expenses and the partial repayment of their existing debts. This observation led Vergopoulos (1975), Kamarinou (1977) and Christodoulou (1986) to conclude that, the credit system in the Greek agricultural sector which was guided by short-term loans through the medium of credit-intermediary cooperatives, constituted a mechanism for the appropriation of the Greek farmers' surplus labour for the benefit of the State.

To sum up, in this section I have argued that the small-scale character of Greek agriculture has been the most effective way for the appropriation of Greek farmers' surplus labour by the urban sector and the State. The urban sector benefited from the small-scale character of Greek agriculture through the provision of cheap food supplies necessary in order to maintain an urban labour force at low wages. At the same time, the urban sector found in small-scale farming a reservoir of labour power which also contributed to the further reduction of wages in the urban sector. As for the State, the small-scale character of the Greek agriculture allowed it to intervene in the agricultural sector in various ways. First, the State established a number of centralised organisations responsible for the commercialisation of the domestic agricultural production in the market (domestic and foreign). In addition, the State became the main provider of credit services to the agricultural sector through state-owned financial institutions and credit-intermediary cooperatives; this is a point which is further discussed in the next section.

4.4 Agricultural cooperatives in Greece: A historical account of the role of the State and party politics

The development of the cooperative movement in Greece has been viewed by various researchers (Mouzelis, 1978; Papadopoulos and Patronis, 1997; Patronis, 2002) as being organised ‘from the top’ due to the absence of a strong agricultural movement. In fact, Greek peasants have never been organised politically as a class. In the significant work of Mouzelis (1978, p.84) we read that “the Greek peasants [...] failed to organise themselves into a strong agrarian party”, despite the fact that the peasant population in Greece exceeded 80% of the total population in 1900 and in 1989 still counted for one-third of the total population (Kioukias, 1994). As Mouzelis (1978) explains, the demands of the Greek peasants were represented by the major bourgeois parties and this explains why “[t]he Greek Agrarian Party, established as late as 1922, was both in terms of membership and in terms of political impact, an insignificant force in Greek political life” (1978, p.93). In a similar fashion, Patronis (2002, p.2) adds that, “the organisation and representation of farmers’ interests [...] was planned by the political power aiming at aligning the farmers’ interests with the state politics”.

Following the works of Christodoulou (1986), Avdelidis (1989), Papageorgiou, (1991) and Patronis (2002), to name but a few, it is clear that agricultural cooperatives in Greece hardly exercised any autonomy. From the beginning the State achieved complete control over the agricultural cooperative movement by the establishment of the first cooperative law (602/1915). The State’s intervention has been highlighted by both Labos (1986) and Avdelidis (1989) as one of the major problems of the Greek cooperative movement. Thus, the cooperative laws in Greece created limitations for cooperative operations, so that cooperatives would operate in accordance with the

State's interests. As Labos (1986) suggests, the first law for cooperatives in Greece introduced in 1915 was almost copied from the German legislation and was influenced by the cooperative models of Raiffeisen and Schulze-Delitsch. In Greece, a cooperative should be constituted by a minimum of 7 persons and in order to become legal the Ministry of Agriculture had to grant permission. The supervision of the cooperatives was the responsibility of the Ministry of Agriculture and after 1929 this responsibility transferred to the ATE bank (Labos, 1986; Avdelidis, 1989). The supervisory service of the cooperatives belonged to ATE bank and all decisions had to be accepted by ATE bank's supervisor in order to proceed. It becomes obvious that the State through this legislation achieved its control over the agricultural cooperatives since no decision was to be taken without the permission of ATE bank's supervisor.

From the available Greek literature (see for example, Vergopoulos, 1975; Kamarinou, 1977; Tzortzakis, 1980; Christodoulou, 1986) it is clear that the financing of the agricultural sector was organised by the State, which established ATE bank for this purpose in 1929. Tzortzakis (1980) argues that the National Bank of Greece and ATE bank provided satisfactory financial services to Greek farmers and protected them from loan sharks. Klimis (1985) too, highlights the benefits of the credit agricultural cooperatives in the Greek countryside and the role they played in contributing to the elimination of loan sharking. However, from the works of Vergopoulos (1975), Kamarinou (1977), Christodoulou (1986), Sifniotis (1992) and Patronis (2002) to name but a few, we can see that the role of ATE bank in providing satisfactory financial assistance to the farmers is dubious. In fact, the majority of Greek farmers were unable to repay their loans due to the monopolistic position of ATE bank and its burdensome interests rate (Vergopoulos, 1975). The inability of Greek farmers to pay back their

loans created the conditions for the intensification of the clientelist relations between farmers and politicians (Kamarinou, 1977), with the farmers expecting solutions to their problems from the politicians in exchange for their political loyalty and vote (Legg, 1969). Legg (1969, pp. 120-121) suggests that, “the state could use the cooperative movement to exert some degree of economic control over the agricultural system”.

Despite the change in the cooperative law in 1979 the monopolistic position of ATE bank remained intact. Both Papageorgiou (1991) and Patronis (2002) agree that there is a clear monopolistic position of ATE bank in the agricultural sector that worsens the position of the agricultural cooperatives. Patronis (2002, p.20) suggests that,

[s]ince the mid-1980s the role of the ATE to the formation of the cooperative debts is critical especially due to its monopolistic position in the agricultural sector and its unique operation as an intermediary between the state and ACOs^[12] in Greece. Despite the fact that it shouldered the responsibility of financing on behalf of the state the development of the agricultural sector, the ATE has operated as a monopolistic enterprise gaining significant profits from the transactions and the investments which were implemented through the ACOs.

In addition to the monopolistic position of the state-owned ATE bank in the agricultural sector, the State intensified its intervention through the establishment of state-owned organisations for the concentration and commercialisation of the agricultural products in the market. That led Patronis (2002) to conclude that state-corporatism in the agricultural sector has decisively influenced the evolution of cooperatives.

¹² ACOs are the acronym for Agricultural cooperative organizations.

The works of Legg (1969), Mavrogordatos (1988) and Kioukias (1994) shed more light on the problem of state-corporatism in the agricultural sector, and the ways in which it created favourable conditions for the control of the agricultural movement by an elite group, while excluding the majority of the farmers from the decision-making process. Koukias (1994) uses the case of Baltatzis (Μπαλτατζής) who controlled the leadership of the cooperative movement for over 37 years through the appointment of particular individuals to all the important positions. This elite group was able to take all the decisions, reducing farmers to passive actors executing their plans (Kioukias, 1994). During the period between 1974 and 1980 these elite groups continued to exercise control over the cooperative movement. In Koukias's (1994) work we read that representatives of the socialist party (PASOK) and the communist party (KKE) criticised the existing forms of representation which allowed the control of PASEGES by individuals who did not represent the economic interests of the agricultural cooperatives, but only their own.

In 1981, PASOK came to power largely due to the support of the majority of the Greek farmers who, as Patronis (2002, p.5) notes, “for the first time in the post-war^[13] period, [were pulled] away from the dominant influence of the right^[14]”. Louloudis and Maraveyas (1997, pp.275-276) explain that,

[a]fter the Civil War (1949) which ended with the Left being defeated by the Right and its allies (Britain, USA), Greece was dominated by the nationalist ideology of *ethnikofrosini*, mainly expressed in the form of anti-communism. In rural areas especially, in the name of such ideology, any collective attempt at

¹³ In the original work the author (Patronis) refers to post-war period as that from 1950-1973.

¹⁴ By “right” the author refers to the conservative parties.

political participation was greeted with suspicion by the official state channels which often resorted to the use of violence. Farmers' politicisation did not go further than the limits of tolerance as demarcated by the authorities, in other words, beyond individual clientelism.

It is clear that the victory of PASOK in the national elections introduced a new period in Greece where no political party was able to monopolise the votes of the farmers. In the political agenda of PASOK was the creation of an autonomous cooperative movement. However, the high expectations for 'change' with the rise of PASOK in 1981 did not materialise (Mavrogordatos, 1988; Kioukias, 1994; Patronis, 2002). In fact the attempt by PASOK to restructure the cooperative movement only strengthened the role of party politics. The legislative actions of 1983 and 1985 restored the principle of 'one member - one vote' and proportional representation as well as party lists in cooperative elections (Louloudis and Maraveyas, 1997). The mobilisation of the farmers in that period allowed the governing party PASOK to achieve a significant majority in PASEGES at the elections of 1983 reinforcing a restructuring from the top and a "homogeneous cooperative structure in the country" (Patronis 2002, p.9).

In the period after the rise of the socialist party (PASOK), we witness a transition from State control to party politics whereby agricultural cooperatives became transformed into agencies of the political parties rather than autonomous organisations. Mavrogordatos (1988) presented statistical information (*table 4.4.1*) about the distribution of power between the three political parties (PASOK, New Democracy and the Greek Communist Party or KKE), and PASOK remained the dominant power between 1983 and 1987.

Table 4.4.1 – Distribution of political parties’ power in PASEGES (1983-1987)

Political Party	Votes	%	Representatives	Votes	%	Representatives
PASOK	246	54.5	11	186	46.5	10
ND	151	31.2	7	173	43.3	9
KKE	69	14.3	3	41	10.3	2
Total	484	100	21	400	100	21

Source: Mavrogordatos (1988, p.66)

In this vein, Louloudis and Maraveyas (1997) also suggest that cooperatives had become centres of clientelism for the political parties. Papageorgiou (1997) similarly highlights that recruitment within the cooperatives is based on the political beliefs and party commitment of the candidates rather than their knowledge and ability for cooperative practices. Papageorgiou (1997) added that many of those who took over the official positions in the cooperatives did so in order to get recognition in the political arena and their actions were according to their political ambitions rather than the interests of the cooperatives.

For Koukias (1994), farmers’ votes became particularly important for the political parties for two main reasons. Firstly, the rural population in 1989 was over 1/3 of the total population in Greece (*ibid.*), while according to the latest official census of 2001 (censuses take place every 10 years) the rural population has slightly decreased but continues to count for over 1/4 of the total population (Malkidis, 2001). Thus we can conclude that the rural population was and remains an attractive source of votes. Secondly, the politicisation of the Greek farmers created an antagonistic environment in the countryside and no political power was able to monopolise the farmers’ vote. However, the politicisation of the Greek farmers did not create any strong agrarian movement. On the contrary Greek farmers were divided according to their political beliefs. The ‘blue’ (conservative) and the ‘Green’ (socialist) coffee-shops reflect the

sterile politicisation which dominated the Greek countryside in the 1980s (Patronis, 2002). This becomes even more evident when we look at the competition between the political parties in order to control the farmers' organisations. As Mavrogordatos (1988) explains, PASOK achieved control in the 1980s over both PASEGES and GESASE (General Confederation of Greek Agrarian Associations) which were re-established after the end of the military junta. On the other hand the right wing party of New Democracy established the SYDASE (Confederation of Democratic Agrarian Associations of Greece) in 1985 as an opposing pole. In 1986, GESASE had 102,000 farmers-members and SYDASE had approximately 90,000 farmers-members, showing how Greek farmers were divided, a situation that only served the interests of the political parties.

Garrido's (2007) work on Spain can shed more light on the case of Greece. As Garrido (2007, p. 188) suggests, in Spain "the small farmers became an attractive source of votes, [and] cooperatives were used to recruit them and to oversee the insertion of peasantry in the political life of the nation". In Greece too, Koukias (1994) talks about the party politics intervention in the cooperative movement and the clientelist relations between the leaders of the farmers' organisations (syndicates and cooperatives alike) and the State.

Despite the attempts by PASOK to exercise complete control in the agricultural sector through the farmers' organisations, Kioukias (1994) concluded that the relationship between PASOK and the agricultural movement should not be seen as one sided. For example, in 1986, the agricultural organisations used the agrarian vote as a bargaining card in order to put pressure on the leadership of PASOK for an increase of financial

assistance to the agricultural sector through subsidies. In fear of losing votes to the right wing party (New Democracy), PASOK had to accept the demands of the agricultural organisations (Kioukias, 1994).

To conclude, the State achieved complete control of the agricultural cooperatives from the start through the introduction of the first cooperative law and the monitoring of the agricultural cooperatives first by the Ministry of Agriculture and then by ATE bank. The real problem for the agricultural cooperatives in Greece remains their dependence on the State and the political parties. This dependence reinforces and perpetuates the lack of economic viability of the agricultural cooperatives and discredits the cooperative movement.

4.5 Summary

The case of Greece shows that there are different 'roads' to the development of capitalism in agriculture which do not necessarily imply the concentration of the means of production into a few hands. The preservation and strengthening of small-scale farming in Greece, as the discussion above illustrated, does not constitute a pre-capitalist relationship but rather a form created by modern capitalism. As was suggested above, the strengthening of small-scale farming created favourable conditions for the development of urban capitalism and the State's intervention in the agricultural sector. Along with the new born Greek State in 1828 we witness the establishment of property laws that allow individuals to retain absolute private rights over property; this in turn transformed the existing social property relations in Greece. In the following years until the second agrarian reform the debate turned around the problem of the national land

and the *chifliks* (big landed estates). However, the second agrarian reform (1917) marked a new period for the Greek agricultural sector. This period was characterised by the complete destruction of the *chifliks* and the strengthening of small-scale family farming which in turn favoured the development of urban capitalism and created fertile grounds for the intervention of the State in the agricultural sector. Above all, the State achieved complete control of the agricultural sector by controlling all the organisations established for the representation of the farmers, cooperatives and syndicates alike. The first cooperative law in 1914 and the second agrarian reform created the conditions for the rapid growth of agricultural cooperatives in Greece during the 1920s. As the discussion indicated, cooperativism in Greek agriculture is mainly manifested through credit associations while all other forms of cooperatives remain marginal. At the same time, agricultural cooperatives suffer from a lack of autonomy. The real challenge that the Greek agricultural cooperatives face today is their dependence on the State and the political parties which reinforces and perpetuates the lack of economic viability of the agricultural cooperatives and discredits the cooperative movement. As will be discussed in chapter 6, the credit character of the agricultural cooperatives in Greece and their lack of political neutrality and autonomy are central to understand the farmers' attitude towards and experiences of cooperatives.

Chapter 5 - Methodology

This chapter sets out to describe and justify the methods chosen for this research. The empirical research was conducted in Greece where I interviewed small-scale farmers, all members of agricultural cooperatives (and some with position on the boards of first-degree agricultural cooperatives), for six months between March and August 2007 and for another four months between May and August 2008. This chapter addresses issues like the planning and conduct of the research, my adjustment to the field, as well as issues of access and trust within the field. After reiterating my research questions, I move on to the ontological and epistemological assumptions underpinning this research. The issues of access and trust as well as the research methods are discussed in the *Getting in the field* section. Finally some reflections on the research methodology itself and some of the limitations of this research are addressed in the final section.

5.1 Research Questions

While developing the research questions for this thesis, it would have been naïve to believe that, as a researcher, I could be neutral and sit outside of the world, able to make ‘objective’ judgments. Clearly, I have been influenced by my individual set of beliefs and feelings about the world and the ways I believe it can be understood and studied (Guba, 1990; Denzin and Lincoln, 2000). My ontological, epistemological and methodological assumptions constitute my paradigm and as Denzin and Lincoln (2000, p.19) stress, “each interpretative paradigm makes particular demands on the researcher, including the questions he or she asks and the interpretations the researcher brings to them”. Returning to the research questions, these were based on my intention to bring

forth the farmers' perspective about the Greek agricultural cooperative movement. Keeping this in mind, I designed my research questions as follows:

1. What possibilities and constraints are generated by the credit character of the Greek agricultural cooperatives and how do farmers view the Greek agricultural cooperative movement?
2. What are the implications of the role of the political parties in the Greek agricultural cooperative movement and how do farmers view the current structure and democratic functions of their cooperatives?
3. To what extent and in what ways has the current structure and functions of the Greek agricultural cooperatives affected members' commitment and their consciousness of cooperative action?

5.2 Research Philosophy

In this section, I will attempt to discuss my ontological and epistemological stance. Denzin and Lincoln (2000) suggest that all researchers have beliefs about ontology, epistemology and methodology and it is these beliefs that affect the way they see the world, what could constitute knowledge about the world, and how knowledge is to be justified. Asking myself where I stand, how I make sense of the world and what I believe constitutes 'true' knowledge, I found myself stepping into a 'labyrinth' of divergent paths, all appealing and unattractive at the same time. Burrell and Morgan (1979) suggest that social theory can be understood in terms of four paradigms "based upon different sets of metatheoretical assumptions about the nature of social science and the nature of society" (Burrell and Morgan 1979, p.viii). As they go on to argue,

assumptions about ontology, epistemology and methodology can be either subjective or objective. In a similar fashion, Morgan and Smircich (1980) discuss the distinction between objective and subjective approaches to social research, although they view these to be two extreme ends of a continuum of various views about human agents and their world.

Looking at my literature review, it is clear that I am influenced by Marxism¹⁵. However, I do not wish to ‘label’ myself, not only because I find this misleading but also because the Marxist influence in my analysis is due to my firm belief that Marxism can be used as a tool in understanding certain economic and social relations and not as an end in itself. After all, viewing the world in a particular way can ‘blind’ us to alternatives (Burrell and Morgan, 1979). As Bernstein (1986, pp. 369-370 – emphasis in original) nicely puts it,

Labels in philosophy and cultural discourses have the character that Derrida ascribes to Plato’s *pharmakon*: they can poison and kill, and they can remedy and cure. We *need* them to help identify a style, a temperament, a set of common concerns and emphases, or a vision that has determinate shape. But we must also be wary of the ways in which they can blind us or can reify what is fluid and changing. (also cited in Schwandt 2000, p.189)

Moreover, I find myself agreeing with Sims-Schouten *et al.* (2007, pp.102-103) who argue for “the role of human agency in constituting the social world and an understanding that people’s actions will be influenced by personal and societal mechanisms that are independent of our thoughts or impressions”. For example, the

¹⁵ Although I have to remind the reader here that I am fully aware of the different Marxisms.

cooperative laws in Greece, from the very beginning, have created favourable grounds for the development of credit associations, while discouraging other, perhaps more 'radical' (e.g. producers' cooperatives, collectives), forms of cooperatives. As such, the farmers' perspective of the Greek agricultural cooperatives is influenced by various factors which extend from the structure and functions of the agricultural cooperatives to the legislative framework that the Greek agricultural cooperatives have to operate in. Sims-Schouten *et al.* (2007, p.110) also highlight the importance of identifying potential 'extra-discursive' features that would allow the researcher to "develop knowledge of participants' material and social location and to use this knowledge to make sense of participants' choice of discourse and its strategic deployment". In my work, for example, when my participants were saying things like "*what can I do?*", "*we cannot change things around here*", "*this is how things are*", these were not just convenient constructions that served to justify the farmers' lack of action. Rather, looking at the nature and structure of the cooperatives, the way they operate and enable or prevent farmers from getting involved in the decision making process, provides an important framework for understanding of how social, economic and political structures affect the Greek farmers' perspective on agricultural cooperatives.

To sum up, my work is influenced by Marxist thought only insofar it is used as a tool to understand certain economic and social relations. Looking at my ontological and epistemological stands, I clearly reject both (naïve) realism and relativism. Instead, my aim is to appreciate the relationship between human agents' material conditions and their views in order to create a meaningful understanding of the Greek farmers' perspective on agricultural cooperatives.

5.3 Getting in the field

My research was conducted in Crete (see map in *appendix 7*), which is the largest and most populous island in Greece located in the south of the country with a population of 601,131 inhabitants (Hellenic Statistical Authority, 2001). The island is extremely mountainous, characterised by three groups of mountains (Lefka Ori, Psiloritis and Dikti) crossing from the west to the east of the island, and few valleys. The economy of the island relies mainly on tourism-related services and agriculture. In relation to agriculture, the main products that are currently exported at both national and international level are olive oil, raisins and wine while other horticultural products (such as tomatoes, potato, and beans) and fruits (such as bananas and water melon) are also produced on a large scale.

After arriving in Crete, in March 2007, my plan was to gain access to and interview small-scale farmers and members of an agricultural cooperative. The reason behind my interest in talking to small-scale farmers was mainly due to the very little attention that has been given to farmers' opinions and thoughts in the existing Greek scholarly literature on agricultural cooperatives. I believe that the farmers' experience and views could contribute to the existing body of literature by offering an additional view on the reasons for the failure of the Greek agricultural cooperatives to support their members' interests and the members' lack of interest towards cooperative practices.

Choosing to conduct my research in Crete was partly due to my local roots and connections and partly to the large number of small-scale farmers on the island. Being from Crete myself, I was already familiar both with the place and the local culture, but I had no illusions that accessing farmers and building networks would be easy. This work

shares some similarities with auto-ethnography in terms of the ways I got into the field and used my own connections. Indeed, without being from Crete and have these personal connections it would have been very different, and certainly difficult, to conduct this research. However, the similarities of my work with auto-ethnography stop here as my aim is to give and analyse the farmers' views rather than my own.

In addition to my original idea to conduct semi-structured interviews with small-scale farmers, I also employed the method of face-to-face casual conversations and group discussions that served a double purpose. On the one hand, it proved to be an effective way to generate rich data; on the other hand, it also served as an effective way to strengthen my relationship with the farmers. In the following pages of this section, I will discuss my sampling strategy, the issue of access and my relationship with the participants. I will also justify the rationale behind the research methods I employed to generate my data and the link between the methods employed and the wider issue of access and trust.

Moving on to the sampling strategy of this thesis, I followed what Mason (2002, p.124 – emphasis mine) refers to as “*strategic* sampling”. Identifying and selecting my participants in relation with the wider rural population, I decided that all the participants in my research had to be both small-scale farmers and members of an agricultural cooperative.

Therefore, in identifying and selecting my farmer-participants, I incorporated the sampling technique commonly known as “snowball technique” (Burgess, 1984; Potter, 1996; Bryman and Bell, 2007). At the beginning I was lucky enough to be acquainted

with a well-known agriculturalist in the island, Mr. Vangelis Vardakis, and I used his network(s) of farmers to create my own. After establishing my first network with farmers by using Mr. Vangelis contacts, I then decided to also visit villages on my own with the hope of finding more farmers, outside my original network, willing to participate in my work. My personal connection to the island of Crete and my several contacts to different villages independently led to a number of networks of respondents. Meeting some of the protagonists of my research, they often recommended other farmers who could possibly be suitable for the project and interested in participating; this is how the snowball-sampling worked in this research. It was a very effective technique that allowed me to quickly build network(s) with local farmers in different villages while also avoiding the risk of having a single group of like-minded people that could, at least potentially, reduce the chances for different views being heard.

Gaining access to the rural areas of Crete involved constant negotiation with the farmers at both individual and collective level. In my study, I did not require permission from a so-called “gatekeeper” (Burgess, 1984; Lindlof, 1995; Seidman, 1998; Bryman and Bell, 2007) to access the farmer participants that is often the case when researching an organization, for example. Instead, access was based on a complex interaction that required the cultivation of trust between me and the local farmers. Knowing Mr. Vangelis allowed me to come closer to some of the participants relatively fast and be treated with less suspicion than someone who is a complete stranger, even though this was not always the case. More often than not, the farmers who eventually participated in my work were complete strangers to me when we first met and getting close to them, for the purpose of this research, was indeed a challenge.

One thing was certain: gaining access and building networks with local farmers required something more than simply knowing a few people. You cannot simply set foot in a village, introduce yourself as a researcher or be introduced by someone else and expect that the locals will show an interest in talking to you or indeed trusting you, something that was particularly important to this research. Drawing on my experience during my stay in Crete, I believe that perhaps the single most crucial stage of my research was the establishment of a relationship with the farmers that would be based on trust (Glesne and Peshkin, 1992; Marshall and Rossman, 1999; Fontana and Frey, 2000; Patton, 2002). But gaining access and establishing trust is a particularly time consuming process that is achieved by a complex interaction between the researcher and the participants (Marshall and Rossman, 1999; Patton, 2002). So to build a relationship of trust with my participants required what Glesne and Peshkin (1992, p.34) refer to as “logging time”. That means that I had to give enough time to my participants and myself to get to know each other and feel comfortable. I did not incorporate a specific ‘strategy’ to follow every time I met a farmer and a potential participant. Instead, I was trying to adapt to each specific situation.

When I was introduced to a farmer by a fellow farmer, the conversation immediately turned to my study and the purpose of my visit at their village. In such cases, building trust with the participants was relatively easy given that I was already ‘accepted’ by their fellow farmers. For example, Mr. Vangelis first introduced me to Mr. John at one of his vineyards around 2 kilometres away from his house in the village of Asites. There I first introduced myself to Mr. John and then the discussion turned around his infected vineyard. After spending about an hour at the vineyard, Mr. John invited me and Mr. Vangelis to join him at the local coffee house or *kafeneio* to continue our conversation.

At the end of our night out, Mr. John invited me to his place for dinner a few days later. I accepted his invitation and that was the beginning of building our relationship. The recorded interview with Mr. John took place after I had visited him several times either at his house or the *kafeneio* of the village, and he too introduced me to his fellow farmers which allowed me to extend my network. However, on occasions where the farmers were complete strangers, the discussion started around my origins and my purpose in visiting the village. It is important to appreciate that the social setting in the villages is distinct from that of the cities. When you visit a coffee shop in a city, it is likely that the other guests at the coffee shop will show no interest in you. That is not the case in the villages though. In general, the discussions used to begin with very abstract conversations about myself and gradually move towards the purpose of my visit. In introducing my work and the reasons of my visit, I often focused the discussion on the places I had already visited in the island and the conversations I had had with fellow farmers, or even talk about my own experiences and observations. My personal experiences (being involved in part-time family farming) often made farmer participants feel that I was one of them and not just a researcher remote from their everyday realities. That was a good way to engage them with my work and a lot of them showed particular interest in my findings. At the same time, I always tried to show them that my observations and experiences were in no way superior to their own. I needed to listen to them carefully and show respect for their opinions and views, even if I disagreed with them. At the same time, the fact that I was sharing my own views led to a development of a mutual trust between us. As Seidman (1998, p.79) suggests, “each interviewing relationship is individually crafted. It is a reflection of the personalities of the participant and the interviewer and the way they interact”. My only ‘strategy’ was to eliminate the researcher-participant relationship as much as possible. My rationale in

doing so was that I was not there to ‘study’ the local people but to give them a voice. It was more like a ‘we’ relationship where the farmers-participants were not treated as ‘objects of research’ but as “equal participant[s] in the interaction” (Fontana and Frey 2000, p.664).

Therefore, gaining access and building trust required a set of actions appropriate for the particular settings my research was taking place in, which in turn affected the research methods I decided to use in order to ‘generate’ my data. The two methods I decided to employ were unrecorded conversations, both face-to-face and group discussions, and recorded face-to-face semi-structured interviews. In the rest of this section I will try to explain the rationale behind my decision to use these two, complementary, methods.

Starting with the conversations, it is important to first say a few things about the particular settings of my work and how these affected my choice of using casual conversations as a research method. It is very important to note that in Greece, the *kafeneia* in the villages are, in most cases if not always, meeting places for male farmers. The position of the *kafeneia* in the social structure of the Greek villages has been discussed by Photiadis (1965) and very few things have changed since; *kafeneia* continue to have a central role in the social setting of the Greek countryside. Located in the centre of each village, *kafeneia* serve as places where farmers meet and exchange ideas on a wide range of issues from politics to football. For my work, *kafeneia* served as very good places to meet local farmers and exchange ideas about various issues – sometimes completely irrelevant to the purpose of my research – during the long process of getting access and building trust. In the public setting of *kafeneia*, I decided to use what Burgess (1984, p.102) referred to as “conversations with a purpose”, or

what Patton (2002, p.342) referred to as “informal conversational interview”, that is casual discussions that were not recorded but that nevertheless served also as data for this research. That was quite different from traditional face-to-face semi-structured interviews, but a very effective way to generate rich data. The rationale for using casual discussions was partly for creating a more casual and friendly atmosphere, partly a process of establishing trust and partly the method that fitted best with the idiosyncrasies of certain individuals, or the particular time and place in which the discussions took place. To be more specific, in the setting of *kafeneia*, the idea of having a recorder during the conversation with a group of people might have been considered as an insult for those in the group. For the people gathering at the *kafeneia* at any particular time of the day, for me to appear as *the* researcher with the recorder would have seemed ‘staged’, and would not have been accepted, despite the fact that they knew very well what I was doing. Thus, during all conversations I never kept records in the presence of my participants. Whether it was an individual or a group conversation in *kafeneia*, I would always write my reflections on the conversation in a note book after I had left the field.

Participating in their daily ‘ritual’ of gathering at the *kafeneia*, socialising and talking to them as one of their own, helped me to develop a relationships of trust that was important in gaining access and generating data. Perhaps the fact that I was a local and that I am involved in the production of olive oil and wine played a crucial role in building trust. My involvement with agriculture created the impression that I had a firsthand experience of their true problems.

Following Fontana and Frey (2000, p.657), I tried to “be creative, forget how-to rules, and adapt [...] to the ever-changing situations [I] face” with the premise, as Webb and Webb (1932, p.139) suggested, to “make the interview pleasing to the persons interviewed[;] an agreeable form of social intercourse”. My intention during my conversations with farmers was to make them feel comfortable but also to show them that I was interested in listening to what they had to say, rather than seeking answers to what I anticipated hearing.

In doing so, I was trying to avoid interrupting my participants when they were developing their stories, even when the stories were perhaps irrelevant to my research agenda. For example, I remember once talking to Mr. John, a small-scale farmer from Asites, about the little assistance they get from agricultural cooperatives on new cultivation methods and how this affected the farmers’ productivity and, in turn, the competitiveness of the agricultural cooperatives. Once the discussion went off the track and focused more on technical aspects of cultivation, I did not try to stop Mr. John from finishing his point. I let him finish and waited for an opportunity to return the discussion to the role of the cooperatives. I adopted the same technique quite a few times and I believe that showing an interest in listening to what they had to say about their lives, experiences and everyday problems, helped me to develop a strong relationship with my farmer-participants. Indicative of this was the fact that on many occasions they were saying: “nobody comes to ask for our opinion” or “they all come here pretending they are important and know everything but they know nothing, all they care for is themselves”. I remember vividly what Mr. George, a small-scale farmer from Dafnes, said to me when I left his village: “Don’t forget us George; we would like to see your work after it’s done”. Although he was talking about himself, he was using the

word 'we' as if he was talking for the whole village which I believe was very interesting and shows the relationship I had developed with some of my participants. Like Zweig (1948, pp.1-2), I felt as if "they regarded my interest in their ways of life as a sign of sympathy and understanding rarely shown to them".

According to my initial plan, I also used the method of recorded face-to-face semi-structured interviews. The rationale for choosing semi-structured interviews is based on my interest in listening to small-scale farmers' perspectives regarding their cooperatives. Unlike casual conversations, planned semi-structured interviews gave me the opportunity to ask questions that I considered important in addressing the research objectives of this thesis. My intention was to give them a 'voice', for I consider their views and experiences to be meaningful properties of the social reality which my research was designed to explore (Mason, 2002). Rather than asking pre-designed questions and looking for answers, semi-structured interviews allowed me to focus on the key themes of my study. They also took my discussions with farmers along paths often unanticipated prior to getting to the field and allowed them to exercise more freedom and control over the interview(s). Drawing on Burgess (1984) and Mason's (2002) work, I dropped the idea of using structured interviews because of their survey-like nature and logic of a pre-formulated list of questions that have to be "... *answered* rather than considered, rephrased, re-ordered, discussed and analysed" (Burgess 1984, p.101 – emphasis original). So, instead of giving each one of my participants a list of standardized questions, I was trying to consider, rephrase and re-order the questions for my participants "precisely so that [I could] generate situated knowledge with all of [my] interviewees" (Mason 2002, p.65). For example, while there were key themes and a number of questions that I raised with all my participants, there were times where the

discussion with some participants focused more on a single issue, e.g. party politics in the cooperatives or the farmers' participation in the decision making process of the agricultural cooperatives. In such cases, the questions were fashioned in such a way that would allow me to generate richer data for the specific issue discussed. For example, Mr. Napoleon, a small-scale farmer from Dafnes, a village around 20km outside Heraklion with a strong tradition in wine production, was for many years a president of the first-degree agricultural cooperative of his village and a secretary in the regional *Union of Agricultural Cooperatives*. His experience and past position were evident during the interview where Mr. Napoleon showed particular interest in discussing the role of party politics in the agricultural cooperatives and the lack of farmers' participation in the decision making process. In other cases, farmers-participants showed more interest in discussing issues like cooperative education and collective practices which required me to ask and focus more on different questions. For instance, Mr. Dimitris, Mr. Marinos and Mr. George, all small-scale farmers, believed that the lack of cooperative education and cooperative practices was crucial for the apparent lack of cooperative consciousness among Greek farmers and so more attention was given to this particular area. So instead of asking pre-determined questions that would let me cover all the topics of my research agenda in a more constrained manner, the use of semi-structured interviews allowed me to stay focused on the topics of my research agenda and at the same time to often focus more on those issues that my interviewee considered as most important or interesting. The semi-structured interviews consisted of a set of questions divided into three key areas or themes. These themes were informed by the research questions of my study. The first theme focuses mainly on the farmers' experience as members of a cooperative and the character of the cooperative. The questions were about the functions of their cooperative and their motivation to become

members. The second theme was on the issue of autonomy and the farmers' participation in their cooperative. My questions sought to explore the role of party politics in the cooperatives and the democratic functions within the cooperatives. I also tried to ask questions around the role of the representatives in the decision making process, the participation of the farmers in general meetings and their ability to influence and determine the outcome of key decisions. The third and last thematic section of my interview schedule explored the farmers' perspective on the issue of cooperative consciousness. My questions turned around the character of the cooperatives and the role of the cooperative movement in promoting cooperative principles.

Therefore, I did not use a specific order for my conversations and interviews. There were times where I and my farmer-participants had casual conversations followed by an interview while other times the interviews were conducted in between casual conversations with the same participant. Moreover, in each interview I started with simple questions and then moved to more complex ones. I often referred to cases such as the Mondragon cooperatives in Spain if I knew that my participants were aware of these examples with the aim to make a meaningful comparison with what we were discussing. Other times, and given that I met all my participants more than once, I would refer to previous discussions we had with the intention to return to issues that I found important or in some cases contradictory. The use of both methods with some of my participants is often evident in their answers such as "remember what I told you the other day George" or "As I said before".

I also explained to all my participants that I would like to use my digital recorder in order to be able to preserve their original words and give their views as accurately as possible. At the same time anonymity was promised. It is very interesting though to note that, without a single exception, all my participants in the semi-structured interviews made it clear that they had no problem with me using their real names. Nevertheless, all names and places used in my work have been changed.

Overall, I conducted twenty-one recorded semi-structured interviews and around fifty casual discussions with farmers, both individual and group discussions at *kafeneia*. Almost all the recorded interviews lasted for more than one hour except two interviews which were forty-five minutes long. All the participants in my work were males between the ages of 25 and 60, all but one active small-scale farmers and members of an agricultural cooperative. The only exception was an interview I conducted with an active politician of a Leftist-oriented party. Although he was not a farmer himself, the reason I decided to interview him was that he is a member of a relatively recently formed agrarian movement in Greece named *NEAK* (New Agrarian Movement) which is the only farmers' movement in Greece with links to the global farmers' network named *Via Campesina*. My intention was to get a better picture of their movement and learn about their objectives. From the twenty farmers I interviewed, three of them were either ex-presidents of their village first-degree agricultural cooperative or held another position on the board. One of my participants was, at the time of the interview, a president of a *Union of Agrarian Associations* in one of the regions in Crete and a small-scale farmer himself. Only one of my participants was at the time of conducting the interviews the president of his village's first-degree agricultural cooperative and the rest of my participants never had any position on a board of an agricultural cooperative.

With the exception of three participants in the semi-structured interviews (the politician and member of *NEAK*, the president of the *Union of Agrarian Association* and the president of the first-degree cooperative) all the others were contacted more than once and participated in both individual casual discussions and group conversations, mainly at the *kafeneia* of their villages. Those farmers who participated only in casual discussions in *kafeneia*, and were not formally interviewed, were all small-scale farmers, but I am unable to tell whether any of them were at any point on a board of an agricultural cooperative.

5.4 Reflections

During my stay in Crete in 2007 (March to August) and after I started my casual conversations and semi-structured interviews with small-scale farmers, I decided that it could also have been interesting to have the account of the presidents of the Unions in one of the regions in Crete. My rationale in doing so was that the Unions' presidents would have the chance to give their own account and that by listening to their perspective, I would have a bigger picture of the current state. As such I decided to visit first the *Union of Agricultural Cooperatives in Heraklion* and see whether I could conduct an interview with the president of the Union. When I visited the Union I was informed that I would not be able to talk to the president due to his busy schedule. I managed however to talk to the general manager of the Union. At first he was very friendly and agreed to give me an interview and so we arranged a day and time. However on the day of the interview he immediately reacted to the sight of the recorder, making it clear that he did not want his views to be recorded. I tried at first to explain that the only reason for using the recorder was to make sure that I would be able to

remember his views accurately, and that his anonymity would be protected. Nevertheless I agreed to take notes rather than record our discussion, but as soon as I put the recorder in my bag, he informed me that he had an unexpected meeting to attend and that we should meet the next day in order to have enough time to talk. When I went for the interview the next day, I waited outside his office for about three hours but he refused to see me due to his 'busy' schedule. After trying to contact him in vain a few more times, I thought that it would be better to look for other members of the board who could possibly be interested in participating in my work. I then paid a visit to another member of the board at the same Union but after I explained my research to him, he kindly refused to participate because (and I quote his exact words) "your research involves politics". Although I was not quite sure what he meant by that, I again tried to explain that I was not going to record his views, that the discussion would be anonymous and that I was only interested in getting an account of the role of the Unions from someone on the board, he insisted that he could not participate in my work. I was left with no other choice but to try another Union in the same region. When I first visited the *PEZA Union* I managed to talk to the president of the Union and after I explained my research to him, he asked me to contact him the next day in order to arrange a date for an interview. Strangely enough and despite my numerous efforts to contact him by calling the Union every single day for a week, I was only able to talk to his secretary and every time I was informed that the president had just left the Union building and that I should call the next day. After my unsuccessful attempts to get in contact with the presidents of two Unions in the same region, I decided to focus only on small-scale farmers. As such, my research does not provide any counter-argument that an interview with the presidents of the Unions might have possibly offered.

Two other issues arose after leaving the field. First I had to deal with the time consuming transcription of data. The interviews were conducted in Greek which meant that extra time was required for the translation of the data in English. Also I had more than twenty hours of recorded interviews which required a long process of transcription. I decided that instead of transcribing the entire interviews, I would listen to the tapes a number of times and then pick out the sections that seemed important, and transcribe only those sections. Also, instead of translating everything into English I have decided to translate only those extracts that I use in the *Analysis of Findings* (chapter 6). Such a method is time saving but according to Seidman (1998) this involves a danger of making premature judgments about what is important and what is not. Although I agree with Seidman's concern, and I always bore this in mind when transcribing my interviews and looking at my note book, I felt that I knew most of the important issues before starting the transcription of my data, perhaps due to the numerous times I had talked to each of my participants.

The second difficulty concerned the use of the notes I took from the casual conversations. It was crucial for the analysis of the data to be able to arrange the pieces from the interviews and the casual discussions in a meaningful way. As I said above, almost all those interviewed had also participated in casual conversations and as such it was important to bring the data together. As such I had to always go back and forth between the recorded data and my note book in order to get a better picture of my participants' views.

Finally, it is important to note that there is an evident absence of female representation in my work despite the fact that they play a significant role in the agricultural life of

Crete and can be members of co-operatives in their own right (Stratigaki, 1988). My choice of interviewing male farmers only has to be seen in relation to the social setting in which I conducted my research. All the interviews I conducted and the casual conversations I had with farmers took place in the *kafeneia* at the centre of the villages, and the houses of my participants. The *kafeneia*, as I have mentioned earlier in this chapter, are meeting places only for the males of the village. Indeed, it is very rare to find women sitting in the *kafeneia* to enjoy their coffee. As such, to approach any women in the villages I visited and talk to them about my work had practical difficulties. Moreover, *kafeneia* played an intermediary role between me, as a researcher and the local farmers; an opportunity that was missing regarding meeting women from these villages. Also, the fact that I was a male researcher made it even more difficult to approach women in these villages. I could not have simply visited them in their houses as I did with the male participants because that could have been considered as inappropriate, and even put these women's reputation at stake.

In addition, there are only few female members of cooperatives. The work of Stratigaki (1988) gives a very useful insight into the position of women within the social setting of the Cretan village, and their absence from cooperatives. She explains that until the introduction of the cooperative law of 1982 (1257/1982) women were practically restricted from participating in cooperatives; this was, among other reasons, due to the fact that all the previous cooperative laws restricted participation to one member per farming family. As such, it was mainly the male farmers, the heads of the families, who registered as members of the cooperatives, leading Stratigaki (1988, pp.253-254) to conclude that "membership is a "male prerogative". This is evident in the replies of the majority of women members of cooperatives (her participants) who claimed that their

membership was due to the absence of male members in the family. In addition, when explaining why they were not members of cooperatives, women put “forward reasons connected with their husbands: ‘he is a member’, ‘one from each family is enough’, ‘a woman will be criticized’, and so on” (Stratigaki 1988, p.253). Therefore, the absence of female representation in my work should not be seen as a lack of recognition for the role of women in the agricultural life of Crete but rather as a result of the gender division in the specific social setting in which my research was conducted.

5.5 Conclusion

In this chapter, I have discussed and justified the ontological and epistemological stance underpinning my work. I then provided an account of my sampling technique and the important issues of access and trust that I had to deal with and which also affected the choice of the research methods I employed. By giving a clear picture of the particular setting of the Cretan countryside, I hope I have justified my rationale for choosing to use casual conversations and semi-structured interviews. In the last section I reflected upon several issues that I faced during and after I left the field, and explained how I dealt with them in order to continue with my study.

Chapter 6 - Analysis of Findings

This chapter consists of three sections. Each section has been structured around one of the three research questions that have guided my study and were introduced in chapter 1. More specifically, in the first section I look at the credit character of Greek agricultural cooperatives, and explore how this fails to create much interest in cooperativism among farmer members. In the second section, I focus to the ways farmers view the role of party politics in the cooperative movement. The third section explores how the Greek agricultural cooperatives, through their structure and political affiliation, reinforce the apparent lack of cooperative consciousness amongst the Greek farmers.

Before I begin presenting my findings, it may be worthwhile reminding the reader of the organisation of Greek agricultural cooperatives (see section 4.2 for more details). At the basis of the structural pyramid of the agricultural cooperatives, are the first degree cooperatives; there are 7,000 cooperatives at this local level with over 750,000 farmer-members. The first degree cooperatives mainly act as an intermediary between ATE bank and the farmers for the supply of loans. They are also responsible for processing plants such as olive-mills and packing station for fruit and vegetable. Above the first degree cooperatives we find the Regional Unions; these are second-degree cooperatives and perform similar activities to first degree cooperatives. The National Central Unions and Regional Central Unions form the third-degree cooperatives. They usually market specific products or group of products, and they may process them as well. At the peak, we find PASEGES which is the official representative of farmers to the government and European Union committees.

6.1 The Credit character of Greek agriculture cooperatives

As suggested in chapter 4, the most prevalent form of agricultural cooperative in Greece is the credit agricultural cooperative, which constitutes over 60% of all the agricultural cooperatives in the country, while cooperatives for common use of machinery and common cultivation of land are limited if not nonexistent (Avdelidis, 1978; Christodoulou, 1986; Labos, 1986; Patronis, 2002). In many European countries, the establishment of credit cooperatives allowed farmers to raise capital and meet their credit demands; and at least in the case of Germany, Plunkett (2008) suggested that these credit cooperatives produced a ‘miracle’. However, in the case of Greece, credit agricultural cooperatives have failed to produce such a ‘miracle’, and it is worth looking at the reasons behind this failure from the farmers’ perspective.

Overall my findings suggest a general disappointment amongst Greek farmers regarding the role of agriculture cooperatives in supporting their interests. The majority of my participants emphasised that credit agricultural cooperatives in Greece have so far achieved poor results in addressing their problems (e.g. bargaining power in the market and reduction of the production cost). In this section I will be discussing the factors which contribute to the failure of credit agricultural cooperatives in Greece, and the possible disadvantages of credit associations in this context, as my participants reported them.

The farmers’ criticism of agricultural cooperatives and their credit character derives from the limited functions of the first degree cooperatives. My participants, all small-scale farmers with the exception of a left-party politician, gave particular emphasis to the credit character of the Greek agricultural cooperatives in an attempt to highlight the

ineffectiveness of the agricultural cooperatives to offer satisfactory cooperative services. In these farmers' views, the credit agricultural cooperatives failed to provide assistance to the farmers due to their control by the State and their monopolistic relationship with ATE bank. But their criticism went even further. They associated the cooperatives' credit character with their limited control over the market and the excessive production cost. Thus, in the remainder of this section, the analysis will focus on these three themes: the monopolistic relationship with ATE bank, the ineffectiveness of credit agricultural cooperatives in creating the necessary conditions for farmers to exercise more control over the price of their products, and their ineffectiveness in helping farmers reduce production costs.

As discussed extensively in chapter 4, Greek agricultural cooperatives have historically had a passive role of executing the governments' plans, and have mostly operated as a mediator for the ATE bank in the agriculture sector (Avdelidis, 1929; Vergopoulos, 1975; Christodoulou, 1986; Labos, 1986). The limited activities of the cooperatives along with the monopolistic position of ATE bank, and the affiliation of the cooperatives with the political parties contributed heavily towards the current indebtedness of the agricultural cooperatives.

This relationship of agricultural cooperatives with ATE bank and the monopolistic position of the latter were highlighted by a number of participants in my research. Mr. Napoleon, Mr. Vangelis, Mr. John and Mr. Antonis for example were critical of the role of credit agricultural cooperatives in Greece and their potential to offer satisfactory cooperative services. Mr. Napoleon is from a village near Heraklion, the capital of the island of Crete. He is a small-scale farmer with land not exceeding 5 hectares divided

into a number of smaller plots and mainly producing grapes and olive oil. For many years he has served as president of the agricultural cooperative in his village and worked in high positions both at the Union of Agricultural cooperatives in Heraklion and at PASEGES. As Mr. Napoleon explained, agricultural cooperatives mainly play an intermediary role between the farmers and ATE bank while other activities such as the involvement in the production and trading of agricultural products remain limited:

Agriculture cooperatives were mainly responsible for the channelling of loans. We had a special relationship with ATE bank. First-degree agriculture cooperatives have little, if any, involvement in the trading activities or the production process. (Mr. Napoleon)

Mr. Napoleon explained that especially in the period between 1980 and 1990, ATE bank was funding the agricultural cooperatives often without the necessary guarantees which resulted in a significant increase in the agricultural cooperatives' debts. Despite the large amount of money invested in the agricultural cooperatives during the 1980s, their activities remained supplementary in assisting the needs of the State. The agricultural cooperatives had put little effort into improving their competitiveness and economic viability. In addition, ATE bank was able to gain significant profits through the burdensome interest rates it charged, which resulted in a further increase in the original debts of the agricultural cooperatives. This monopolistic position of ATE bank was reinforced by it being for many decades the only provider of credit to agricultural cooperatives. Since agricultural cooperatives were indebted to ATE bank and all their assets were mortgaged to the bank, it was difficult, despite some attempts, to look for financial assistance (through loans) from other banks:

The problem with Greek agricultural cooperatives was that they have this special relationship with ATE bank. Until 1980s, ATE bank was the key distributor of loans to the Greek agricultural cooperatives. Agricultural cooperatives were only in rare occasions acquiring loans from other banks. This monopolistic position of ATE bank and the burdensome interest rates imposed by ATE bank has contributed to the huge debts of the agricultural cooperatives. (Mr. Napoleon)

Both Mr. Napoleon and Mr. Vangelis, who is also a small-scale farmer, agreed that apart from the monopolistic position of ATE bank in the agricultural sector, another factor which contributed to the debts of the agricultural cooperatives and their current financial difficulties was the ‘impression’ that the State and ATE bank would endlessly support the agricultural cooperatives. In Greece agricultural cooperatives were not particularly concerned with profitability and competitiveness in the market due to the financial support of the State in the form of subsidies. Also, as Mr. Vangelis noted, when the agricultural cooperatives were unable to repay their loans the State would write off the debts, either partially or fully. The control imposed by the State – which I will discuss further in the next section – in the agricultural cooperatives contributed to this lack of economic rationality, competitiveness in the market and understanding of the rapid changes in the business environment of the agricultural cooperatives.

But in addition to the huge debts of the agricultural cooperatives, I could hardly find a single farmer in the villages I visited who had no debts or a mortgage on his land. Mr. Vangelis argued that it is not just cooperatives that are hugely indebted but farmers as well. For Mr. Vangelis the small-scale family oriented farming that characterised Greek agriculture created favourable conditions for the establishment of credit agriculture cooperatives and the penetration of banking capital into the agriculture sector. The

small-scale farmers, Mr. Vangelis stressed, were from the beginning hugely indebted and had no capital to improve their method of cultivation. While the credit agricultural cooperatives and ATE bank offer a solution to the farmers' shortage of capital, they offer little in reducing the farmers' debts. On the contrary, credit-based agricultural cooperatives in Greece simply perpetuate the farmers' debts by providing them with more loans in order to carry on their production and repay their old debts. However, what Greek farmers truly need, according to some of my participants, is not an organisation that would provide them with extra capital in the form of loans but one which would give them ways of reducing their production cost and of better controlling their products' price in the market. In this respect, credit agricultural cooperatives have proven to be weak, as Mr. Vangelis suggests:

The farmer was always in debt. Before the banks, we had the moneylenders. ATE bank was created in order to support the farmers, but there were periods where ATE bank's interests rates were as high as that of the moneylenders. This is the reality of the so-called "bank of the peasants". So the farmer kept producing goods but instead of him profiting, the bank and the economic middle men were profiting. Now, all farmers are in a situation where they acquire new loans in order to cover their old debts and are able to continue to cultivate their lands. But covering our old debts with new loans gives us only a short-term solution. What we need is drastic changes. We need to find a way to reduce our debts and I believe we can only do that by having more involvement in the trade of our products and reduce the production cost. (Mr. Vangelis)

Along these lines, Mr. John, a small-scale farmer from Asites which is a small village 20 kilometres outside Heraklion, refers to small-scale farmers as 'landless workers'. He believes that since their lands are mortgaged to the banks they do not really own them anymore. He continued by saying that having nothing but their land to put for mortgage

there is always the risk of losing the right to the land. The criticism of the credit character of the agricultural cooperatives derives from the idea that although farmers would have been indebted with or without the cooperatives, the agricultural cooperatives with their credit character offer little to reverse the financial difficulties of the farmers:

It is paradoxical but we (the farmers) are but workers of the land. To cover our expenses and repay our debts to the banks, we have to acquire more loans. But all we have to mortgage is our own lands. We do not really own our land anymore. Our land is two and three times mortgaged to ATE bank. We are trapped in the web of those parasitical bankers who make profit from our own labour and products. The role of the agricultural cooperatives is crucial here. Their (agricultural cooperatives) services are limited to an intermediary role between us and the bank and as such credit cooperatives have little to offer.
(Mr. John)

Similarly, Mr. George and Mr. Antonis, both small-scale farmers from Dafnes and Archanes respectively, emphasised that the limited functions of the agricultural cooperatives perpetuated the debts of the farmers:

You live in a capitalist economy where everything is about profit maximisation irrespective of the cost to the society. Yes, it is true that today it is like we work for the banks given the money we make and what we have to pay in order to re-pay our loans. But who is to blame? Is it the banks? The banks are capitalist organisations like any other. In my opinion we have to criticise the role of the agricultural cooperatives. The first degree agricultural cooperatives have little function. What we need is a cooperative that will provide solutions to our problems. Cooperatives that will secure and sell our products at a fair price and we won't have to be subjugated by the economic middle men. A cooperative that will help us reduce the production cost and assist us. This is what we need. (Mr. Antonis)

As Mr. Napoleon added, even the supply of raw materials such as fertilisers and pesticides, previously controlled by the agricultural cooperatives, has now passed into the hands of private organisations. As he explained, when cooperatives controlled the supply of raw materials the farmers were able to reduce their production cost and at the same time have a guarantee of the quality of the materials they were using.

So far I have discussed farmers' criticism of the credit character of agricultural cooperatives, and in particular, of their inability to offer farmers any satisfactory cooperative services beyond their intermediary role. The second theme highlighted in my data was the limited activities undertaken by the agricultural cooperatives and more specifically the nonexistent trading activities of first-degree agricultural cooperatives.

Looking at the role of agricultural cooperatives, all the participants, highlighted that the first-degree cooperatives are either completely inactive or mainly occupied with simple processing activities (such as olive oil presses). There is no involvement in the trading of the agricultural products. Some farmers emphasised that until 1992 agricultural cooperatives were responsible for state-funded operations. By state-funded operations, my participants referred to the concentration and processing of the farmers' products on behalf of the State. They stressed that cooperatives did nothing to improve their competitiveness as the State would agree on a fixed price for the farmers' products. However, despite the opening of the markets after 1992, the trade activities of the Greek agricultural cooperatives have remained limited and are mainly exercised by the Unions. Mr. Antonis's words are indicative:

Until 1992, cooperatives were responsible for state-funded operations. I mean that the cooperatives were simply collecting and processing the products from

the farmers, and the State was giving to the agricultural cooperatives x amount of money. The cooperatives did not care for improving their activities and competitiveness. They had the back up of the State. But after 1992 with the opening of the free market, cooperatives had to operate under conditions of competition and that was a fatal blow.

In addition, all farmers defined themselves as producers, not traders of their products. As they often explained, because of the small-scale character of their farms and the small quantities they can produce individually, they are not able to get involved in the trading process. As such individual farmers have to go through the agricultural cooperative or sell their produce to economic middle men:

The farmers are not involved in trading. We are producers of agricultural products. We do not sell our products directly to the customers. All we can do is to sell our products either to the agriculture cooperatives or other economic middle men. So, by the time you take a fixed price from them for your produce, a price that you have no power to negotiate, the products belong to them and can be sold to the market at any price. Remember what we discussed another day about the price of Greek olive oil in England? We can hardly get 3 Euros per litre as you know and our product is in the British market for more than £10 per litre. If this is not unfair both for us (farmers) and the customers, then what is? (Mr. John)

Along the same lines, Mr. Antonis blamed the agricultural cooperatives in Greece for doing little to support the farmers' interests:

We have no control over our products. The fact that we are unable to cover our expenses has nothing to do with the unpredictability of the weather or our laziness that I often hear from people with no idea about agriculture. Instead, the problem is that we are unable to exercise the slightest control over the prices of the materials necessary for the cultivation of our lands or even the final price of our products into the market. As a result, those who benefit from

our work are the banks and the economic middle men. I have no power to bargain. It's not shoes that I make. I produce olives and grapes. I have to sell my products straight after the harvesting period. Since the agriculture cooperatives are unable to secure a fair price for our products, it is inevitable that we are subjected to exploitation from the economic middle men. (Mr. Antonis)

However, the Unions of agriculture cooperatives are involved in trading, and as such the farmers' views may sound contradictory to someone not familiar with the structure and functions of agricultural cooperatives in Greece. But it is the unions, or second degree cooperatives, rather than the local first degree cooperatives, that are active in the trading process. What triggered the farmers' criticism was that they view the Unions as distant from them. Farmers do not exercise the slightest control over the final price of their products which is decided, as they argue, by a body of "bureaucrats and technocrats", to use Mr. John words. All farmers emphasised that they have very little, if any, information regarding the price of their products in the market; this perpetuates the conflict and the view of 'us' (the farmers) and 'them' (the Union leadership).

During our conversations, many of the participants highlighted that unless they could find a way to increase their direct involvement in the trading of their products nothing would change. Reflecting on the need of more active participation in the cooperatives, Mr. Vangelis, Mr. Antonis, and Mr. John, invited me to visit a village called Thrapsano. There, they said, I could find one of the very few first-degree cooperatives in Greece where all the farmer-members were involved in the activities of their cooperative. The president of the agricultural cooperative of Thrapsano was Mr. Harris, who I first met at the *kafeneio* located at the centre of the village. Our conversation focused mainly on the activities of their cooperative and particular emphasis was given to the common

processing and trading of their olive oil. As Mr. Harris highlighted, common processing is not a common practice in agricultural cooperatives in Greece. The typical practice in the agricultural cooperatives for oil pressing is that each farmer takes his olives and individually processes his produce; he then receives an amount of money that corresponds to the quantity of oil his olives produced. As such, Mr. Harris continued, at first they experienced some difficulties and often suspicion when they tried to recruit new members:

We started 8 years ago and our logic behind common processing of our produce was very simple. Under the old system we had to wait in the factory for over a month sometimes in order to process our olive oil. That was affecting the quality of our products and also we were often in conflict with each other for silly reasons. We decided, and I have to say that at the beginning it was hard, to have a common processing and that means that we no longer process our olives individually but collectively. So, today every farmer brings his products and we give him a receipt with the weight of his produce. Every ten days we publish the ratio of olives and olive oil and the farmers collect their money based on this ratio. For example, if you have 1 tonne of olives and the ratio is 5:1 it means that for your 1 tonne of olives you will get 200 kilos of olive oil and you will get paid accordingly. Of course at the beginning it was hard because there were quite a few farmers who insisted that their olives are of superior quality than others. But this is the problem with everyone's produce. So, we realised that we had to see the overall picture; this practice was fair for everybody. (Mr. Harris)

After the introduction of common processing of olive oil, this agriculture cooperative moved to the trading of the farmers' products without the assistance or involvement of the Union. According to Mr. Harris, the results have been very good so far, and this is evident from the price they secure for their products. For the time being they themselves are involved in trading and they have succeeded in selling their products

every year at a higher price by at least one Euro per litre than any other farmer in Crete.

As Mr. Harris notes,

This way we ensure better price for our product. You see, we are selling our product for double the price of the other cooperatives. We sell half litre in Japan for around 3.80 Euros. Of course we have some expenses but our members get around 3.5 Euros per litre where all other farmers get 2.5 Euros per litre in good seasons. That is because we (the farmers-members) are doing the trading ourselves. We do not simply sell our products to the union or other economic middle men. (Mr. Harris)

Thrapsano's agriculture cooperative is an example, although of small-scale, which shows that there is a potential for agricultural cooperatives to secure better prices for their members if there is a higher involvement in trading. However, as Mr. George, Mr. Vangelis and Mr. Antonis highlighted, the case of Thrapsano is one of the few cases where the farmers were able to take control over what they produce and decide themselves where to sell it and at what price. In most cases, as they explained, the existing structure of the cooperatives is characterised by the centralisation of control in the hands of a few appointed managers and elected representatives. This centralisation of control is further perpetuated by the affiliation of the cooperatives to the two major political parties in Greece, PASOK or New Democracy, which I will discuss in more detail in the next section.

Having already discussed the problems that derived from the agricultural cooperatives' dependence on ATE bank and the limited functions of first-degree agricultural cooperatives, in the rest of this section I explore the farmers' view on (the lack of) producers' cooperatives.

Mr. Vangelis and Mr. Antonis were the most passionate supporters of producers' cooperatives for the collective use of the land and machinery. But even those participants who were sceptical about producers' cooperatives nonetheless appreciated the potential benefits of such experiments. During our discussion, Mr. Antonis and Mr. Vangelis used the same language and suggested that small-scale farms have to be collectivised into large-scale units. "We have to go from small private property to large collective property", Mr. Vangelis said. His view of the organisation of Greek agriculture was influenced, amongst other, by experiments in Israel with the Kibbutz and that of Mondragon in Spain, which he referred to on various occasions during our discussions. For him, Greek farmers should learn from these experiments and try to develop a cooperative movement along these lines. Mr. Vangelis and Mr. Antonis's rationale was based on the possible advantages of large-scale units over small-scale farms. Their view of collectivised agriculture was not based on a model of State control of the land. Instead, the farmers would continue to have ownership of their lands and it is the use of it that would be collectivised. Furthermore, they emphasised the importance of vertical integration, that is, the involvement of agricultural cooperatives in all the stages of the production process.

Most of the farmers I interviewed highlighted that the establishment of producers' cooperatives for common use of the land and machinery would significantly reduce their production cost and increase the quantity and quality of their products. For Mr. Vangelis, one of the immediate benefits would be the full use of land. As Mr. Vangelis explained when you have 5 hectares divided into 8 distant plots it means that more land is wasted for boundaries compared to 5 undivided hectares. Thus producers'

cooperatives can offer a solution to the problem of the multi-fragmented small-scale character of Greek agriculture:

The majority of farmers have 5 hectares of land, most of the times divided into 7-8 smaller plots of 2 acres in average with a distance of 2-3 kilometres from each other. Thus, there is a significant waste of land for boundaries. (Mr. Vangelis)

Following the same line, Mr. Antonis added that the production costs of Greek agriculture is high. Although in other countries the production cost may be relatively high too, what we should remember is that agricultural production in Greece is characterised by high labour intensity. This means that the capital required for the production of olive oil and grapes is significantly lower than for other crops. There is no need for the use of sophisticated machines as may be the case for other products. As such, Mr. Antonis is of the view that one of the reasons for the unnecessarily high production cost is the unreasonably large number of tractors. When each farmer cultivates his/her land individually, he will have to obtain the necessary equipment and machinery individually. But, as Mr. Antonis explained, Greek agriculture with its small-scale character does not require such an extensive use of machines. He suggested that when you use a tractor for the cultivation of 5 hectares of land you will hardly gain any money from your investment (the tractor). “We are not England here to have farmers with 50 or 100 hectares of land”, Mr. Antonis said. He went on to suggest that if 100 small-scale farmers join together and cultivate their lands collectively they would only need five tractors instead of a hundred. This could significantly reduce their production cost. This idea was also expressed by Mr. Zacharias, a small-scale farmer from Asites, who, although sceptical of the effectiveness of such experiments

(cooperatives for common use of machinery and/or land) agreed with Mr. Antonis and illustrated his view by using the case of his village:

I think common use of machines could be a good idea. Here in the village we have twenty tractors while we do not need more than four. (Mr. Zacharias)

The last argument turned around the potential benefits of the division of labour and scientific management in agriculture. This is more likely to take place in large farms since these can bear the cost of hiring an expert agriculturalist. For Mr. Vangelis and Mr. George, agricultural cooperatives in Greece do little to train small-scale farmers in new farming methods. There is little information about what to produce or more importantly how to produce it. Each farmer uses his own methods of cultivation based on his personal experience that is passed from one generation of farmers to the next. In addition, each farmer has to hire an agriculturalist individually and only if he can afford it. Alternatively, he would have to either rely on his own observations from past experience or on advice from a fellow farmer.

When I first met Mr. John he was at one of his vineyards around 2 kilometres away from his house in the village of Asites. At that time he was disappointed because a virus had infected his vines and he had to re-plant them. In our discussion, he said that he had only recently planted these vines and that the agriculturalist he had hired ensured him that this foreign vine rootstock would significantly increase the productivity of the vineyard. However he did not mention the risks due to the low adaptability rate of this foreign vine rootstock in the warm climate of Crete. Returning to the village we sat at the *kafeneio* in the centre of the village where we engaged in a conversation with other farmers about this issue. The farmers raised the problem of the lack of information and

the limited activities of the credit agricultural cooperatives in providing training and technical information on new methods of cultivation that would help them to improve their production. As Mr. John suggested later at his house, producers' cooperatives for common use of land could offer a solution to this problem. Reflecting on his own case, he stressed that,

If we had producers' cooperatives and we were all cultivating our lands together we could have avoided these problems. The cost is not the same when you hire an expert all by yourself than as a team. The cost would be significantly lower if we were operating as a team and we could have better information. That could improve the quality of our products and increase our profits. (Mr. John)

To conclude, the foregoing discussion indicates that the farmers' criticism of the Greek agricultural cooperative movement derives from the cooperatives' credit-intermediary character. In their view, the credit-intermediary cooperatives in Greece have so far achieved poor results in addressing their problems (e.g. bargaining power in the market and reduction of the production cost). More specifically, farmers' criticism turned around: 1) the limited trading activities of the first-degree agricultural cooperative, and 2) the limited assistance they receive from the cooperatives in the production process. Despite their negative view towards credit-intermediary cooperatives, they continue to have a positive attitude towards the idea of cooperation. Their reference to successful examples such as that of the case of Thrapsano cooperative indicates that Greek farmers are not against the idea of cooperation but rather of specific forms of cooperation that have been unable to support their interests. This had led a number of my participants to support the idea that Greek agricultural cooperatives should extend their activities beyond credit service.

6.2 Party politics and agricultural cooperatives in Greece

In this section, I will explore how the farmers experience the lack of political neutrality and autonomy of the Greek agricultural movement. As we shall see, for the farmers, this lack of political neutrality and autonomy contributed to the weakening of the economic and social credibility of the cooperative movement.

The first point to be made is that a number of the farmers I interviewed considered the existing lack of political neutrality and autonomy of the Greek agricultural cooperatives as a long standing problem of the cooperatives and not as a recent phenomenon. Reflecting on the period in which he was involved in the activities of his cooperative, Mr. Vangelis referred to the general meetings held in the cooperatives and the role of the supervisory service of ATE bank. Mr. Vangelis explained that the role of the supervisory service of the cooperatives was to ensure that agricultural cooperatives implemented the official (state) agricultural policy and that no decision was to be taken without the consent of ATE bank's representative:

The Greek agriculture cooperatives never had autonomy. In order to hold a meeting, one member of ATE bank had to be present. We were unable to take any decision without the consent of ATE bank's supervisor. But ATE bank was established and controlled by the State and that practically meant that cooperatives were unable to take any decision that conflicts with the State's interests regardless of the rightfulness or popularity amongst the co-operators.
(Mr. Vangelis)

The available literature indicates that in the period 1974-1980, after the military Junta (1967-1974), cooperatives were significantly politicised and Greece experienced a mass mobilisation of farmers. This was also evident in my discussion with Mr. Vangelis and

Mr. John, who recalled this period and the enthusiasm and ambition they felt that there was a good opportunity for social change. The rise of the socialist party PASOK in 1980 created an enthusiasm among farmers and the feeling that cooperatives would finally become autonomous from the State's intervention. The belief that farmers would have direct control over 'their' cooperatives was very high, Mr. Vangelis said. For farmers PASOK's entry into government was seen as an opportunity to transform agricultural cooperatives into independent organisations based on the principle of direct democracy and control by the farmers themselves. As Mr. Vangelis said, "the day after PASOK came to power we were excited. We thought that we will take control over the factories and the cooperatives". However, farmers' expectations were not realised:

We truly believed that things would change. We thought that when the socialist party came to power we would have direct control over cooperatives. But this never happened. You see, the leadership of the cooperatives were and are either controlled by the one (PASOK) or the other (ND) party, or they had economic or political interests to fulfil. (Mr. John)

What has been particular evident is the politicisation of the farmers. Mr. Vangelis recalled the 'Blue' (conservative controlled by New Democracy) and 'Green' (socialist controlled by PASOK) coffee shops of the 1980s which divided farmers. In his view, the sterile politicisation of the farmers in the 1980s is still evident, resulting in the farmers and their movements being divided instead of bringing farmers together. Although the 'coloured' coffee shops belong to the past, the current disinterest of farmers towards the cooperative movement is due to the farmers' belief that the leadership of the cooperative movement is affiliated with one of the two major political parties (PASOK or ND) instead of concentrating on their problems.

Therefore, my participants believe that party political intervention has transformed cooperatives into political agents with their main activity being the promotion of the agendas of the political party the leadership is affiliated with. This view of cooperatives and agrarian syndicates as political agents, instead of independent organisations, derives from the farmers' belief that these organisations do little to support their interests when conflict with the affiliated party is necessary. For example, the Unions of agrarian association in Greece, the GESASE and SYDASE are considered by the farmers to be affiliated with the two major political parties. The main problem with the dependence of these associations on the political parties is that it weakens the farmers' voice. To illustrate the political affiliation of the cooperatives, Mr. John, in a rather frustrated tone, recalled an incident that had occurred few years previously when a group of farmers had decided to demonstrate against the squeezing of their products' price in the market. Despite their efforts to be united irrespectively of their political beliefs, the union affiliated with the party in power actually boycotted the struggle by misinforming the farmers regarding the date and the purpose of the strike. Another more recent event, also covered by the media, occurred in January 2009 and can shed more light onto this phenomenon of the farmers' sterile politicisation and the political affiliation of the cooperatives and the agrarian syndicates. This was a mobilisation of tens of thousands Greek farmers from all over the country who blocked the main national roads and held a day sit-in at the airport in Heraklion, demanding fairer prices for their products and financial aid from the State. When the Minister of Agriculture promised to allocate 500 million Euros in the form of subsidies, the farmers affiliated with the governing party withdrew from the blockades. Then a debate followed between farmers and politicians affiliated with the governing party on the one hand, and those farmers affiliated with the opposition party on the other hand, with the latter deciding to continue their

mobilisations. The latter were accused by the former of being encouraged to continue with the mobilisation by the opposition socialist party.

What is important to note here is that farmers, irrespective of their political beliefs, face more or less the same difficulties. But the sterile politicisation and fragmentation of farmers into the two big party-blocs create unfavourable conditions for the development of a united, independent and strong agrarian movement. Mr. Panos, a politician of a leftist party in Greece, suggested that cooperatives are often used by the two main political parties as agents to execute the government's policies. They do not operate as independent economic organizations that support and promote the interests of their members. I find Mr. Panos's view to be of particular importance here, since he is also an active member of the *New Agrarian Movement* (NEAK). NEAK is one of the few, if not the only, independent agrarian movements in Greece with no political party affiliation. It is autonomous and its main objective is to represent, protect and promote the interests of the small-scale and landless farmers. NEAK was born out of a number of farmers' beliefs that cooperatives and syndicates were unable to operate independently from political parties and as such were not able to represent the interests of the farmers.

One way for political parties to control agricultural cooperatives was by recruiting, especially into leading positions, people committed to the political parties. All my participants highlighted that political parties were able to use cooperatives to meet their ends by recruiting people because they were affiliated to one of the political parties and not because of their experience of and ability to work in a cooperative. Mr. Napoleon, a small-scale farmer and ex-president of an agriculture cooperative, as well as holder of a

high position at the Union of cooperatives in Heraklion, explained exactly this. He admitted that during his time in the Union the recruitment was not based on the individual's ability, knowledge or experience in cooperative practices; rather people were recruited based on their commitment to a political party.

In a similar fashion, Mr. Vangelis, Mr. John and Mr. Anastasios, although not known to each other, used the very same example to highlight the affiliation of the leadership with political parties and the way the clientelist relations between farmers and politicians perpetuate this phenomenon of political dependence. They all referred to the same person, a president in XYZ Union for the last 20 years exactly because of his affiliation and commitment to his party. Mr Anastasios's words are representative on this issue:

You have people who are well established in the cooperatives, they get some money to fulfil their personal interests, they are doing their own business and that's it. You cannot overthrow them because they are affiliated with the one [PASOK] or the other [ND] political party. I will give you an example. In the Union of XYZ we have the same president for more than 20 years now! (Mr. Anastasios)

For Mr. Demetres, a young small-scale farmer from the village of Prophet Elias located near the city of Heraklion, these recruitment criteria create a clientelist relation between farmers and politicians. It also perpetuates the intervention in agriculture of party politics. It is a way for politicians to exercise power over farmers and fulfil their personal ambitions, while farmers in turn rely on politicians and local officials for personal favours. Drawing on personal experiences in his village he argued that these so-called 'favours' from the politicians to farmers indeed create a clientelist relation

between farmers and politicians, which means that farmers are unable to openly criticise politicians and the party electorate within agricultural cooperatives. Mr. Demetres's story is illustrative:

I will tell you a metaphor so that you understand the situation here. Once upon a time there was a landlord who employed 20 landless workers at his farm. One morning the landlord asks one of the workers to join him in the farmhouse. There the landlord said to the worker: *George, you are my best worker and so eat this egg and drink this glass of wine.* The worker did it with much satisfaction and thanked the landlord. Then the landlord said, *George you are my loyal worker and I want to ask you a favour; you see George the others are very lazy, please try to persuade them to work a bit harder.* And George with a smile in his face for being the landlord's most trustworthy man did exactly what the landlord commanded. The same story goes with all the workers in the farm until one night the exhausted workers gathered next to a fire and found out that the landlord deceived them all; that their endless and passionate efforts to do the landlord's will was but for an egg! (Mr. Demetres)

The landlord in Mr. Demetres's story was a politician and the workers were the farmers, while the egg and the wine was the 'favour' the politicians do for a number of farmers in order for the latter to submit to the politicians and the parties will. By using this story, Mr. Demetres tried to explain that the phenomenon of client-patron relations between farmers and politicians is perpetuated by the farmers' poor living conditions. Interestingly enough, this view was also shared by other farmers. Mr. Harris, a small-scale farmer from the village of Thrapsano, who is also involved in cooperative practices, also highlighted that the clientelist relations discredit the farmers' movements:

When [the farmers] vote, they put their political beliefs first. They see that the one [PASOK] or the other [ND] party is doing nothing to solve their problems

and they criticise them but when the time comes to vote, they vote based on their political beliefs. (Mr. Harris)

Mr. Antonis a middle-aged small-scale farmer and Marinos a 25 year-old small-scale farmer, also shared this view. They are both from Archanes, a village in Crete with a long tradition in wine-production. During our discussion they both highlighted the current rather difficult position of their village's agricultural cooperative, which was prospering only few years back. Their criticism of the agricultural cooperative movement was also based on the role of party politics. Drawing on the client-patron relations between farmers and politicians, they both agreed that as long as farmers are dependent on politicians there is little chance of change within the cooperative movement. Marinos highlighted his marital status as single in order to emphasize with a dose of cynicism that because he does not have a family he does not expect or needs any favours from politicians. As such, he can openly criticise those he considers responsible for the current economic and social role of cooperatives. What is of particular importance here is to appreciate that the poor economic conditions of the great majority of farmers in Greece creates a vicious circle: farmers need the politicians and the politicians along with the party electorate within the cooperatives see the farmers as an attractive source of votes, thus transforming the cooperatives into political agencies.

As established in chapter 4, the lack of autonomy of the agricultural cooperatives is reinforced by the system of proportional representation in the cooperative elections. The electoral system of proportional representation was put into practice by the legislative actions of 1983 and 1985. As such, the two big political parties (PASOK and ND) can control a cooperative if they manage (and it seems they always do) to control over 50%

of the votes. Mr. Panos, a politician of a leftist party in Greece and member of NEAK, when commenting on the proportional representation system, suggested that one of the problems in the structure of Greek agricultural cooperatives is that they are relatively anti-democratic exactly because of this system. For Mr. Panos, this creates fertile grounds for the two major political parties to control the cooperatives and exclude all other possibilities of representation:

The cooperatives have a significant drawback in relation to their operation and management. By that I mean that they are relatively anti-democratic. They have a system of proportional representation, thus the 2 main groupings that we can have are mainly affiliated with the two big political parties and exclude all other representations. I believe this is an anti-democratic aspect of the cooperatives. (Mr. Panos)

This system of proportional representation exacerbates the party politics intervention in the cooperative movement, with all my participants emphatically arguing that while Greek agricultural cooperatives appear to promote equality and direct democracy, in reality the decisions are made without their consent and their views are ignored. Mr. John and Mr. Vangelis recalled an incident that occurred more than ten years ago. According to them, after their union had succeeded in making a significant profit, a debate occurred between the farmer-members and the managers of the union about the allocation of this profit. Despite their demands to use the extra capital for further research regarding the improvement of the quality of their products, the managers decided to distribute the money to the employees in the form of bonuses, ignoring the farmers' views. Other farmers, like Mr. Demetres stressed that the investments of the Unions of cooperatives were made without any consultation with the farmers. He used the example of cooperative supermarkets to illustrate his point, which was not about

whether the establishment of a supermarket by the Unions was a rational decision or not, but to suggest that these business investments are made by the managers and the elected representatives of the Unions without consulting the farmer-members or seeking their consent. For this reason, their criticism of the system of representative democracy in the Greek agricultural cooperatives derives precisely from this lack of direct democracy, and all of their responses on this matter reminded me of George Orwell's (1996) famous phrase in *Animal Farm* according to which, *all co-operators are equal but some are more equal than others*¹⁶.

Therefore the affiliation of the cooperatives with political parties has made farmers uninterested in the cooperative movement since they believe that are powerless in terms of determining any decisions taken within the cooperatives. Mr. Manolis and Mr. Napoleon are both small-scale farmers and ex-presidents of their village's first-level agriculture cooperative. They both reflected on their long experience in the cooperative movement in order to emphasize the farmers' lack of interest in the cooperative movement. They also both seem to agree that farmers nowadays show little interest in participating in the cooperatives:

Cooperatives are the best tool for the farmer. But the farmer is unable to appreciate the importance of the cooperatives and this becomes clear if you see the participation of farmers in the councils. We have meeting and only 20 farmers appear. This is because of party politics. If the president is leaning to the one party, the farmers affiliated with the other will not attend the meetings.
(Mr. Manolis)

¹⁶ The original wording is of course, *all animals are equal but some are more equal than others*.

In a similar fashion, Mr. Napoleon highlighted that farmers' participation in the meetings has fallen sharply during the last twenty years, and that this has important implications:

Unfortunately, if we look at the participation of the members in the elections historically we will see a dramatic change in farmers' interest in exercising the rights they are entitled to. Twenty years ago around 80-85% of the co-operators were participating in the general gatherings and the elections. Today that number is less than 10%. The cooperative movement had completely lost its economic and social credibility, and somebody has to do something. But the government will never solve these problems unless we build a strong grassroots movement. When the cooperatives are weak, the agrarian unions are weak, they malfunction, and obviously some people will take decision in absentia of others. (Mr. Napoleon)

For Mr. Napoleon, the farmers' absenteeism from the general meetings only contributes to the concentration of power to the hands of the appointed managers and the elected representatives. While he is also of the view that their voice is ignored, he feels that the only way to overcome these problems is for farmers to demand a re-structuring of the cooperatives that would allow them to have more control over the decision making process. This view was also shared by other farmers. He repeatedly stressed during our conversations:

Cooperatives are the only tool we have in order to promote our interests. Unless we demand to control them and get more involved nothing will change. Absenteeism does not give us anything. All, we have to do is to build a strong independent movement. Alternatively, we will continue to experience the same problems until there will be no farmers left in Greece. (Mr. Napoleon)

In summary, my findings show that there is a strong feeling amongst Greek farmers regarding agricultural cooperatives not being autonomous. The agricultural cooperatives and their leaders are viewed by farmers as affiliated with political parties, and this creates a lack of interest and a feeling of reluctance towards cooperative practices. This reluctance in participating in cooperatives is particularly evident in the increasing absenteeism of the farmer-members from the general meetings of the cooperatives during the last 20 years. Although there are some farmers who feel that they should demand more power and control over the decision making process, a large number of farmers are reluctant to participate and be involved in the activities of their cooperatives. Another possible explanation for this absenteeism can be found in the farmers' belief that their power to influence or determine important decisions is limited, and that their views will always be ignored by the managers and the elected representatives of their cooperatives.

6.3 Farmers' lack of Cooperative consciousness

This section focuses on the participants' views concerning the lack of mutual aid and cooperation between farmers. As already established in chapter 4, agricultural cooperatives in Greece are mainly credit associations, whilst cooperatives for the common use of machinery or collective use of land are very limited if not inexistent. This absence of producers' cooperatives for the common use of machinery and land came out quite often in my interviews with a number of participants. For them, there was a clear link between the absence of agricultural cooperatives for the common use of machines and land, and the apparent lack of mutual aid among Greek farmers. For example, Mr. Antonis, a small-scale farmer from Archanes, believed that the lack of

mutuality among Greek farmers has to be seen in relation to the constitution of private ownership which creates both a physical and a psychological barrier amongst farmers towards a collective form of organisation and mutual aid. In his view, the private ownership of the land contributes to the isolation of one farmer from the other. This is because, while all the small-scale farmers in Greece share similar conditions and problems (e.g. the squeezing of their products' price, high operation cost), the small-scale character of Greek agriculture seems to create a barrier towards mutual aid and cooperation. Instead, each small-scale farmer in Greece has to cultivate his land in isolation from his fellow farmers by using his own equipment and method of cultivation.

Mr. Antonis's view was shared by other farmers who also emphasised the dominance of small-scale ownership in Greece and the absence of agricultural cooperatives for the common use of land and machinery. According to them the absence of cooperation in the production process makes it difficult for Greek farmers to operate collectively and thus develop a cooperative consciousness. For example, Mr. Vangelis used the example of factory workers to highlight the difference with the agriculture sector. In a cooperative factory where all workers are also owners of the means of production it is more likely that they will work together under the same roof and as such have the opportunity to build cooperative consciousness through mutual aid. But in the agriculture sector, the case is different. Farmers cultivate their land in isolation from others. "There is no cooperation of labour or capital amongst us", Mr. Vangelis added. As he then noted, farmers cultivate their land by using their own capital and their own methods of cultivation, methods that they learnt from their fathers, as indicated in the previous section.

This physical barrier of small-scale land ownership to the development of agricultural cooperatives for common use of land and machinery in Greece is further reinforced by the fragmentation of the land into small plots. As many of the farmers-participants suggested, even if a number of Greek farmers were interested in joining together and cultivating their lands collectively in order to enjoy the benefits of large farms, the fragmentation of the land acts as an obstacle to collective farming. Mr. Napoleon words were representative of this problem:

I want to cultivate my lands along with some other farmers in the village but the problem we face is that our lands are fragmented and disconnected from each other. To collectivise our lands and enjoy the benefits of cooperation we have to convince all the people (farmers) in the village whose land interferes with ours to join our collective or exchange part of our land with theirs. But that is unlikely to happen and as such we have to cultivate our land individually. (Mr. Napoleon)

Similarly, for Mr. Marinos the fact that their land is divided into disconnected parcels creates unfavourable conditions for the establishment of collectives:

Even if some farmers would like to collectively cultivate their lands and gain the benefits of large scale farms, they can't do it. Realistically speaking, very few people have their lands joined into one large plot. For example I have fifty stremmas¹⁷ divided into 7 different plots with a distance of at least 2 kilometres between one another. If people want to join their lands and cultivate them together they can hardly do it unless they convince all the farmers with plots between their own to join their project. You see, I believe this is not realistic. (Mr. Marinos)

¹⁷ Stremma is a Greek measurement system. One hectare is 10 stremmas.

Beside the physical isolation of Greek farmers due to small-scale land ownership and the large fragmentation of the land, the value of the land also contributes to the apparent lack of agricultural cooperatives for common use of land. The obstacle here, at least in the case of Greece, is that each piece of land has its own value based on issues such as fertility and location (i.e. distance from urban centres or resorts). This is crucial for any potential investment in the land, which will create potential returns for farmers. The fertility of the land has to do with the particular area the plot is located in, the climate and the nature of the soil. The better the soil and the climate conditions the more productive the plot can potentially be, and the higher its value. Also the location of the land, and in particular the distance from urban centres and resorts, can change its value significantly. If the land is located in remote areas the value would be considerably lower than if it is closer to urban centres and can potentially be used for house building or tourism. Thus the value of land can vary from place to place. Therefore, the formation of cooperatives for common use of lands would mean the joining up and common use of pieces of land of unequal value. Farmers' scepticism towards the collective use of land derives from the belief that it is 'unfair' to use plots of land of uneven value collectively. For instance, when the discussion with Mr. Manolis, a small-scale farmer from the village of Mires, located approximately 55km south of Heraklion at the Messara plain which is the largest in Crete, turned to the lack of agricultural cooperative for the common cultivation of the land, it was the value of the land that was highlighted as the main barrier:

I do not think anybody will agree to cultivate his land collectively under a producer's cooperative. Some people have lands near the cities or coasts while others' is in remote areas. The land has different value from one place to

another. Why should I share my land with someone's that is of far less value?
(Mr. Manolis)

But apart from the physical barriers, there is also a psychological barrier towards cooperative practices. For Mr. Antonis there was, and still is, a view among farmers that the collective use of the land would pose a threat to their ownership rights. He suggested that if farmers used their lands collectively, but still maintained ownership of their plots, they would feel that eventually they could lose their property rights. Representative of this issue were the words of Mr. Leonidas, a farmer from Houdetsi, who said that “Whenever you hear of an attempt for the collective use of land there are people saying: *don't listen to them, they are communists, they will take your land one day.*” In Greece, as Mr. Antonis added, producers' cooperatives for the common cultivation of land and common use of machinery have been treated with scepticism by farmers due to the belief that such organisations constitute a threat to their property rights:

I still remember my mother telling me: *You may have a small holding, but it is yours.* You see, while it is the small-holding that is our burden, most people (farmers) don't see it in that way. They believe that by creating a producers' cooperative, where we could be collectively cultivating our land and getting the benefits of large-scale farms, we will eventually lose our rights on it. They tend to link producers' cooperatives with communism in Russia. (Mr. Antonis)

As such, any attempts towards the collective use of land or common use of machinery find little support in Greek countryside. For example, during my discussion with Mr. Zacharias - a small-scale farmer and ex-president of his village agricultural cooperative - regarding the high operational cost in agricultural production, he mentioned the unnecessary large number of tractors that are used by farmers for the cultivation of their

land. Due to the lack of cooperation amongst farmers, each has to either buy his own tractor or rent one from a fellow farmer. During the interview I referred to the case of French farmers in Larzac who, according to Bove and Dufour (2001) have been cultivating the land together quite successfully so far. I wanted to get Mr. Zacharias's reaction when he heard about this case. Indeed he was keen on the idea that fewer tractors could reduce their operational costs: "I think common use of machines could be a good idea. Here in the village we have twenty tractors while we do not need more than four". However, he then added that such projects (common use of machinery) are not 'suitable' for Greek farmers:

I do not think that we can do it. I believe people will not take good care of the machines if they know that they are owned by the community. They will not treat the machines as their own and that will create conflicts among people.
(Mr. Zacharias)

To summarise so far, small-scale ownership creates both physical and psychological barriers towards the establishment of cooperatives for the common use of land and machinery. But to view the constitution of ownership as a stand-alone factor that prevents small-scale farmers from strengthening their cooperation would be problematic. It is important to also look at the role of Greek agricultural cooperatives in this general lack of cooperative consciousness. The participants highlighted that the credit character of agricultural cooperatives does not encourage collective practices among farmers, and that Greek agricultural cooperatives appear uninterested in educating farmers in cooperative principles and ideas.

The fact that Greek agricultural cooperatives are responsible mainly for the channelling of loans, agricultural supplies and simple processing activities (such as olive-oil

presses) is viewed by the great majority of my participants as an important factor accounting for the lack of cooperative practices and mutual aid amongst farmers. As all the participants of my work highlighted, farmers produce their products by themselves based on their available capital and methods of cultivation with no cooperation between them. For Mr. Antonis, the Greek agricultural cooperatives did not provide opportunities for collective actions among farmers. Rather, farmers continue to work isolated from each other with no mutual aid:

If you look at the cooperatives in Greece you will see that the cooperative movement did little, if anything, in order to change the mentality of the farmer. The framework of the Greek agricultural cooperatives did not create conditions for collective actions. The farmer continues to cultivate his land isolated from the other farmers by using his very personal methods of cultivation and with no interest for mutual aid. You will not find any cooperation of labour, any cooperation in the production process. (Mr. Antonis)

In a similar vein, Mr. Vangelis, Mr. Napoleon and Mr. Demetres all highlighted the absence of mutual aid and cooperation between farmers. Mr. Demetres illustrates how the majority of the Greek farmers view the agricultural cooperatives:

The only reason I use the cooperative is to take my olives and grapes there for further processing and to collect the subsidy. After that, the Union of agricultural cooperatives is selling my products and I receive the money based on the fixed price the Union announce. That is all. (Mr. Demetres)

However, the lack of cooperative consciousness amongst Greek farmers is not due solely to the small-scale character of agriculture in Greece or the inadequacy of Greek agricultural cooperatives to create fertile grounds for cooperative practices. My findings suggest that the apparent lack of cooperative consciousness amongst farmers is

reinforced by the lack of cooperative education. Although the promotion of cooperative education may not sound important as an end in itself and it may be true that more attention has been given to the economic efficiency of the cooperatives, cooperative education remains one of the cooperative principles. After all, Robert Owen, one of the fathers of the cooperative idea, clearly highlighted in his famous work *A New View of Society* (2004) the importance of the environment and education for the formation of the human character. The Rochdale Pioneers in England, as Holyoake (1893) describes, spent around 2.5% of their quarterly profits on what they called 'Educational Funds'.

For a number of my participants the agricultural cooperatives are to blame for showing no interest in the education of farmers towards the cooperative idea. Indeed, it will not be an exaggeration if I say that the majority of farmers I spoke with had no idea of what a cooperative really is; yet they are members of one. Although in the available literature (Gide, 1921; Lenin, 1969; Fourier, 1971; Marx, 1991; Owen, 2004), cooperatives often appear to have a revolutionary or a transformative character for the way we organise our economic relations, a large number of the farmers I interviewed had little awareness of this revolutionary or transformative character that is often celebrated in the literature. Most farmers in Greece are members of an agricultural cooperative for purely economic reasons and their behaviour is opportunistic. As Mr. Leonidas suggests, the majority of farmers often prefer to sell their products to the economic middle men if the price is slightly higher than the price offered by the agricultural cooperative. This opportunistic behaviour was also noted by other farmers. For example, Mr. Vangelis and Mr. John recalled the case of an agricultural cooperative near Heraklion where even the president of the cooperative was often selling his products to economic middle men instead of the agricultural cooperative. In response to my question as to why they were members of

cooperatives, many participants suggested that they had joined the agricultural cooperative of their village for the processing activities (such as olive-oil pressing) of their products and the payment of their subsidies. Others, like Mr. Kyriakos a villager from Arkalohori, a village around 35km from Heraklion in the PEZA area with very long tradition in the production of top quality wine and olive oil, became members only because their ancestors also were.

The lack of cooperative education among Greek farmers was particularly evident in my data. Even though past works of Greek researchers have often highlighted this backwardness of cooperative education in Greece (see for example Avdelidis, 1978), I was interested to find out about the level of cooperative education today. My empirical research proved that little, if anything has been done in this direction. Mr. Dimitris, a farmer from Gonies, a village located around 40km west of Heraklion, blamed the leadership of the cooperative movement for not promoting the cooperative principles:

The Union of cooperatives in Heraklion has a central library. But who will go there to read a book about cooperatives? You cannot expect from the farmer who spends all day on the land to have time to go to the library. It is a joke. The cooperative representatives have to go in the field and promote the cooperative idea. But nobody ever comes in the village to talk about the importance of the cooperatives and the cooperative principles. If you do not make the people (farmers) aware of what a cooperative truly represents and what it is aiming for, it is inevitable that people will have little idea. (Mr. Dimitris)

Following Mr. Dimitris' view, Mr. George also emphasised the responsibility of the cooperative movement to promote cooperative education, and the lack of cooperative consciousness among farmers:

The farmers have no cooperative education. The cooperatives have done nothing to educate farmers about the cooperative idea. You cannot change the farmers' mentality by saying that we are 'good Christians', or expect the farmers to develop a cooperative consciousness by themselves. The cooperative movement has to move forward and create the necessary conditions for the farmer to develop cooperative consciousness. (Mr. George)

Moreover, Mr. Demetres and Mr. Marinos said that the cooperative movement had done nothing to educate farmers about the objectives of a cooperative, the role cooperatives play in capitalist economies or even the responsibilities and the rights of the farmer-members. But according to Mr. Vangelis, there is a vicious circle. On the one hand the cooperative movement does little to educate farmers about cooperativism and on the other hand farmers show little interest in cooperative education. He recalled the period in 1980s when he was trying with a group of people to educate other farmers about the cooperative idea. It was a voluntary activity, undertaken independently of the cooperative movement and with the sole motivation to familiarise farmers with the cooperative ethos. They travelled from one village to another and had public seminars. But their attempt had very little support:

We tried to promote the cooperative idea back in the 80s out of our belief that it was only through cooperation that we could solve our problems. [...] The heads of the cooperatives did not care. Our attempt was a failure; very few people were interested in discussions around the principles of cooperativism and what we should do differently. Most people [farmers] want to know what they can do to increase productivity and their income; this is what they are looking for. But I do not blame them, they are poor, they need money. (Mr. Vangelis)

Perhaps it is indeed a vicious circle as Mr. Vangelis suggested. Greek farmers remain among the poorest class in Greece and it may be true that the majority of them care

more about increasing their insufficient income rather than building alternative economic relations. Thus it would be important to examine how the Greek agricultural cooperatives could support the economic interests of the Greek farmers and at the same time promote the cooperative principles and strengthen the cooperative consciousness of the Greek farmers.

To conclude, the above discussion indicates that the small-scale and multi-fragmented ownership of the land in Greece along with the significant variations in the value of the land create both physical and psychological barriers towards the development of agricultural cooperatives for common use of land or common use of machinery. In addition, the credit character of the Greek agricultural cooperatives has not, so far, created fertile grounds for encouraging cooperative practices among farmers. As my participants often emphasised in our conversations, there is no cooperation among them in the production process or the trading of their products. This lack of cooperative practices, as they suggest, further contributes to the lack of cooperative consciousness, since it is difficult to have the latter in the absence of the former. This has led some participants to highlight that agricultural cooperatives have done little, if anything, to educate farmers about cooperative principles or make them aware of cooperative objectives.

6.4 Conclusion

In this chapter my aim was to bring forth the voices of small-scale farmers working in the Greek agricultural sector. Although their labour has historically contributed to the development of the Greek economy, their opinions and thoughts have been either ignored or been given very little attention. I focused on three important themes that

arose from my empirical research, and which are perhaps also of relevance for cooperatives in other European countries.

The first section turned around the credit character of the agricultural cooperatives in Greece. The findings of my empirical research suggest a general disappointment amongst Greek farmers regarding the role of agricultural cooperatives in supporting their interests. Their criticism focussed on the credit-intermediary character of the cooperatives, the limited trade activities of the first-degree cooperatives and the limited assistance in the production process. For these reasons, a number of the participants in my research emphasised the need to extend cooperative activities beyond credit services. More specifically, a number of farmers emphasised the need for first-degree cooperatives to get more involved in trading activities; some also supported the idea of producers' cooperatives.

Secondly, my findings indicate that farmers' lack of interest towards cooperativism is influenced by their belief that agricultural cooperatives in Greece and their leaders are affiliated with political parties. This belief, together with the feeling of having no power in decision making, resulted in a high level of absenteeism from cooperatives' general meetings.

In the last section the focus shifted to the apparent lack of cooperative consciousness among the Greek farmers. Emphasis was given to the role of the small-scale ownership in creating both physical and psychological barriers towards cooperative practices. In addition, it was suggested that the credit character of agricultural cooperatives created limited conditions for cooperative practices among farmers. Here again, some farmers

emphasised the potential of producers and marketing cooperatives to strengthen cooperation between them and cultivate a stronger sense of cooperative consciousness. In addition, emphasis was given to the role of cooperatives in educating the farmers about the cooperative principles and objectives. In the farmers' view, the Greek agricultural cooperatives are to be blamed for the limited degree of cooperation because they have done little to promote the cooperative idea, which in turn perpetuates the farmers' suspicious stance towards collective action.

Chapter 7 - Rethinking Democracy and Cooperation in Cooperatives

In this chapter, I will examine what could be done in order for cooperatives to operate more like alternative organisations. As suggested in some of the literature on agricultural cooperatives reviewed in chapter 3, as well as in my own empirical findings, there is an evident distancing of farmer members from their cooperatives. The members' lack of commitment and their growing dissatisfaction with the current arrangements in their cooperatives can be attributed to various causes. For example, in the case of agricultural cooperatives in south Germany and Spain, members' dissatisfaction appears to be the result of the cooperatives' shift to a more business oriented profile and of the centralisation of power in the hands of few appointed managers and representatives. In the case of Greece, the farmers' dissatisfaction and distancing from the cooperatives derives from the centralisation of power in the cooperatives; a long standing phenomenon in the history of the movement. The majority of Greek researchers (see Christodoulou, 1986; Avdelidis, 1989; Papageorgiou, 1991; Patronis, 2002) agree that agricultural cooperatives in Greece were hardly ever autonomous. The state achieved complete control over the agricultural cooperative movement from the start. The victory of the socialist party (PASOK) in the national elections of 1981 introduced a new period for the agricultural cooperatives in Greece, since the political agenda of PASOK included the creation of an autonomous cooperative movement able to solve the long-existing structural problems of Greek agriculture. However, the high expectations for 'change' with the rise of PASOK in 1981 did not materialise (Mavrogordatos, 1988; Kioukias, 1994; Patronis, 2002). In fact, the attempt of PASOK to restructure the cooperative movement only strengthened

party politics intervention. It is fair to suggest that the period after the rise of the socialist party is characterised by a shift of control over the cooperative movement. We witness the transition from state control to party political intervention where the agricultural cooperatives became transformed into agencies of the political parties rather than autonomous organisations. So, in the first part of this section, my attention will focus around the current democratic practices in the Greek agricultural cooperatives. I will argue that democracy and participation in Greek cooperatives are currently conceived mainly in terms of members' rights to choose their 'representatives'. My aim is to encourage us to re-think democracy in cooperatives by paying more attention to the importance of active participation. In doing so, I will draw my inspiration mainly from the works of Finley (1996), Castoriadis (2000) and Bookchin (2005) with the hope of illustrating the importance of members' direct participation. The real objective and challenge of modern cooperatives should be to move from, to use Barber's (2004) terminology, a 'thin democracy' to a 'strong democracy' where co-operators' participation extends beyond the voting booth.

In the second section of this chapter, I will turn my attention to the role of modern agricultural cooperatives in encouraging cooperation, mutual aid and solidarity amongst their members. As my empirical findings and the available literature indicate, cooperation and mutual aid amongst the members of Greek agricultural cooperatives is weak. My aim is to reflect on possible ways in which agricultural cooperatives could foster a stronger sense of solidarity, mutual aid and community amongst members. Particular attention will be given to the case of agricultural cooperatives in Greece in order to reflect on how the current functions of modern cooperatives do not address crucial structural problems (high production cost, squeezing of prices) of Greek

farmers, and restricts mutual aid and solidarity amongst them. My analysis will be grounded in my own findings and the relevant literature. To support my analysis I will also reflect on past and present experiences from cooperative action in other European countries. My aim is to encourage us to think of ways in which agricultural cooperatives could expand their activities in order to create conditions for more cooperation amongst the farmers which would foster a stronger sense of community and solidarity.

7.1 Re-thinking democracy within cooperatives: The importance of active participation.

As stated above the issues of democracy, equality and member participation are central both in the contemporary literature on cooperatives and the findings of my empirical study of Greek agricultural cooperatives. Despite the fact that democracy and members' equality is among the principles of the cooperative movement, the existing practices in modern cooperatives are at odds with these principles. This is evident not only in Greece but also in other European countries such as Spain (Kasim, 1996; Chaves et al., 2008) and Germany (Dirscherl, 1991) where a growing number of cooperative members are increasingly dissatisfied with the current arrangements. This dissatisfaction of members is expressed in several ways, including absenteeism from general meetings, a lack of commitment towards the cooperatives or even signs of apathy. Whereas Morris Jones (1954) views "apathy" as an expression of democracy, in the case of modern cooperatives, the co-operators' apathy derives not from their lack of interest in participating but instead from their belief that their 'voice' will be ignored and decisions will nevertheless be taken without their consent.

As my findings suggest the participation of the co-operators is restricted to 'freely' discussing matters that concern them in the general meetings, and periodically exercising their right to elect their 'representatives'. The missing aspect of democracy here is the ability of the co-operators to participate in key decisions. As Pateman (1970, p.69) put it "to be in a position to influence a decision is not the same thing as to be in a position to (to have the power to) determine the outcome or to make that decision".

In the context of Greece, party political intervention in the cooperatives has significantly affected the autonomy of the movement and perpetuates the prevailing clientelist relation between farmers and politicians. What is important to highlight here is that the lack of autonomy within the Greek agricultural cooperatives is reinforced by the current 'democratic' practices of the cooperatives. The established system of proportional representation and the political party's lists in Greek agricultural cooperatives creates fertile ground for the grouping around the two big political parties (PASOK and ND) and the exclusion of all other 'voices'. No matter how unpopular their decisions might be, the system of representative democracy practised within the Greek agricultural cooperatives gives the elected representatives the legitimate right to appear as the 'voice' of all the farmers. So the paradox here is that, although representative democracy is portrayed as a method which ensures 'majority rule', as soon as the representatives are elected, the power is concentrated in the hands of the few, thus excluding the vast majority of the co-operators from actually determining any key decision.

Hence, looking at representative democracy as the only 'realistic' form of democracy that is able to secure the members' participation in cooperatives, we tend to avoid

asking the questions of participation by whom, for whom and for what. Avoiding these questions, representative democracy and indirect participation appear as the most suitable form of practice in modern cooperatives while the alienation or distancing of a large number of co-operators from the decision-making process appears to be necessary and perhaps desirable in order for cooperatives to be able to operate in the so-called 'complex market'. This is of course an omnipresent phenomenon of our democratic societies and not only a cooperative phenomenon. In his influential work *Capitalism, Socialism and Democracy*, Schumpeter (1965) suggested revising the 'classical' theory of democracy in favour of an alternative, more 'realistic' definition of democracy where participation does not have a central role. For Schumpeter (1965), as both Parry (2005) and Finley (1996) explain, democracy is a well designed method that produces a strong authoritative government that it is not associated with specific ideals or ends. As Schumpeter (1965, p.242 – emphasis original) said, “democracy is a political *method*, [...] incapable of being an end in itself, irrespective of what decisions it will produce under given historical conditions”. In formulating his 'alternative' and thus more 'realistic' theory of democracy, Schumpeter (1965, p.269) offers the following definition: “the democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote”. In Schumpeter’s elitist theory of democracy, there is a “division of labour” (1965, p.295) between the citizens and the politicians, and the responsibilities and political participation of the former are very restricted. Citizens have the right to vote and periodically choose their representatives but once they choose them, political action is no longer their business. Schumpeter’s view is reinforced by his conception of the “electoral mass [being] incapable of action other than stampede” (1965, p.283).

Schumpeter's 'realistic' definition of democracy is thus not far from the conception and practices of democracy in most of the modern cooperatives. Under this conception of democracy, the extent to which the co-operators have sufficient access and opportunity to participate in key decisions seems to be irrelevant. Democracy here appears more as the right of the co-operators to 'freely' discuss matters that concerns them in the general meetings and periodically exercise their right to elect their 'representatives' rather than as their direct participation in the politics of the cooperatives. Thus, by using the principles of "freedom of discussion, majority rule and free periodic elections" (Bachrach 1967, p.94), democracy in the modern cooperatives is defined in relation to these procedural principles rather than the cultivation of opportunities for increased participation of the members in the key decisions that affect them.

Moreover, there are many arguments in favour of representative democracy which mainly focus on the 'utopian' ideals and impracticable nature of direct democracy. The size of the cooperatives, the variety of interests and difficulty of consensus, the lack of technical knowledge and ability of members to take decisions, the limited access to important information, the need for quick responses to keep up with changes and the lack of interest of members, are a few of the arguments used in support of a more impersonal and centralised control in cooperatives. All these objections to participatory democracy in cooperatives are fair but only insofar as we are looking for mechanical blue-prints of participatory democracy. The real question here is not, as Macpherson (1977, p.98) stresses, "how a participatory democracy would operate but how we could move towards it".

Nevertheless, the relationship between the cooperative's size and the members' participation indicates that the more the cooperative expands, the less the ability of the members to actively participate in key decisions. From the agricultural cooperatives in Greece to the cooperatives in Spain we witness a tendency towards centralisation of power and control in the hands of managerialist technocrats and/or representatives as the cooperatives grow. To go even further, the German sociologist Robert Michels (1959) suggests that oligarchic tendencies develop in every organisation irrespectively of how democratic or autocratic they may be at the start. From Saint Simon to Fourier and from Bakunin to Marx, Michels (1959) illustrates the tendency of a group of oligarchs, of a "political class" (1959, p.392), to control the majority. In his controversial *Iron law of oligarchy*, Michels (*ibid.*) concluded that,

[h]istory seems to teach us that no popular movement, however energetic and vigorous, is capable of producing profound and permanent changes in the social organism of the civilised world. The preponderant elements of the movement, the men who lead and nourish it, end by undergoing a gradual detachment from the masses, and are attracted within orbit of the 'political class'.

Perhaps Saint-Simon's view that "the majority of human beings ought to obey the orders of the most capable" (cited in Michels 1959, p.380) best captures the rhetoric around the importance and inevitability of indirect democracy. It is likely to be the case that, the more a cooperative grows the more difficult it becomes for all members to gather together and discuss every single decision that has to be made. Of course, decisions for daily activities will be necessary and perhaps it would be desirable for them to be taken by a small group of people, be it the managers or group of co-operators. However, when key decisions affect the interests of all the members, there

must be a system in place that enables co-operators not only to influence decisions but actually to determine them.

Coming back to the case of the Greek agricultural cooperatives (but also applying elsewhere), my findings indicate that the farmer co-operators lack both basic information and power to determine the outcome of or make decisions about prices, investments and other important business decisions of the cooperatives. One may argue that the education level of the average farmer and his/her knowledge of the market render him/her incompetent to take important decisions. But that is only one side of the story and the problem lies in confusing technical knowledge with political understanding. It would be naive to believe that technical knowledge is not necessary or even essential for the operation of the cooperatives. But lacking technical knowledge does not mean that co-operators are incapable of judging for themselves if they have adequate information. So, instead of the managers taking all key decisions, they could function as a panel and propose or even debate their action plan and let the co-operators decide. That could be something different from the operation of any private enterprise today. After all, compared to private business enterprises today, what distinguishes them from the internal operations and the decision making process of the cooperatives if decisions are taken by the managers and/or the representatives? What is 'alternative' about cooperatives if decisions and control are, just as in private enterprises, in the hands of the few?

In talking about decision making and more active participation, I do not want to suggest that a process of consensus (that is, all members agreeing in order for a decision to be taken) would be the only alternative to the current system of representative democracy

within the cooperatives. Of course, consensus decision making can have its advantages but it is not a prerequisite for direct democracy. In cooperatives, just as in society at large, the real question is not to achieve a consensus among all members for every single decision. Perhaps, when a small group of people with very similar interests is concerned, consensus in decision making is possible. But when there is a large group of people with heterogeneous interests, then serious difficulties in taking decisions can arise. Nevertheless, what I want to suggest here is that in order for agricultural cooperatives to function as democratic organisations they have to ensure that all members have equal access to power and equal possibilities for participation in the decision making process.

As discussed earlier, the centralisation of power and control in contemporary cooperatives creates tensions between democratic impulses and bureaucratic tendencies (Mooney, 2004) which are reinforced by the belief that members are incapable of making decisions on ‘technical’ matters and so decisions should be taken by those qualified, due to their *expertise*, as managers and/or representatives. This prevailing logic of most cooperatives’ leadership enhances the range of possible compromises at the expense of democracy and equality because the power and participation in the decision making process shifts from the hands of the members to that of the ‘experts’ and the representatives. For example, within Greek agricultural cooperatives all decisions regarding the activities of the cooperatives are taken by the board of representatives and the managers due to the belief that they are the most qualified or are ‘chosen’ by the members to take all decisions. Similarly, in Kasmir’s (1996) work on the Mondragon cooperatives we read about the increased dissatisfaction of the members (workers and plant-level managers) which derives from the centralisation of power into

the hands of the delegates from each cooperative. As Kasmir (1996, p.37) puts it, “there is a difference between rights and the power to exercise those rights” and clearly the centralisation of power at the hands of the delegates restrains the members’ ability to participate in decision making. In similar vein, Whyte and Whyte (1991) stress that workers at Mondragon are more likely to have reactive rather than proactive participation. By reactive participation, the authors refer to the opportunities the workers have to criticise and make suggestions with some prospect of influencing the outcome of decisions. On the other hand, by proactive participation, they refer to the workers’ involvement in every stage “of working out the plans for the reorganization of work or other issues” (Whyte and Whyte 1991, p.229). One of the reasons for this concentration of power and the reactive participation of the members is the prevailing logic of at least some of the leaders of Mondragon who seem to share the view that some compromise is necessary in order to maintain “democratic control in increasingly complex organisations where the issues to be decided are highly technical” (*ibid.*). The problem here lies in that the existing methods of representation in the decision making process minimize democracy precisely because they silently recognise that equal opportunities for participation by all members in the making of decisions is impracticable.

Here it is also important to note that the current prioritisation of economic over social objectives in many cooperatives further contributes to the centralisation of power in the hands of a few appointed managers and elected representatives. Drawing on the literature, it is clear that agricultural cooperatives focus more on the single-minded economic objectives and ignore the fact that cooperatives have a multiple objectives to fulfil. The words of the LANA’s management are indicative of the current situation,

[i]n order for the firm to survive it must earn money. This principle must prevail over any other private short term interest. Free services and social works which disturb the firm's economic balance and affect its continuity should come from somewhere else. Anything which is not economically profitable, in the long term more or less annuls those social activities (cited in Taylor 1994, p.469)

Indeed, for LANA economic profitability is considered the single most important aim even if other collective objectives have to be sacrificed. Elaborating on the case of agricultural cooperatives in the U.S., Seipel and Heffernan (1997) also stress that the management of the cooperatives tends to focus more on the economic objectives and continued growth which often comes in conflict with the interests of the members. This is also evident in many agricultural cooperatives in Europe. For example, as I discussed in chapter 3.4, the management team of a German agricultural cooperative considered the relationship with small farmers as a burden and treated the members unequally based on their proportional contribution to the profit of the cooperative. This principle of proportionality which suggests that the greater the contribution from the farmer-members to the cooperatives, the greater the benefits the farmer-members should receive from the cooperative, puts into question the long standing principle of equality.

In a previous chapter (3.4) I followed Cato (2004b) and stressed that what distinguishes cooperatives from other private organisations is that control and ownership are in the hands of those doing the work. But the current practice in most cooperatives indicates that control is slipping from the hands of those doing the work and becomes more and more centralised. This centralisation of power in modern cooperatives brings to mind Kafka's (2007) famous novel, *The Castle*, where he depicts the powerlessness of the

ordinary villagers against the men of the castle. Of course, Kafka's castle is a metaphor for the employees' existing repression in contemporary organisations (Warner, 2007) but the 'Kafkasque' metaphor seems to closely correspond to the existing practices in some cooperatives. I am not trying to argue that hierarchy within the cooperatives should be abandoned altogether. However, there is no reason to assume that the current elitist structures in cooperatives, which enable managers and representatives to monopolise power and be responsible for all key decisions, should be preserved.

In my view, the problem lies in accepting at face value the idea that direct democracy and active participation by the members in the cooperatives is undesirable or impracticable. I do not suggest that we should try to replicate the Parisian communes, the Spanish Republican experiment or the Greek city-states of the 5th and 4th century BC or the New England town meetings (Finley, 1996; Biehl, 1998; Bookchin, 2005), but we can surely use their ideals and experiences as a source of inspiration. My point is that if modern cooperatives want to constitute an *alternative* they ought to, at the least, find ways to encourage the active participation of their members and to strengthen their involvement in decision-making. Looking at the case of the Greek agricultural cooperatives, this cannot occur only by encouraging higher attendance at meetings or giving more voting options to the farmer-members. After all, if we look at the ancient Greeks who invented the institution of elections, they did not regard elections to be a democratic principle but rather an aristocratic principle (Wood, 1995; Finley, 1996; Castoriadis, 2000). As Finley (1996) and Castoriadis (2000) explain, elections constituted a method of a deliberate choice of selecting the 'best people', the *aristoi* (*ἀριστοί*). For the ancient Greeks, Castoriadis (2000) writes, the idea of representation was unknown, at least in the public law. Specifically, in the Athenian constitution we

have direct participation of the citizens and this was reinforced by the established laws that encouraged the active participation of the citizens (*ibid.*). Democracy, Castoriadis (1999, p.116) explains, “entails the equal sharing of power and equal possibilities of participation in the process of political decision making”. So by asking the simple question of what is the function of elections, we can immediately observe that the purpose of elections is not to encourage more active participation of people in the decision making process but rather to select leaders. Even if we accept that the current system of elections within cooperatives allows for equal access of the members to power through delegation, this system does not create the conditions for an equal exercise of power. Specifically, in the case of agricultural cooperatives in Greece, the current system of elections excludes farmers from participating in the decision making process and exacerbates the current dependence of the agricultural cooperatives on the two big political parties (PASOK and ND) as both the existing literature and my findings indicate. So, in order for cooperatives to be more democratic they have to look for democratic mechanisms that extend beyond the method of elections and the idea of representation. This could be done only by allowing a more equal distribution of power among all members and strengthening their active participation and collective decision-making.

But in order for cooperatives to become more democratic the following conditions should be met. First, there is a need for the decentralisation of power within the cooperatives and an alteration of the current oligarchic nature in the decision making process. Thus, the current hierarchical relations, in which the leadership of the cooperatives is concentrated in the hands of either the ‘experts’ who are supposed to be able to control everything due to their superior knowledge or the representatives who

are ‘democratically’ elected by the members, could be modified in order to allow a more equal sharing of power amongst the members. As I have already discussed in this section, in a democratic organisation power should not be in the hands of experts or representatives, for neither specialist group can form the basis for a truly democratic system. Instead, cooperatives should encourage the distribution of power to the hands of the members. After all, what distinguishes cooperatives from other private enterprises is that control is in the hands of the users (Cato, 2004b). The experts and representatives, delegated by all the members, could function as administrators rather than policy-makers in “a relentless system of accountability” (Bookchin 2005, p.438) that would ensure that these delegates are recallable by the members at any time. In addition, their delegation could take place either by popular vote or by lot on a rotation basis that would allow all members to be able, at least *in potentia*, to fulfill an administrative role in their cooperative if they wished so. This need for more participation in the decision making process is evident both in the literature and in my findings. The reason that farmers in Greece turn to apathy and distance themselves from the cooperatives is precisely because of their lack of opportunities to participate in the decision making process, and also because they believe that decisions are taken without their consent. My findings clearly indicate that farmers desire a more participatory role in the cooperatives, and that their current apathy is not a result of lack of interest in terms of participation.

Therefore, if cooperatives are to be considered as alternative organisations where ownership and control are in the hands of the users, then these terms (ownership and control) should be taken literally and not metaphorically. For people to have control, they must be able to determine the outcome of the decisions themselves in “direct, face-

to-face, protoplasmic relationships, not around representative, anonymous, mechanical relationships” (Bookchin 2005, p.435) and this can only be achieved through the direct participation of the members. As previously discussed, in the case of agricultural cooperatives in Greece, the central unions and PASEGES enjoy unconditional power and relegate first degree cooperatives to a passive role. A possible alternative to this situation could be to reduce the central unions and PASEGES’s functions to administrative and co-ordination duties. In practise this would mean that local agricultural cooperatives would have to determine their activities in accordance with the abilities and needs of their members so that the members would have the opportunity to decide how to work, what to produce and for what purpose. At the same time, their size would naturally have to be limited so that “the requirements of direct democratic governance are adhered to” (Cato *et al.* 2006, p.33). That means that cooperatives would have to limit their size not only in relation to the number of members but also in terms of a specific geographical context. As such members could be able to communicate, debate issues and directly participate in the cooperatives’ activities.

But even if cooperatives were to operate at a local level and in accordance with the principle of self-management this in itself cannot guarantee against the tendency towards the concentration of power into a few hands. First, a system of safety measures (e.g. the delegates to be recallable by the members, rotation of various tasks so that all will engage in everyday activities, access to information and monitoring of those in administrative positions) based on the specific conditions within which cooperatives operate will need to be introduced. This could secure and maintain the democratic practices within the cooperatives and prevent the development of new structures of power within the system.

Moreover to create and maintain a more democratic structure in the cooperatives, the responsibility for vigilance of the self-managing principles would have to lie in the hands of the members. For example, in Greek agricultural cooperatives where the governing power is concentrated in the hands of the leadership, it is rather naive to believe that the current management groups will willingly give up their privileges. After all, as Castoriadis (1981) stressed, those with power are able to legitimate their authority in the name of their superior knowledge and expertise and they are able to do so because the vast majority of people believe them and are educated to believe so. Thus, a change in the current structure of the cooperatives can only spring from the bottom-up, from members themselves. But this would require that members believe that they are capable of managing their affairs. Thus, for cooperatives to be more democratic, co-operators have to demand unrestricted participation, with the role of 'experts' or 'representatives' reduced to administration. Only then will they have the opportunity not only to determine decisions, but also to recognise these decisions as their own precisely because they had the opportunity to directly participate in making them. As Bookchin (2005, p.438) argues,

direct democracy is ultimately the most advanced form of direct action. [...]. It is a sensibility, a vision of citizenship and selfhood that assumes the free individual has the capacity to manage social affairs in a direct, ethical, and rational manner.

In other words, this specific relationship of the individual with the community and the cooperative requires active citizenship.

To conclude, the existing practices in agricultural cooperatives are neither necessary nor desirable. These practices only increase the dissatisfaction of the members. As I illustrated above, representative democracy in the cooperatives creates a tendency towards the concentration of power in the hands of a few with the majority of farmers feeling excluded from key decisions that affect their lives. So for cooperatives to strengthen their democratic functions, new forms of popular participation need to be invented. How far direct democracy can be practiced in modern cooperatives, as well as how many co-operators would be willing to use the opportunity for more direct participation in key decisions, cannot be answered here. It is beyond dispute however, that a large number of co-operators today view their cooperatives with distrust. Key decisions are made by managers and ‘representatives’ and not by popular vote. The participation of the majority of the co-operators in the politics of the cooperatives has only a very minimal role and remains restricted to their voting power and discussions in general meetings. The point here is that representative democracy in the cooperatives legitimizes the distance between the representatives and the represented. I am not trying to suggest that a more participatory system will solve all the problems of cooperatives. I am trying though to highlight that low participation and inequality are so bound together that a more participatory system seems desirable. The real objective and challenge of modern cooperatives should be to move from, to use Barber’s (2004) terminology, a ‘thin democracy’ to a ‘strong democracy’ where co-operators’ participation will extend beyond the voting booth. In my opinion, cooperative democracy should go hand in hand with the active participation of members and remain under their direct influence and control. But for participatory democracy to be possible in cooperatives, a stronger sense of community than the one that currently prevails among members seems to be required.

7.2 Re-thinking cooperative practices: Community, solidarity, and mutual aid

Changing the world requires changing ourselves [while] to change ourselves, we must change the world.

Gibson-Graham (2006, p.165)

My aim in this section is to reflect on possible ways of developing a stronger sense of solidarity and community amongst members of Greek agricultural cooperatives, since, as previously discussed, the current functions of modern cooperatives restrict mutual aid and solidarity amongst the farmers-members. In this section I will be exploring how the Greek agricultural cooperatives could foster the conditions that would encourage a sense of solidarity and community between the members, grounded in interaction and joint decision-making. To support my analysis I will also reflect on past and present experiences from cooperative action in other European countries.

Looking at the history of agricultural cooperatives in Europe, their contribution to the modernisation and development of the agricultural sector is undisputable. It is also true that in some countries (e.g. Denmark, Germany and Norway), agricultural cooperatives have allowed small-scale farmers to tackle a number of structural problems inherent in the character of small-scale farming, such as the lack of capital and weak bargaining power in the market.

However, my empirical data as well as the relevant literature suggest that cooperation between members in modern cooperatives is limited. There is often a tendency to take for granted that in cooperatives, members are indeed cooperating. But what do we mean

by cooperation? How is cooperation expressed and practiced? And, how do cooperatives bring farmers together? Looking at the vast majority of cooperatives in Europe today (and also in the past) it is clear that they are of credit, supply, or marketing character. Despite the numerous benefits for the farmers, all these types of cooperation fail to increase the interaction between the farmers because none of these types of cooperation requires farmers to work together. Instead, farmers continue to work in isolation from one another. Take for example the agricultural cooperatives in Greece: farmers use cooperatives in order to get their subsidies from the state or for the processing activities (e.g. olive-oil presses) and trading of their products. But none of these activities require the farmers to actually interact with their fellow farmers. All these activities are undertaken by the cooperatives on behalf of the farmers and so interaction between them is only minimal. It is minimal because those working in the cooperatives are not the farmer-members, but hired employees who are not necessarily co-operators. There is also no opportunity for the farmers to participate in any of the activities of the cooperatives, such as the trading of products. As such, the cultivation of a sense of community and mutual aid amongst the farmers is relatively difficult due to the minimal interaction between the farmer-members.

Moreover, agricultural cooperatives have put too little effort in challenging the attachment of the farmers to their beliefs in individual property. Looking at the case of Greece, one has to accept that the institution of private property cultivates scepticism and reluctance towards collective actions amongst the farmers, which creates obstacles in generating conditions for cooperation. For example, Mr. Zacharias stressed that the collective use of machinery could be a good idea to reduce operational cost. However, he quickly added that such project (common use of machinery) is unlikely to be realised

in Greece. His scepticism towards collective actions, and more specifically the collective use of machines, stems from the suspicion that others would not take good care of the commonly owned means of production because these means would not be their own. Others, such as Mr. Leonidas and Mr. Antonis tried to highlight that collective actions are seen with much scepticism and are resisted by the farmers due to the existing social tradition and prevailing misrepresentation of collective activities as a threat to their individual property. As Mr. Leonidas, said on this matter “Whenever you hear of an attempt for collective use of the land there are people saying: *don't listen to them, they are communists, they will take your land one day*”. I will come back to this issue later in my discussion. For now I will argue that the existing network of agricultural cooperatives in Greece has done little to challenge this prevailing individualistic logic that is perpetuated and reinforced by the existing social relations of property. Despite the long history of cooperation in Greece, which goes well beyond the beginning of the 20th century, cooperatives have done little to bring farmers together and foster a sense of solidarity.

Furthermore, the inability of agricultural cooperatives to challenge capitalist relations and promote an alternative way to deal with socio-economic affairs, based on mutual aid and cooperation rather than competition, is reinforced by their failure to educate farmers and promote cooperative principles. Following my empirical findings, there is no interest among the Greek agricultural cooperatives in promoting the cooperatives' principle by word or deed. Several participants in my research highlighted that cooperatives were not interested in spreading cooperative ideas in the villages, and it would not be an exaggeration to say that the majority of the farmers I spoke with had no idea what a cooperative really was, even while being a members of one. Mr Dimitris

and Mr. George were among those participants who emphasised the responsibility of the cooperative movement for the prevailing lack of cooperative consciousness among farmers.

Instead, cooperatives focus on credit, supply and marketing activities, but restrict farmers' involvement in these activities. For example, the price of the farmers' products is determined by the cooperatives with no consultation with the farmers, who feel that they are unable to exercise the slightest control over the price of their products. There is also no involvement by the farmers in the trading of their products. Instead the cooperatives undertake these activities on behalf of the farmers but exclude them from the process. This lack of cooperation in the production process inevitably generates a conflict of interests between them. Of course this is not a phenomenon restricted to Greek cooperatives. As I have already illustrated (see chapter 3.4), this is the case in other European countries too, such as Germany (Dirscherl, 1991) and Spain (Taylor, 1994). More specifically, in the case of the agricultural cooperatives in south Germany (Dirscherl, 1991) the economic-centric logic of the agricultural cooperatives is evident in the principle of proportionality (Barton, 1989b; Somerville, 2007) that they have introduced, according to which cooperatives offer better services (higher prices and exclusive delivery) to large-scale farmers. Moreover, according to this principle of proportionality, the greater the farmers' contribution to the cooperatives, the greater their benefits will be. The point not to be missed here is that such practices do not cultivate any need for collective actions or solidarity amongst the farmers; instead it seems that they promote an antagonistic relationship between them since the more farmers are able to produce for the cooperative the better treatment they will get. The cultivation of antagonistic relations between the farmers results from the fact that the

principle of proportionality does not simply encourage farmers to produce more. Even if all farmer-members produce more, some will still produce more than others. After all farming is not like a factory where production levels can perhaps be controlled almost to the last detail. In agriculture there are certain restrictions in production, and some factors like the weather are beyond the control of the producers. As such, those farmers with higher productivity will always (under the principle of proportionality) enjoy better treatment (higher price-rate, better delivery services). In turn this cultivates a mentality amongst farmers that prevents mutual aid and solidarity among them. An obvious and fair question is: why should they help their fellow farmers if their interests are in conflict? Moreover, the principle of proportionality supports a division among the members which weakens the cooperative principle of equality and cultivates a lack of commitment and mistrust towards the agricultural cooperatives. Such practices do not allow farmers to cultivate any kind of bond with fellow farmers or their cooperatives. Instead, they view cooperatives merely as economic organisations operating for profit just like any other private enterprise. Thus their behaviour becomes purely opportunistic.

Having said all this, I have no intention of arguing that credit, supply and marketing cooperatives cannot, potentially, foster a sense of solidarity between members or strengthen the cooperation between them. My argument is that the current practices within the agricultural cooperatives in Greece (and other countries) often restrict cooperation, solidarity and interaction between the farmers' members. This is due to their limited functions. They mainly operate either as an intermediary between the farmers and the banks (Kamarinou, 1977; Christodoulou, 1986; Avdelidis, 1989) or as centres of clientelism (Mavrogordatos, 1988; Papageorgiou, 1991; Kioukias, 1994;

Louloudis and Maraveyas, 1997; Patronis, 2002) while their financial activities remain very limited (Kamarinou, 1977; Christodoulou, 1986; Lappas, 1990; Patronis, 2002) which creates favourable conditions for economic middle men to profit at the expense of both the farmers and the consumers. A more careful reading of credit and marketing cooperatives would suggest that both can produce a stronger sense of community and solidarity among members than is currently the case, particularly in the context of Greek agricultural cooperatives. For example, looking at credit cooperatives in Germany during the 19th century it is clear that Raiffeisen and all the other pioneers were guided by the idea of self-help and mutual responsibility. As Dirscherl (1991, p.76) writes about the motives and ideas of the pioneers of credit associations, “the main cooperative idea was ‘what one single person cannot achieve many can by working together’”. In Italy, Thornley (1981) suggests, *the Lega*¹⁸ established in 1970 “its own financial institution - the Fincooper” in an attempt to raise money from within. Similarly, Gibson-Graham (2006) suggests that the Mondragon cooperatives in Spain show that cooperatives can very much create conditions to generate capital from within.

Unlike the aforementioned attempts of cooperatives in various European countries to address the problem of capital shortage from within through mutual help between members, in Greece, the agricultural cooperatives have been historically dependent for their financing mainly on ATE bank and, to a lesser extent, on other private banks. This has perpetuated their debts and restricted their opportunities to generate capital from within. So, perhaps one way to foster solidarity within the Greek cooperative movement would be to follow these examples and try to create capital from within

¹⁸ *The Lega* stands for *Lega Nazionale delle Co-operative e Mutue*, the cooperative group possibly affiliated with the communist party.

through the collective actions of the members. This would of course not be an easy task but is not unrealistic either. As the aforementioned attempts clearly show, to generate capital from within through the cooperation of the members is feasible and has already shown positive results in other countries.

Besides promoting greater financial cooperation, Greek agricultural cooperatives could also encourage collective interaction between farmers-members in the trading of their products. This would cut out the economic middle men who are parasitically profiting at the expense of both the farmers producers and the consumers. As Cato (2004b, p.67) writes,

capitalists generate profit by taking an unfair share out of the middle: that is, between producers and consumers. Reuniting those who produce goods with those who consume them removes this source of profits and is thus the most fundamental threat to capitalism.

Here, marketing cooperatives can make a contribution in reuniting the producers and the consumers and at the same time foster a stronger sense of solidarity among the members who engage in the marketing of their products through collective actions. At the moment there are, although in their infancy, some attempts by Greek farmers to sell their products directly to the consumers, which is strengthening the idea that collective action in marketing could be a good and feasible solution for the farmers to address their problems. As I suggested in Chapter 6, in recent years, there have been some attempts to establish new cooperatives which operate outside the existing network of agricultural cooperatives in Greece and are guided by the principle of self-management. Although these attempts are, at the moment, of a small-scale, they have already shown

very positive results (see chapter 6) and encouraged other farmers to follow their example. A notable case is that of the marketing cooperative for olive oil established almost ten years ago in the village of Thrapsano in Crete. This is a local marketing cooperative and it is mainly people from the village who are members. Therefore, the case of Thrapsano shows that marketing cooperatives can generate a sense of community and solidarity between the members by encouraging them to participate in the activities of the cooperative. Thus, looking at the Greek cooperative movement, the real question is how the functions of the existing marketing cooperatives which appear to discourage farmers from participating in trading and other activities could create conditions for more participation. The case of Thrapsano is among those experiments which demonstrate the benefits of direct action and how marketing cooperatives could indeed increase solidarity and mutual aid by encouraging the members to participate in trading activities themselves and therefore have a closer interaction. It also shows that although farmers might lack technical knowledge of marketing strategies, they have successfully managed to promote their products in the market.

So far I have suggested that both credit and marketing activities within agricultural cooperatives could be re-organised in such a way as to encourage greater interaction and solidarity between members than is currently the case in Greek cooperatives. In the remainder of this section I will explore how another form of cooperation, namely producers' cooperatives for the common use of land and machinery, can cultivate solidarity and mutual aid among farmers. The question I am trying to address here is whether there is space, under the specific context of Greek agriculture, to expand cooperation to every stage of the production process?

Clearly, my empirical findings suggest that there is a great reluctance among farmers towards collective action at the level of production, by which I mean the joint cultivation of land or the joint use of machinery. However, the successful attempts by groups of farmers, albeit very few, to collectively trade their products (as illustrated with the case of Thrapsano above) suggest that there may be ground to believe that some forms of collective actions among farmers are possible. Also, in almost all the conversations I had with farmers during my stay in Crete the issue of collective use of land and machinery was raised. I have already said that the majority of them were reluctant towards such a practice. However some seemed to favour the idea, while others, although sceptical, acknowledged the potential benefits. For example, Mr. Vangelis and Mr. Antonis were positive about the collective use of land and machinery. Mr. Vangelis said during our interview that the solution to their problems could be “[...] to go from the small private property to the large collective property”. Others, more sceptical towards collective actions, like Mr. Zacharias, would nevertheless acknowledge their potential. In his words, “I think common use of machines could be a good idea. Here in the village we have twenty tractors while we do not need more than four”. The point not to miss here is that although there is, so far, an absence of examples of collective use of land and machinery, Greek farmers have started talking about collective actions and that in itself creates a dynamic worth noticing. We should also note that historically there have been examples in Greece where farmers lived in autonomous, self-governing communes. In chapter 3, I already described the case of the cooperative villages of Ampelakia, in the 18th and 19th century, which for some researchers (see Boulanger, 1875 and Koukkides, 1948) constituted the first true cooperatives in Europe. Also, the studies of Boeschoten (1993) and Marantzidis (1997) illustrate the role of the communist party in some Greek villages, and the development

of rural communism in Greece during the 1900s. These villages were known as ‘little Moscows’ mainly due to the influence of the communist party in the villages, but also due to the fact that life in these villages was often guided by the principles of cooperation, mutual aid and solidarity. Although there are very few records regarding these social experiments, Boeschoten (1993, pp.627-628) writes about a village called Ziakas in the north of Greece. There, communal autonomy was supported by putting emphasis on direct democracy. Marantzidis (1997) too, writes about a village called Mantamado, located on the island of Lesbos, where small-scale farmers developed various forms of cooperation, mutual aid and solidarity. For example, during the period of harvesting, the families helped each other for free. As Marantzidis (1997, p.44 – translation mine) writes,

we can characterise this solidarity as a form of archaic cooperation that is not based on an existing institution but rather on a totality of emotions, social obligations (“what would the other say if we do not help”), and practical necessities produced by the inter-personal and inter-family relations, inherent in the rural communities. Such forms of solidarity are widespread in the Greek countryside.

These historical experiments suggest that the fact that the great majority of farmers are, at present, reluctant towards the collective use of land and machinery, does not in itself support the idea that they would always be reluctant, and should not prevent us from reflecting on ways in which greater cooperation could be practiced.

The fact that there are past and present social experiments, however small, in Greece and other countries, such as France, Norway and Spain, where farmers have successfully established cooperatives for collective use of land and machinery suggests

that similar attempts can, under specific conditions, take place in contemporary Greece too. So what might these conditions be? Is enthusiasm towards collective actions a necessary pre-condition? Holyoake (1908), in an attempt to explain the decline of the New Harmony commune in America, suggests that the members of the commune were not always driven by the same vision for an alternative society. Although his description of the case of New Harmony may be accurate, it becomes problematic if we use the idea of vision or enthusiasm as a precondition for the cultivation of alternatives. We should not ignore or undervalue the fact that vision or enthusiasm can constantly be (re)shaped. For example, the Greek farmers at Thrapsano who are collectively trading their products and have established a marketing cooperative which is guided by the principle of equality and self-management, did not start out with a vision or enthusiasm for collective action. This enthusiasm was cultivated among the members over several years precisely because their collective action demonstrated, in practice, the positive results of joining forces.

Other equally interesting and perhaps better known examples can be found in France and Norway. For example, in Norway during the 1960s we can find cooperatives for collective use of machinery and labour known as *maskinrings*. Hornslien (1964) explains that, despite the conflict of interests among farmers' communities in Norway due to their dissimilarities (e.g. in age, size of farms, prestige and wealth), the establishment of the *maskinrings* was, at least partly, a result of the rise in labour cost and machinery cost and the squeezing of the products' price. What is important to note here is that the collective use of machinery and land in the Norwegian countryside did not necessarily start out as an expression of farmers' enthusiasm for collective actions or a purposeful search for an alternative to capitalism. Rather, it was a pragmatic

attempt to solve the problems of the small-scale character of farming (labour cost, machinery cost and product's price). But what might have started out at first as a reaction to harsh economic conditions created favourable grounds for the farmers to work more cooperatively by sharing their means of production and their labour; this in turn strengthened the solidarity amongst them and offered an alternative way to organise farming.

In France too, and more specifically in Larzac, we have another case of collective use of land and machinery. This is a more than twenty year successful experiment of collective management of 6,300 hectares of land which is rented from the government for 60 years with option to renew the contract. The land is used in common by those living in the community for the development of the community (Bove and Dufour, 2001; 2002). For Bove and Dufour (2001) what is important here is that the Larzac experiment with the communal work of the land by the people who live and work there could be applied in other places and other local communities too. Also crucial in this example is that private property in the land is not abolished, but that the land is managed collectively at the communal level.

So what could the cases of Larzac in France and the *maskinrings* in Norway teach us for the case of Greece? In Greece, just like in France, Norway and all other western European countries, small-scale farmers suffer from a number of structural problems such as high labour and machinery costs. So, the economic conditions that would create opportunities for collective actions are already there. At the same time, looking at the findings of my research there is an evident discourse on collective action amongst Greek farmers. So, while the Greek farmer is currently not used to or even enthusiastic

about the idea of collective farming, he is nevertheless aware of the possibilities and potential of collective actions. Thus it is at least problematic to believe that the introduction of producers' cooperatives by the farmers themselves might be unrealistic. The aforementioned experiments teach us that despite the current reluctance of the majority of Greek farmers towards collective cultivation of land and use of machinery, this does not in itself justify the view that Greek farmers will always maintain a hostile stand towards collective action. More importantly, the fact that Greek farmers already talk about the idea of collective action in the production process and the benefits that they could enjoy creates a dynamic that should not be ignored. As I have already suggested, even farmers who are sceptical of collective action, often acknowledged the fact that it could also bring them some benefits. Thus, we have to recognise that there is a desire, although not noticeable on a large scale yet, amongst some farmers for an alternative way of organising farming outside of the existing network of agricultural cooperatives.

As I have said, the development of producers' cooperatives does not necessarily require a pre-existing enthusiasm for collective action. Drawing on the existing Greek literature (see for example, Kamarinou, 1977; Labos, 1986; Avdelidis, 1989) and the findings of my research, the establishment of cooperatives from-the-bottom, by the farmers themselves, for the collective use of land and machinery could be a possible solution to a number of structural problems that Greek farmers currently face. Of course, just as in the case of the *maskinrings* in Norway, such experiments might start locally and on a small scale, by a group of farmers who are related by kinship, friendship or neighbourhood. After all, it seems hard to separate these alternative experiments from their geographical context, rooted in local social relations and characteristics. As such

the size of the cooperatives would have to be restricted to an extent that allows members to retain a sense of ownership and solidarity.

Therefore, even if we accept that Greek farmers are, at the moment, lacking enthusiasm, the economic incentives that derive from collective action could turn their discussions of collective action, into praxis. Thus producers' cooperatives could really make an intervention. The joint purchase and use of machines, as happened in Norway with the *maskinrings*, could increase the small-scale farmers' income by cutting down unnecessary investments in machinery and allowing them to make full use of their machines.

Apart from the joint purchase and use of machines, a number of the Greek farmers I talked to highlighted that they could also reduce their operational cost by cultivating their land together while still retaining their individual property rights. Cultivating their land collectively could allow them to gain benefits from the full use of their land in relation to its surface, instead of wasting a significant part of it for fences and unnecessary pathways. As Mr. Vangelis pointed out in one of our conversations, the average farmer in Greece has about 5 hectares of land divided into small plots (on average about 2 acres) which means that more land is wasted for boundaries compared to 5 undivided hectares. The problem of multi-fragmented land was also raised by Kautsky (1988) in his work, *The agrarian question*. In similar vein, Labos (1986) also stressed that the amount of available land for cultivation which is at the moment wasted because of fences and unnecessary pathways between plots exceeds the 5% of the total land which is actually cultivated. Thus, it is reasonable to believe that the establishment

of producers' cooperatives for common use of the land would allow farmers to increase the size of cultivated land, which in turn could increase their income.

As with the *maskinrings*, producers' cooperatives could also enable Greek farmers to reduce their labour cost by decreasing if not cancelling the need for hired labour in the harvesting periods. At least in Greece, small-scale family farming does not mean that farmers do not require external labour. For most of the time of the year, hired labour is not necessary, but during harvesting times it is much more common to use part-time workers than not. The collective cultivation of lands would allow cooperating farmers to have the 'extra hands' they need in the harvesting period from their fellow farmers instead of having to rely on hired labour. This is well illustrated by experiments such as the *maskinrings* in Norway. Hornslein (1964, p.120) highlighted that, "four to five, sometimes six to seven, farmers together are able to work much more efficiently than they are able to do alone, each one at his own farm". Of course, as Morley (1975, p.126) stressed, "the practice of working together must give each of the partners a far better understanding of management and work organisation than he could have attained singly" because "a co-operative requires a pooling of skills and for everybody within the co-operative to be prepared to involve themselves in all the tasks required" (Cato *et al.* 2006, p.32). This means that cooperatives would have to organise labour and allocate specialised tasks to individuals or groups of people within the coops either on a rotation basis or by using another system that they have agreed upon. What is clear is that the joint use of land requires the farmer-members to have a constant interaction with their fellow farmers. Co-operation in this sense is not metaphorical any longer but literal.

A further, perhaps even more important, benefit that could derive from the common cultivation of land is the strengthening of the sense of security for the farmers. In agriculture, farmers are constantly exposed to unpredictable factors (such as weather conditions and poor health) that affect their income. The existing cooperatives currently offer no mechanism of mutual help to address this problem. But in a marketing cooperative where the farmers themselves are collectively trading their products (like in the case of Thrapsano) or in a producers' cooperative where the use of land is collectively undertaken, if one of the members is unable to work their fellow farmers would be able to undertake his tasks and so his income would not be seriously affected. In this way, a stronger sense of security could develop among farmers which could lead to the cultivation of feelings of solidarity, which are now absent in the existing practices of the Greek cooperative movement.

Therefore, the benefits of producers' cooperatives are not restricted to economic incentives for the farmers. They could also create conditions for challenging some of the fundamental principles of capitalism, namely the institution of private property and the dichotomy between capital and labour. Working in teams, the Greek small-scale farmers will not have to rely on hired labour as they currently do during harvesting periods. Instead they will be able to find the 'extra hands' they need, especially in busy periods, from within their cooperative. In this way the 'owners' would also be workers, which in turn eliminates, or at least reduces, the exploitation by one group of people (those with the means of production) of another (those bearing only their labour power) since, to use Marx (1969) words, the "inferior form" (1969, p.16) of hired labour will be replaced by the advanced "associated labour" (1969, p.17).

As Gibson-Graham (2003, p.6) put it, “there are no pre-given pathways to follow, no economic models that can be pulled down from the shelf and set in place to ensure success”. Accordingly, my intention in this section was not to provide blueprints or a recipe for cooperation. My intention was to show that farmers’ lack of commitment to, and distancing from, their cooperatives are not inevitable but rather are contingent on the way agricultural cooperatives currently operate. In current cooperatives in Greece, it is clear that farmers do not have the opportunity to cooperate with their fellow farmers. However, cooperatives could expand their activities in order to create the conditions for greater cooperation amongst farmers. At the moment, there are some attempts at collective action between small-scale farmers for the marketing of their products. Although these attempts are still in their infancy, this should not prevent us from looking at their potential and imagine ways that cooperation can also be expanded to the production process. Collective action in credit, marketing and producers’ cooperatives can offer a number of socio-economic benefits for the farmers. They can successfully address some of the structural problems that small-scale farmers are facing such as their lack of capital, the high operational cost and the squeezing of the price of their products. But at the same time, they can encourage farmers to work more cooperatively by creating opportunities for active participation in the activities of the cooperatives which in turn would foster a greater sense of solidarity and community amongst members.

7.3 Summary

In this chapter, I have suggested that the current operations of agricultural cooperatives appear to restrict both the participation of members in the decision making process, and the actual cooperation between them. This in turn contributes to the farmers’ lack of

commitment towards their cooperatives, and a lack of solidarity between them. I have argued above that in order for cooperatives to address some of the problems faced by small-scale farmers, they have to undertake a radical re-structuring. I have focused on the role of democracy in the cooperatives and the need to invent new forms of popular participation for which cooperatives would be under the direct influence and control of the members. At the same time, agricultural cooperatives could also expand their activities to every stage of the production process. The existing credit and marketing cooperatives should create conditions for strengthening the cooperation and interaction between the farmer-members by allowing them to actively participate in the activities of the cooperatives. The introduction of producers' cooperatives for the common use of the land and/or machinery could also be a practical addition to existing forms of cooperation. Producers' cooperatives could not only improve the material conditions of the farmers, but also challenge some of the fundamental principles of capitalism (private property and the dichotomy of capital and labour) by giving emphasis to the advantageous nature of collective action.

Chapter 8 - Conclusion

[T]here was in store a still greater victory of the political economy of labour over the political economy of property. We speak of the co-operative movement, especially of the co-operative factories raised by the unassisted efforts of a few bold 'hands'.

Marx (1969, pp.16-17)

This thesis was born out of the idea that cooperatives are different from other organisations. As Thornley (1981) points out, agricultural cooperatives operate within capitalism but they differ from private organisations in both structure and aims. In this sense, what distinguishes cooperatives from other private organisations is that control and ownership are in the hands of those doing the work (Cato, 2004b). In addition, the cooperative principles outlined by the International Co-operative Alliance (chapter 4.2), emphasise democratic practices, political autonomy, and members' control and ownership (among other things).

The findings of my research reveal quite a different story though. Modern cooperatives often tend to adopt a more business oriented profile where efficiency and profitability become the first priority. Also, cooperatives are often highly bureaucratic, giving little chance to the members for a direct face-to-face participation in the activities of the cooperatives, while the democratic practices adopted in the great majority of cooperatives do not go beyond the periodic election of representatives and general meetings. In addition, cooperatives in the case of Greece, appear to be strongly

affiliated with political parties calling into question their apolitical and autonomous character.

Torgerson et al. (1998, p.2) write that, “cooperatives are strategically adjusting and repositioning their operations. However, to continue to act in the interests of producers, they will need to use fundamental cooperative principles as their sources of primary logic and organizational discipline”. This thesis has mainly focused on the principles of democracy and political neutrality with the aim of shedding light on the implications that the apparent lack of democracy and autonomy has for the agricultural cooperatives in Greece.

Looking at the Greek literature, there is a lack of empirical evidence that deals with the farmer-members’ perspective towards the existing agricultural cooperatives and cooperative action in general. By exploring the farmer-members’ views, this research not only extends the existing Greek literature on agricultural cooperatives but also validates existing anecdotal evidence. This was achieved by bringing forth the accounts of the members at the bottom of the structural pyramid of the Greek cooperative movement, namely the farmers. This has allowed a useful examination of the current bureaucratic, and relatively non-democratic, structure of the Greek agricultural cooperatives which is perpetuated by the political affiliation of the cooperatives on the one hand, and the lack of interest from Greek farmers in participating in cooperative actions on the other.

Moreover, this thesis has provided important information about the role, the functions and the potential of agricultural cooperatives in Greece at a time when researchers of

alternative organisations emphasise the need to create democratic and cooperative workplaces (e.g. Taylor, 1994; Mooney, 2004). This study shows how this may be achieved, by acknowledging some of the drawbacks of the existing practices of agricultural cooperatives in Greece and thinking of possible ways to minimise them.

This study was driven by three research questions which examined the role and potential of Greek agricultural cooperatives in various ways. The first was to assess the possibilities and constraints that are generated by the credit-intermediary character of the Greek agricultural cooperatives. The second question explored the role and implications of party politics in the cooperative movement. The third and last question explored how the structure and functions of the Greek agricultural cooperatives have affected members' commitment and their consciousness of cooperative action. In the following pages I summarise how I have addressed each of these questions and the conclusions I have drawn from my theoretical and empirical investigation.

8.1 Research Question 1

What possibilities and constraints are generated by the credit character of the Greek agricultural cooperatives and how do farmers view the Greek agricultural cooperative movement?

In many European countries the establishment of credit cooperatives offered satisfactory credit services to farmers, by allowing them to raise capital and meet their credit demands. In the case of Greece, as both the findings of my research and the available literature indicate, credit cooperatives have been unable to produce the

expected results. The factors which contributed to the inefficiency of credit associations in the specific case of Greek agricultural cooperatives cannot be attributed to any inherent drawback of credit cooperatives or the bad management of the cooperatives by the members. Instead the factors contributing to the inability of credit cooperatives in Greece to achieve the expected results have to be understood through the relationship of the agricultural cooperative movement with the State.

The theoretical and empirical investigation of the Greek agricultural cooperative movement (see chapter 3) reveals that the following factors, among others, contribute to the poor performance of the cooperatives: 1) the State and political parties intervention in the cooperatives and thus the lack of autonomy of the agricultural cooperatives, 2) the bureaucratic structure of the movement which excludes the vast majority of the members from the decision making process, 3) the credit-intermediary role of the cooperatives and the limited economic activities of the first-degree cooperatives, and 4) the monopolistic position of the – state-owned – ATE bank in the agricultural sector which reinforced and perpetuated the financial dependence of the cooperative movement.

Drawing on the available Greek literature (see: Vergopoulos, 1975; Kamarinou, 1977; Christodoulou, 1986; Malkidis, 2001), this thesis argued that the Greek State supported the establishment of credit agricultural cooperatives because they provided the necessary guarantees for the banks, and reinforced the position of the State in the agricultural sector. As Gerakaris (cited in Malkidis 2001, p.106 – translation mine) suggested, “the agricultural cooperatives provide for the bank the best, the cheapest, and the most effective way to develop agrarian credit”. Here, the relationship between

the State, the ATE bank and the agricultural cooperatives is critical in understanding the current financial problems of Greek agricultural cooperatives. The dependence of the cooperative movement on the State and the heavy indebtedness to the ATE bank caused a general ‘paralysis’ of the cooperative movement which between 1985 and 1988 had their debts towards ATE bank increased from 19 billion drachmas to 92 billion drachmas (Patronis, 2002). In a nutshell, the current indebtedness of agricultural cooperatives in Greece is, mainly, a result of the burdensome interest rates and the monopolistic position of ATE bank in the agricultural sector.

Moreover, this thesis argued, following the works of Legg (1969) and Patronis (2002) among others, that agricultural cooperatives have been used for the implementation of the State’s plans in the agricultural sector rather than operating as autonomous organisations for the interests of the members. As Legg (1969, pp.120-121) observed, “the state could use the cooperative movement to exert some degree of economic control over the agricultural system”.

Drawing on the relevant literature and the empirical findings of my research, my study suggested that beside credit provision, the activities of the agricultural cooperatives are very limited. The farmers’ role within the cooperative is also limited to selling their products to the cooperatives. As a result, there is no direct participation of the members in the activities of the cooperatives, and this increases the distance of the members from the cooperative movement, cultivating an “us” (farmers) and “them” (Unions) culture with farmer-members having no sense of ownership or commitment towards their cooperatives. For example, many farmers I interviewed highlighted that they do not

exercise any control over the final price of their products which is decided by a body of ‘bureaucrats and technocrats’ in the Unions, to use Mr. John’s words.

The findings of my research suggest that the farmers attribute their poor economic conditions to the credit-intermediary character of the Greek agriculture cooperatives and the limited activities of the first-degree cooperatives. Their criticism derives from the idea that although they would have been indebted with or without the cooperatives, the agricultural cooperatives, with their credit-intermediary role, offer little opportunity to reverse their financial difficulties. In their view, the fact that cooperatives have lost control over the supplies of raw materials (with private organisations controlling the largest market share) creates additional costs for them while they have little information regarding the quality of the supplies they are using. In addition, farmers blame the existing cooperatives for their weak bargaining power in the market. In their view, the limited activities of the first-degree cooperatives do not allow them to get involved in the trading of their products even if they were to do so. As they frequently noted during our discussion, their only responsibility is to sell their products to the cooperatives for a fixed price. The trading of their products in the market is the responsibility of the Unions alone with farmers having no control over decisions such as where to sell their products and at what price. Finally, the findings of my research indicate that the absence of producers’ cooperatives has often been viewed by some participants as an additional reason contributing to their poor financial conditions. Some of my participants frequently emphasized the potential of producers’ cooperatives for common use of machinery, and in some cases land, to reduce their production cost. For example the unnecessarily large number of tractors or the fragmented character of the land can contribute to higher operational cost. So, it appears that farmers consider the credit-

intermediary cooperatives to be unable to tackle these structural problems deriving from the small-scale character of the Greek agriculture. An appealing alternative, according to some of my participants, appears to be the establishment of producers' cooperatives for common use of machinery and/or land. However this idea is still treated with scepticism by the majority of the farmers.

To conclude, agricultural cooperatives in Greece suffer from structural constraints such as dependence on the State and other financial institutions, and their limited activities (credit-intermediary role). This thesis argued that Greek agricultural cooperatives have to become autonomous and expand their services beyond the credit-intermediary role. To reduce their dependence on the State and other financial institutions, Greek agricultural cooperatives could establish their own mechanisms of generating capital from within the cooperatives. Here, the case of Mondragon in Spain and Lega in Italy (Thornley, 1981; Hoover, 1992; Gibson-Graham, 2006) represent two interesting and successful examples. The Mondragon cooperatives in Spain, with the establishment of the cooperative bank *Caja Laboral Popular*, show how cooperatives can create conditions to generate capital from within.

8.2 Research Question 2

What are the implications of the role of the political parties in the Greek cooperative movement and do how farmers view the current structure and democratic functions of their cooperatives?

This thesis argued that agricultural cooperatives in Greece have never been autonomous or politically neutral (see the works of Christodoulou, 1986; Avdelidis, 1989; Papageorgiou, 1991; and Patronis, 2002). A historical investigation of the development of the agricultural cooperative movement in Greece reveals that the State achieved complete control over the agricultural cooperative movement from the start (Patronis, 2002). The victory of the socialist party (PASOK) in the national elections of 1981 initiated a new period for the agricultural cooperatives in Greece since the political agenda of PASOK included the creation of an autonomous cooperative movement able to solve the long-standing structural problems of Greek agriculture. However, the high expectations for 'change' did not materialise (Mavrogordatos, 1988; Kioukias, 1994; Patronis, 2002). In fact, the attempt by PASOK to restructure the cooperative movement only strengthened party political intervention. The period after the rise of the socialist party is characterised by a shift of control over the cooperative movement: from State control towards party political intervention, and as a result agricultural cooperatives were transformed into agencies of the political parties rather than autonomous organisations.

The lack of autonomy within the Greek agricultural cooperatives is reinforced by the current 'democratic' practices of the cooperatives. This thesis argued that the opportunity of Greek farmers to participate in the cooperatives does not go beyond their right to attend general meetings and periodically vote for their representatives. The point here is that the established system of proportional representation and the political party's lists in Greek agricultural cooperatives creates fertile ground for the grouping around the two big political parties (PASOK and ND) and the exclusion of all other voices. The principle of 'majority rule' here becomes a very good tool for those

affiliated with one or other political party to monopolise power within the cooperatives. No matter how unpopular their decisions might be, the system of representative democracy practiced within Greek agricultural cooperatives gives the elected representatives the legitimate right to appear as the 'voice' of all the farmers. So the paradox here lies in that although representative democracy is portrayed as a method which ensures 'majority rule', as soon as the representatives are elected, the power is concentrated at the hands of the few (elected representatives, presidents, heads of the cooperative groups or managers), thus excluding the vast majority of the co-operators from determining any key decision.

This lack of autonomy and the bureaucratic structure of the cooperatives reinforce the members' distrust. As the findings of my research indicate, Greek farmers' distrust regarding the internal activities of the cooperatives derives from their exclusion from the decision making process and their lack of information regarding activities such as the factors that determine the price of their products, the investments of the cooperatives or other important decisions.

Drawing on the works of Finley (1996), Castoriadis (2000) and Bookchin (2005) among others, my aim was to encourage us to re-think democracy in cooperatives by paying more attention to the importance of active participation. I have argued that in order for cooperatives to become more democratic, the following conditions should be met. First, there is a need for decentralisation of power within the cooperatives. Thus, the current hierarchical relations, where the leadership of the cooperatives is concentrated in the hands of either the 'experts' who are supposed to be best able to control everything due to their superior knowledge or the representatives who are

‘democratically’ elected by the members, could be modified in order to allow a more equal sharing of power amongst the members. Secondly, agricultural cooperatives in Greece have to move from, to use Barber’s (2004) terminology, a ‘thin democracy’ to a ‘strong democracy’ where co-operators’ participation will extend beyond the voting booth. My thesis argued that democracy in the cooperatives should not be defined in relation to the procedural principles which allow the members to attend the general meetings and periodically exercise their right to elect their ‘representatives’. On the contrary, cooperatives have to turn their attention to creating opportunities for an increased participation of the members in the decision-making process.

8.3 Research Question 3

To what extent and in what ways has the current structure and functions of the Greek agricultural cooperatives affected members’ commitment and their consciousness of cooperative action?

This thesis argued that members’ commitment and cooperative consciousness have been highly influenced by the structure and aims of the Greek agricultural cooperatives. The findings of my study suggest that cooperation between the members in modern cooperatives is limited. Looking at the activities of the existing agricultural cooperatives in Greece, it is clear that they do not create conditions to bring farmers together. The existing Greek agricultural cooperatives focus their activities on the distribution of credit, and less on supply and marketing activities. For example, the price of the farmers’ products is determined by the cooperatives with no consultation

with the farmers. In addition, there is no involvement of the farmers in the trading of their products.

Member lack of commitment is not restricted to Greece, but the reasons for this low commitment vary from one place to another. More specifically, according to Dirscherl (1991) the farmer-members' commitment to their agricultural cooperatives in the south of Germany suffers due to the business oriented profile adopted by the cooperatives. In other cases, such as those described in the works of Kalogeras et al. (2007) and Österberg and Nilsson (2009), the commitment of the members is affected by the financial performance of the agricultural cooperatives, and the age and the ideological stance of the members. As for the case of Greek agricultural cooperatives (see chapters 3, 6 and 7), the factors contributing to the apparent lack of commitment include the lack of autonomy of the cooperatives, their relatively undemocratic structure and the limited opportunities for the farmers to actively interact with their fellow farmers in the production process or the marketing of their products. An additional factor contributing to the low commitment of the members derives from the lack of interest of the agricultural cooperative movement in educating members and promoting cooperative principles. As a result, most farmers in Greece view cooperatives merely as economic organisations operating for profit, just like any other private enterprise, and so their behaviour becomes purely opportunistic.

Moreover, this thesis argued that the current activities of the credit, supply and marketing cooperatives in Greece fail to increase the interaction between the farmers because none of these types of cooperation requires farmers to work together. Instead, Greek farmers continue to work in isolation from one another. This isolation contributes

to the current lack of consciousness around cooperative action. This apparent lack of cooperative consciousness has to be seen historically by paying particular attention to the lack of class consciousness amongst Greek farmers (Mouzelis, 1978; Papadopoulos and Patronis, 1997; Patronis, 2002) and the role of private property in creating both physical and psychological barriers towards cooperation. More specifically, my work pays attention to the attachment of farmers to the land as creating obstacles (scepticism and reluctance) towards collective action. This is reinforced by the lack of interest of the existing agricultural cooperatives in promoting cooperative principles in the Greek countryside. In turn, the great majority of farmers continue to be sceptical and reluctant towards cooperative activities in the production process.

It is important to note that the great majority of Greek farmers are, at the moment, reluctant towards the idea of collective use of land and machinery. However, this cannot in itself support the idea that this will always be the case. The fact that there are past and present social experiments, however small, in Greece and other countries such as France, Norway and Spain (see chapters 4, 6 and 7) where farmers have successfully established cooperatives for the collective use of land and machinery suggests that similar attempts can, under specific conditions, take place in Greece too. In addition, my research indicates that there are already attempts, albeit few and small, amongst Greek farmers to set small cooperatives for the marketing of their products without the assistance of the official network of agricultural cooperatives in Greece. This suggests that marketing cooperatives can be organised to increase members' participation, to reunite producers and consumers, and at the same time to foster a stronger sense of solidarity among members who engage in the marketing of their products through direct and collective actions.

Finally, this thesis argues that the existing economic conditions in Greece create favourable grounds for agricultural cooperatives to expand their activities in every stage of the production process. Past and present experiences (see for example the case of Norway with the *maskinrings*, discussed in chapter 3) indicate that expanding the cooperation between the farmers at the level of production through the collective use of machinery and/or land could benefit the farmers in various ways. Producers' cooperatives could address various structural problems that the small-scale farmers face (the lack of capital, the high operational cost and the squeezing of the price of their products) and at the same time bring the farmers into closer interaction.

Therefore, I feel that in order for the existing agricultural cooperative movement to create conditions for more cooperation between the members, agricultural cooperatives would first have to undergo a radical re-structuring. Such re-structuring would involve creating the conditions for the strengthening of democratic practices and the autonomy of the movement from the political parties. An alternative, perhaps even more appealing, route would be for the farmers themselves to take their future in their own hands and establish cooperatives that would be controlled and managed democratically through the active participation of all the members.

8.4 Limitations and Future Research

There are inevitable limitations in this research which affect the conclusions of my study. First, it is important to note that my research took place on the island of Crete while all the participants of my study are small-scale farmers cultivating, mainly, olives and grapes. Thus, it remains unclear how applicable the results are to the wider rural

population. It would be both interesting and useful for further research to explore the views of farmer-members from different geographical areas.

Among the participants of my study, some were not only members of the cooperatives but had also, at some point of their lives, been employees of their cooperatives. In this study though, the representation of cooperative workers is missing and as such the accounts presented embody only the views of the farmer-members. In further research, it would be interesting to include the “voice” of those employed in the cooperatives in order to develop a more rounded view of the agricultural cooperatives in Greece. In particular, it would be both interesting and useful to explore how cooperative workers make sense of issues such as the current democratic arrangements in the cooperatives and the autonomy of the movement.

Finally, it has been evident during the research that a number of participants were positive about an alternative model of cooperation. In their views, cooperatives (through the active participation of the members) have to become more democratic and extend their activities to every level of the production process, from the cultivation to the marketing of their products. I believe that a follow-up study of these participants would also be useful in order to explore any attempts to put their thoughts into action.

Appendices

Appendix 1

Table 1: Cultivated Area and Raisin Production, 1830-1911

Year	Cultivated Land	Production
1830	38,000	21,170,000
1845	78,000	40,995,000
1851	172,000	85,105,000
1860	220,000	109,288,000
1867	280,000	137,613,000
1878	435,000	211,435,000
1888	620,000	327,499,000
1900	700,000	100,000,000
1911	600,000	334,001,000

Source: Malkidis (2001, p.30) – Note: Cultivated land is calculated in stremmas (1 stremma equals 0.1 hectares), while Production is counted in litre.

Table 2: Production and Exportation of Corinthian raisin, 1851-1893

Year	Cultivated Land	Total Production	Exported
1851	172,000	86,000,000	-
1860	220,000	110,000,000	101,000,000
1871	346,000	173,000,000	158,000,000
1876	369,000	184,000,000	171,000,000
1878	435,000	217,000,000	210,000,000
1881	500,000	265,000,000	-
1888	600,000	338,000,000	297,668,966
1893	670,000	344,000,000	327,399,000

Source: Vergopoulos (1978a, p.105) – Note: Cultivated land is calculated in stremmas, while Production and Exports is counted in litres.

Appendix 2 - Agricultural Cooperatives in Greece (1915 - 2009)

Year	Total	Credit	Supply	Producers	Marketing	Other	Members
1915	150	-	-	-	-	-	4,500
1916	347	-	-	-	-	-	-
1917	622	-	-	-	-	-	-
1918	790	-	-	-	-	-	-
1919	914	-	-	-	-	-	-
1920	1,171	-	-	-	-	-	58,500
1921	1,498	-	-	-	-	-	-
1922	1,815	-	-	-	-	-	-
1923	2,223	1,663	-	-	-	-	-
1924	2,800	2,264	-	-	-	-	-
1925	3,833	2,919	-	-	-	-	-
1926	4,148	3,143	-	-	-	-	268,437
1927	4,481	3,392	-	-	-	-	-
1928	4,927	3,740	-	-	-	-	-
1929	5,186	3,912	-	-	-	-	-
1930	5,754	4,351	-	-	-	-	-
1931	5,800	4,393	-	-	-	-	-
1932	5,805	4,378	-	-	-	-	-
1933	6,026	4,466	-	-	-	-	266,067
1934	6,278	4,529	-	-	-	-	-
1935	6,482	4,609	-	-	-	-	-
1936	3,967	3,134	22	272	369	170	263,896
1939	6,704	4,547	-	-	-	-	359,201
1944	5,423	3,809	50	731	483	350	-
1945	5,878	4,094	55	814	513	402	500,000
1946	6,076	4,267	114	914	475	302	-
1947	6,710	4,490	107	987	541	396	-
1948	7,150	4,826	33	1,033	615	469	-
1949	7,331	4,873	33	1,077	627	507	-
1950	6,784	4,580	35	1,049	562	326	655,123
1951	6,681	4,375	20	1,084	694	288	670,758
1952	6,783	4,320	42	1,306	615	347	674,150
1953	6,766	4,289	35	1,444	522	343	679,795
1954	6,703	4,304	33	1,494	542	330	686,713
1955	6,762	4,307	34	1,576	521	324	687,239
1956	6,836	4,367	30	1,623	514	302	691,948
1957	7,027	4,415	24	1,835	512	241	705,083
1958	7,127	4,473	18	1,825	503	308	717,598
1959	7,304	4,557	7	1,988	503	249	729,265
1960	7,437	4,620	7	2,045	507	258	737,579
1961	7,543	4,673	5	2,116	513	236	746,115
1962	7,603	4,699	5	2,141	534	227	748,990
1963	7,643	-	-	-	-	-	748,440
1964	7,708	4,764	-	2,213	515	223	753,263
1965	7,733	4,733	-	2,241	-	-	757,762
1966	7,766	4,754	-	2,245	547	220	754,513
1967	7,721	4,742	-	2,222	543	214	753,717
1968	7,776	4,759	-	2,247	551	219	755,300
1969	7,635	4,702	-	2,158	547	215	754,130
1970	7,493	4,685	-	2,135	487	186	755,430
1971	7,333	5,257	-	1,539	154	383	728,487
1972	7,249	5,161	-	1,538	165	365	715,627
1973	7,115	5,087	-	1,482	165	381	701,663
1974	7,050	5,045	-	1,462	156	387	699,573

Year	Total	Credit	Supply	Producers	Marketing	Other	Members
1975	7,002	4,997	-	1,455	166	384	698,972
1976	7,043	-	-	-	-	-	699,876
1977	7,032	-	-	-	-	-	700,886
1978	7,052	-	-	-	-	-	706,653
1979	7,043	-	-	-	-	-	707,236
1980	7,055	-	-	-	-	-	705,560
1981	7,109	-	-	-	-	-	713,581
1982	7,233	-	-	-	-	-	842,837
1983	7,611	-	-	-	-	-	895,283
1984	7,817	-	-	-	-	-	929,297
1985	7,930	-	-	-	-	-	948,965
1986	7,513	-	-	-	-	-	940,860
2000	5,971	-	-	-	-	-	-
2009	6,376	-	-	-	-	-	713,714

Sources: Vergopoulos (1975, p.184), Christodoulou (1986, p.176), Mavrogordatos (1988, p.62), Greek Ministry of Agriculture and PASEGES.

Note: The data extracted from Vergopoulos's (1975) work are from 1915 to 1935. From 1936 to 1975 the data were extracted from Christodoulou (1986). The data from 1976 to 1986 and all the data for the members until 1986 (starting 1915) have been extracted from Mavrogordatos (1988) work. For 2000 the data were extracted from the Ministry of Agriculture in Greece and for 2009 from the official website of PASEGES. Also, for the year 1936 Christodoulou and Mavrogordatos data are the same while there is a slight difference in Vergopoulos (1975) data. For 1984, the data for the number of credit, producers, marketing and other cooperatives are from Christodoulou's work (1986). Both Christodoulou (1986) and Mavrogordatos (1988) work provide data for the period between 1936 to 1975 while in some occasions there is some slight variations in the numbers. For 2000 the data are not publicly available. To obtain the data, one has to contact the Greek Ministry of Agriculture. Finally, from 2000 onwards the agricultural cooperatives in Greece are not anymore distinguished into producers, credit, marketing due to the cooperative law 2810/2000.

Appendix 3

Table 1: Gross output per worker in Greece

Sector	1960	1970	1975
Primary	100	235	327
Secondary	100	187	-
Tertiary	100	174	-

Source: Vergopoulos (1978b, p.451) – Note: (Index on 1960 = 100 base, in constant prices of 1970).

Table 2: Development of productivity in Greece (1950 – 1974)

Year	Total cultivated land	Production per hectare (in tonnes)
1950	3,038,650	2,432
1961	3,708,110	2,724
1962	3,726,410	2,886
1963	3,683,150	2,893
1964	3,662,810	3,323
1965	3,685,030	3,413
1966	3,634,430	3,627
1967	3,630,960	2,704
1968	3,591,770	3,482
1969	3,556,570	3,820
1970	3,547,300	4,334
1971	3,571,500	4,304
1972	3,527,300	4,178
1973	3,514,800	4,563
1974	3,534,100	4,768

Source: Labos (1983, p.267).

Appendix 4

Table 1: Consumption of fertilisers in Greece (1910-1970)

Year	Tonnes	Year	Tonnes	Year	Tonnes
1910	620	1925	34,200	1964	242,000
1915	4,430	1926	30,100	1965	239,300
1920	5,480	1927	50,000	1966	256,800
1921	12,060	1928	49,400	1967	261,200
1922	15,210	1929	49,100	1968	298,100
1923	11,800	1938	25,500	1969	304,100
1924	21,100	1955	79,400	1970	337,600

Source: Vergopoulos (1975, p.191) for data between 1910 and 1929. Christodoulou (1986, p.174) for data between 1938 and 1970.

Table 2: Use of Tractors in Greece (1939-1967)

Year	Biaxial Tractor	Uniaxial Tractor
1939	1,255	-
1946	3,000	1,500
1951	5,600	500
1956	11,183	1,500
1961	23,730	6,000
1966	37,428	22,571
1967	43,482	27,801

Source: Kamarinou (1977, p.78) and Christodoulou (1986, p.173).

Appendix 5 - Loans in the Greek Agricultural sector

Table 1: Loans of the National Bank of Greece (1915-1929)

Year	Total	Through ACOs
1915	4,6	0,2
1919	27,2	13,4
1920	79,5	24,9
1923	220	114,9
1925	932,6	536,5
1926	723,8	465,7
1927	1144,4	789,2
1928	1405,4	1069,7
1929	1613,3	1164,7

Source: Vergopoulos (1975, p.182) - Note: Numbers are in million Drachmas (1 Euro is equal to 340.75 Drachmas).

Table 2: Loans of ATE bank (1930-1940)

Year	Total	Short-Term	Medium and Long-term	On mortgage of the product
1930	1,306	897	17,1	391
1931	1,354	932	35,8	385
1932	1,126	835	20,8	269
1933	1,364	883	26,6	453
1934	1,932	888	47,6	996
1935	1,917	1,110	80,1	726
1936	2,885	1,511	147,7	1,225
1937	3,873	1,771	315,2	1,786
1938	4,009	2,056	416,3	1,536
1939	4,316	2,223	417,8	1,674
1940	4,197	-	-	-

Source: Vergopoulos (1975, p.182) - Note: Numbers are in million Drachmas (1 Euro is equal to 340.75 Drachmas).

Appendix 6 - Loans from ATE bank in the agricultural sector (1960-1969)

Year	For Cultivation	On mortgaged products	For financing of ACOs	Medium and Long-term
1960	2,747	544	1,172	1,174
1961	2,839	667	1,282	1,109
1962	2,750	865	1,287	808
1963	3,106	1,134	1,426	922
1964	3,358	1,147	2,044	1,424
1965	3,545	1,053	2,931	1,685
1966	3,693	891	3,116	1,800
1967	4,117	959	2,909	3,001
1968	5,088	950	3,105	4,566
1969	5,799	722	3,695	4,487

Source: Kamarinou (1977, p.173) – Note: Numbers are in million drachmas. Also, the first three rows are loans of short-term nature.

Appendix 7 - Map of Crete and Heraklion Prefecture



Source: www.explorecrete.com/crete-maps/crete-maps.html

Note: The first picture is a map of the island of Crete. The second picture is a cropped section of the first picture and in blue circle are some of the villages I visited for my empirical research.

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