

The Cooperative Experience of Greece

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Introduction

Cooperatives have a long history in modern Greece (Sanders, 1962). Greek law is special here insofar as the state maintains a strong presence in cooperative matters, because the cooperative movement was always considered as requiring state support and guidance.

Legal Framework

The legal framework of the cooperative movement in Greece was established by Law 602/1915, which was based on the corresponding German legislation (Papageorgiou, 1985). This law was not intended only for the agricultural sector; but in practice cooperation found expression principally in this sector. Although this law was liberal and operational, a large number of amendments introduced restrictions and limitations to the independence of cooperatives. Later, in 1979, Law 921, referring exclusively to agricultural cooperatives, attempted to clear the barriers to cooperative development, but it was short lived. A notable weakness of Law 921 was that it did not clearly separate the commercial role of agricultural cooperatives from the professional role exercised due to the absence of farmers' professional organizations. An amendment (by Law 1257 of 1982) forced cooperatives to hold new elections at all levels, under a new electoral system. The new system was based on the view that within cooperatives several distinct groups existed which needed to express themselves by separate voting lists. So, the multiple-list system was introduced.

In 1985, Law 1541 replaced the entire Law 921/79 and incorporated the amendments of Law 1257/82. A principal characteristic of Law 1541/85 was its attempt to proceed to legally enforce the mergers of cooperatives at local and regional levels, an attempt which failed in practice and was later abandoned. At present, a new draft law on agricultural cooperatives has been published for discussion before its submission to parliament.

According to Law 1541/85, Article 21, the general assembly constitutes the highest administrative organ of the cooperative and consists of all the members, each member having one vote. The board of directors consists of at least five members and decides all the administrative and managerial matters as stated by law, the corporation statute, and the decisions of the general assembly. If the number of the employees of the cooperative exceeds 20, then there is one representative of the employees on the board of directors, who has all the rights and obligations of the other members but cannot be elected as president, vice-president, general secretary or treasurer.

A particularity of Greek law is the establishment of a strong state presence in cooperative matters. Although cooperatives are private organisations and function under private economic criteria, the state recognized their important socio-economic role and provides them with increased privileges. The question is: How much and what kind of support can the state give to the cooperatives without creating undesirable effects upon them and upon the private sector? Generally, we could say that such measures which include direct economic support for financing cooperatives, and the making good of losses deriving from bad investments are not acceptable.

Cooperative Organisation and Management

The Greek cooperative movement is based on the prototype of other European countries and on basic internationally accepted principles that marked its birth. These principles include: free and voluntary participation of members; democratic management based on one vote per member, regardless of the capital stake individual members may possess; limited interest on members' capital; distribution of surplus whenever possible according to member participation or its allocation to broad social goals; education and training of members; and inter-cooperative collaboration at national and international level.

The pyramid of the cooperative organisation in Greece includes first-degree cooperative organisations in every village, which elect their representatives and generally have farmers as members; second-degree cooperative organisations at the level of associations (unions), usually within the prefectures, having cooperatives as members; third-degree cooperative organizations, which cover the whole country and refer to specific products or groups of products (KYDEP, SEKE, ELAIOURGIKI, etc.). At the apex lies PASEGES (Panhellenic Confederation of Agricultural Cooperatives).

An interesting feature of cooperatives is that they constitute independent local democratic economic organisations, and in many ways they share characteristics of the community. If properly activated, they can play a leading role in the development of the Greek countryside.

For analytical purposes, we distinguish between agricultural cooperatives, innovative types of semi-cooperatives and urban cooperatives.

Agricultural Cooperatives

Agricultural cooperatives in Greece are still underdeveloped; the Greek cooperative movement is one of the least developed in Europe. According to data of the Agricultural Bank of Greece (ATE), in 1984 there were about 7,500 first-degree agricultural cooperatives operating at the local level (village) and having farmers as members, but only 40 percent showed satisfactory activities. Sixteen percent of the communities and municipalities of the country do not have any cooperatives. Only 12 percent of the agricultural cooperatives employ clerical staff: while only 11 percent have machinery and buildings - and those are mainly unions and federations.

Innovative Types of Semi-Cooperatives

In this category we consider two types of cooperatives that could be recognised as innovative, although their roots can be traced to the past: school cooperatives and the women's cooperatives. They both have potential in revitalizing community life. These are special producer and marketing cooperatives and are initiated by groups such as pupils and women farmers.

School cooperatives are small, self-managed, self-regulated, democratically organised communities. It is held that school cooperatives are tools for providing democratic education to today's pupils and tomorrow's citizens. Pupils by themselves manage the cooperative with the assistance of a teacher. They produce and sell the products of their labour. The money collected is used for mutual aid purposes inside and outside the school, improving the school environment and working conditions. Following the initiative of some teachers, school cooperatives first appeared in Greece in 1925. In the period 1981-82, there were 703 school cooperatives in operation

embracing a total of 36,800 members. The majority of school cooperatives function at the elementary school level in the provinces and have developed several remarkable activities (such as, for example, raising rabbits, selling books, writing materials and creating handicrafts). The Confederation of Agricultural Cooperatives promotes and assists school cooperatives and offers annual awards to successful cases (Syacelakis, 1988). It also publishes the quarterly school cooperative magazine '*Synergasia*'.

Women's cooperatives constitute a recent development in the cooperative movement and are not widely known as yet. We can see the first women's cooperative in Samarina of Grevena Prefecture in 1957. However up to 1974, there were still only nine women's cooperatives. In the period 1982-85, 26 more were created. It is recognized that women farmers are among the least advantaged working people in Greece. Today there is an effort made to activate women in the country's agricultural cooperative movement, so they can achieve economic self-sufficiency and develop their personal potential. Women are encouraged to get into production by establishing agrotourist women's cooperatives. There are some major problems, because most women farmers had never participated in an organised collective effort and their resulting economic position is weak; nevertheless the programme is generally considered to be successful. (Agapytidis, 1988; Laiou-Antoniou, 1985; Mytiline, 1987; Papagaroukis, 1987).

Urban Cooperatives

One can distinguish four types of cooperative within this category in Greece:

- (1) Consumer cooperatives which provide products and services both to members and non-members;
- (2) Construction cooperatives which buy, arrange and distribute land for building houses for their members and who deposit their savings at the cooperative; and
- (3) Professional and manufacturing cooperatives which either provide their members with raw materials and products substituting for private trade or establish cooperatives with the collective work of their members:
- (4) Worker cooperatives in which the employers are at the same time employees who offer their labour and tools to form a productive organisation that allows them to collaborate under equal terms. Participation of workers in decision making constitutes a basic characteristic that differentiates the workers cooperative from a capitalist enterprise. It is only the latter two types of urban cooperatives that approximate to organisations where the owners are also the producers.

Worker Cooperatives

The presence of workers cooperatives within the Greek cooperative movement is very limited. There is no specific law for worker cooperatives as such, but they are covered by the law regarding urban cooperatives. A number of worker cooperatives operate under the law on agricultural cooperatives (forestry cooperatives). Owing to the limitations of this legal framework, however, several worker cooperatives operate under a different legal status, that is, as limited liability companies. In several cases, companies established by carpenters, engineers, lorry drivers and craftsmen operate as worker cooperatives. With the

accession of Greece into the European Union, a number of worker cooperatives have been founded, but they have not so far proved to be successful ventures. The EOMMEH (Hellenic Organisation of Small and Medium Sized Enterprises and Handicrafts) has expressed its interest in the development of worker cooperatives and since 1983 it has provided them with technical and economic support.

Worker cooperatives face serious problems which restrict their development. The lack of cooperative ideals in the broader sense as well as the lack of a specific legal framework that would provide for the future of worker cooperatives explain the absence of a substantial worker cooperative movement in Greece. Other main problems that restrict the operation and promotion of worker cooperatives in Greece are the unavailability of own capital and the absence of a cooperative bank, the paucity of economic incentives, a lack of education on cooperative issues, and the difficulties involved in keeping discipline and interest in participation (Raftis & Stavroulakis, 1986).

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