

The “non”-return of young people to the Greek countryside

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The economic crisis which began in 2009 in the Greek economy and society resulted in a shift of interest among Greek people in the primary sector of the economy. The primary sector of the economy was seen as the ‘steam-engine’ of development and enhancement of the Greek economy, as Greece has historically always been a country which was based on agriculture, alongside shipping and tourism. The Greek rural economy has traditionally been the engine of economic growth and social cohesion in a country with intensely mountainous terrain, rich biodiversity, a low level of GDP production and a low level of education among people who lived and worked beyond the urban centres.

Nevertheless, the primary sector is that sector of the economy which has been struck twice as hard, both during the period of development and during the crisis period. It is a sector in Greece whose strategic importance has been ignored by policy practitioners throughout the years. The result was a decrease in its contribution to the economy, with visible effects on all its indicators. It is quite characteristic that in the last thirty years, after Greece’s entry into the EEC in 1981, the trade balance of agricultural products (exports - imports at current prices converted into euros), from a surplus, turned sharply into a deficit (since 1982) with a continuous downward trend (1981: + 38.367.000€, 1991: - 311.102.000€, 2001: - 1.003.460.000 €), culminating in 2008, when the deficit reached 3.043.506.477€. In addition, the productivity of the Greek agricultural economy reached the record low of -3.98 in the 2000s from 2.69 in the 1970s, while the technical efficiency level fell from 0.61 to 0.36 in recent years, showing the level of the rural economy and explaining the economic crisis that we are experiencing today.

This is controversial, if someone takes into consideration that from 1980s till today there was an increase of inputs due to subsidies, improvement projects and an increase in the marketing of agricultural supplies. The target was higher levels of production. Unfortunately, these huge amounts were not used in a proper way. Most of the money went into consumer spending or was invested in infrastructure and inputs in an irrational manner without a plan, making rural businesses economically non-viable. The declining course of the Greek primary production (which is also conspicuously located in other relevant indices) is characterized by the orientation of the components of the primary sector of the economy in order to recover European subsidies, with the parallel decline of the whole production process. The same happens in the other sectors of primary production such as livestock where we pay about €3 billion more for meat and dairy imports.

We also had the same results with the implementation of CAP 2006-2013 where we had a dramatic reduction of inputs and a corresponding decrease in productivity due to the decoupling of agricultural production subsidies, something the Geotechnical Chamber of Greece had warned about well in advance (Mamalis 2014). In an economy oriented not on production but on subsidies, the political leadership placed the latter as the basis of policy and the main aim of farmers, resulting in the present situation that has brought about a deadlock in the entire production process, which has affected the proper development of the economy.

Employment in the agricultural sector throughout these decades presents a downward path until the year 2008, with a particularly strong reduction in the number of employees. In the period of the first five years of 2000 alone, a loss of 167 000 jobs was recorded. In the next period (2005-2008), the decline in employment is significantly burdened, with the loss of 37 000 jobs. Employment in the primary sector of the economy amounted to 502 000 employees, a rate that corresponded to 11% of the country's labour force.

However, during the years 2008-2010 according to a study by PASEGES (2011), an increase in the number of agricultural workers was observed by 38,000 people, which regained the jobs losses for the period 2005-2008, with an increase in the age groups between 15-44 years. The increase in the primary labor market was in the range of 7%, with 95% directed towards agriculture and the remainder in fisheries. This increase was interpreted, without however any further qualitative analysis of the statistical data, as an increase in new entrants to the agricultural labor market and/or as a move from other areas of the economy. It was the period during which the first signs of the crisis showed that it was drawing near, a crisis which in the global economy led to an interest from the services of the financial sector to the field of the production of goods. Nevertheless this increase was very small compared to the production capacity of Greek agriculture.

In Greece, in fact, agricultural production shifted in the beginning of the crisis, turning the interests of society towards the agricultural economy. Moreover, employment in this sector was above the European average (11.7% of total employees) (Mattas and Loizou, 2013). Indeed in Greece the importance of agricultural production increased at the beginning of the crisis by turning the eyes of society towards the rural economy, and employment in agriculture in Greece was above the European average, reaching 11.7% of Greek capacity (Mattas and Loizou, 2013). At the same time reports began to surface in both the print and electronic media concerning rural life and its prospects while the public discourse of the time reflected on new trends and outlooks for employment in the countryside.

The results of these social processes gave rise to a significant stream in Greek society, particularly among urban dwellers, moving to create a new urban standard of installation in rural areas, and creating new socio-economic conditions in the Greek countryside with relocation from the urban fabric to villages, and the reactivation of new residents from urban centres engaging in activities in the rural sector, as the countryside seemed to be a safe haven in the face of the oncoming economic crisis.

This trend was reflected in a survey of the Ministry of Rural Development and Food in 2012 where it was clearly noted that young people were thinking of returning to the countryside and getting involved in agriculture. The survey data in Attiki and Thessaloniki revealed the trends that were being formed, unveiling profound changes in the standards of Greek society. At the time, it was estimated that a number of around one million people were planning to return to the countryside, with 68% of respondents having thought about leaving, while 19% had already made specific moves, whereas half showed a desire to be employed in the agricultural sector, 18% in tourism-culture, 14% in communications and new technologies, 12% in education, 10.6% in energy and RES, 7% in trade, 7% in rural tourism and 6% in mass catering.

This trend referred to young people belonging to dynamic professional age groups with 21% between 30 and 34 years, 25% between 35-39 years and 13% between 40-44 years of age, and highly educated with 25% holding postgraduate degrees and 43% being graduates of universities and HEIs. This trend was considered positive for the economy at a time when the economic crisis was an integral part of the vocabulary of the average Greek. A similar trend was also observed in other southern European countries such as Italy where youth employment in agriculture increased by 8%, regarding data from just the previous year (Ypaithros Chora 13/03/2016).

The trend appeared to have a positive impact on the Greek rural economy since the young and educated urban class seemed to be the group that would provide impetus to the market through the introduction of innovative ideas with development potential for the whole territory, and particularly mountainous and disadvantaged areas. The emergence of local agricultural products with high added value, the protection of biodiversity and the environment, the connection between the primary sector of the economy to the tertiary sector of the economy such as tourism, and the emergence of new social and cultural conditions seemed to be the answer to the challenges of the times, turning the crisis into an opportunity.

It is an answer which refers to new forms of entrepreneurship, based not on labor, but in new innovative ideas, in the increase of added value through the myth that goes together with every product, the people, the place and the tradition. The revival of old practices and techniques through modern production methods was a chance to promote the comparative advantages of the Greek rural economy, demonstrating that in a modern economy, competitiveness is not based on its size but in its originality – small is beautiful. Thus production in the primary sector (including agriculture, livestock and forestry) in terms of gross added value at constant prices (2000) not only did not decrease during the recession period, but increased significantly since 2009 (from 6,188 to 6,865 billion €) and thereon, substantially reducing the deficit in the trade balance for agricultural products. The reaction of the Greek economy in the financial crisis with an increase in extroversion and exports was however transient and shallow as Greek firms were forced to export cheap raw products, losing a share in markets where they exported processed products, demonstrating a trend which has been seen before in bankrupt countries such as the Eastern European countries after the fall of communism.

But the policies in the coming years that followed unfortunately belied the hopes that were created, while the agricultural economy did not focus on new policies that would provide young people with opportunities for innovation, access to credit and new tools to penetrate new markets. Sadly, there was no creation of production infrastructure, supportive counseling, training and education, or a stable environment for creation and development, or a coordinated development policy utilizing in this way the skills of young people where they could apply new practices, changing the dynamics of agriculture. Although youth entrepreneurship and the importance of attracting new age groups in both farming and non-agricultural activities in rural areas was expressed as a priority in EU programs, as well as the Rural Development Programme 'Alexandros Baltatzis' which was implemented in Greece, together with national policies that were focused on the redistribution of abandoned 'agricultural land', this does not seem to achieve its goal in practice and it has not brought the expected results to the Greek rural economy, so that Greek agriculture today continues to suffer from the same failings that it had in the past, and young people do not dare get involved in agriculture, reinforcing the declining course of the past, both in the age composition of the

population and in the business operations of the production processing sector.

There are many reasons which led to the failure of this endeavour, refuting the expectations which had developed in Greek society, which can be summarized in four major areas: a) lack of infrastructure b) lack of a clear business plan from involved parties, c) lack of a proper business environment and the policies implemented, and d) a complete absence of the state through support mechanisms. Specifically, most young people who wanted to get involved in the agricultural sector had a total lack of knowledge of the conditions they would face, assuming that the idealized model which was being presented to them in the news also represented the everyday life that they would experience, without understanding the difficulties and adversities of the farmer's daily life. Moreover, the lack of land constituted a constraint since the rural land distribution program failed miserably, while the young people that re-established themselves in their ancestors' homelands did not have the machinery or the means needed to cultivate the land, ignoring the costs and their production capacities related to the requirements of the agricultural sector.

The only area with a relative degree of success was seen in the growth of the pre-existing family farm. Furthermore, the social environment of the provincial sector created difficulties among the urban class as they tried to adapt their urban lifestyle to the Greek countryside. Lack of experience and guidance led many people to make the wrong decisions by not taking into account market conditions, and without understanding the meaning of production factors in the agriculture sector. The lack of organized cooperative forms accentuated this situation as new producers did not have possibilities to make gains through economies of scale or to join a group of producers, so that they could develop initiatives through a collective form. We hope that the new law for cooperatives will change this situation.

The architecture of the institutional framework of the rural development program that followed did not encourage young farmers to settle into farming but favoured those who were already in the profession, excluding those who wanted to enter the profession. Moreover, the amount given was not linked to the cost of project activities; instead it was formulated on the basis of socio-economic criteria for the area and the farm. Furthermore, the start-up programs for activating a non-agricultural business in rural areas are programs which probably had and will continue to have the goal of keeping existing populations in mountainous and disadvantaged areas rather than attracting new people into the profession.

The CAP provisions for young farmers are also grossly unfair to young farmers both in the last programming period 2006-2013 and the present programming period 2014-2020. Young farmers unfortunately get much a smaller share of the Single Farm Payment compared with the previous application of the CAP; even in the new scheme, producers who were involved in cultivations in the early 2000s still have more to gain than new farmers in terms of the subsidies provided. This is something that will certainly have to be corrected in the revision of the CAP in 2017.

It should also be noted that the implementation of memorandum policies on the part of creditors strangled any signs of vitality in the production capacity of the rural economic sector, with results which, in due time, will reduce both the produced GDP and the size of the rural economy. Excessive taxation of production factors and farm income, and the imposition of the highest tax in Europe for agricultural supplies, as well as on the final product, create market distortions and disincentives in the production process, and incentives for imported agricultural products. Legislative intervention moves in the market by the elimination of the trademarks of all the competitive advantages of Greek agricultural products (origin, non-use of genetically modified organisms, definition of the duration of milk shelf-life), and the non-consolidation of local traditional products in international markets combined with massive imports of products competing with Greek products, such as in the case of olive oil from Tunisia, have struck heavy blows to the Greek production base. The financial crisis has minimized funding of the agricultural sector by depriving valuable funds from the agricultural sector, thus creating unsustainable businesses and depriving development opportunities.

Finally, the lack of political will on the part of the state to support the agricultural sector is evident throughout all production processes: with understaffed services in scientific and technical personnel, with almost zero funding in applied research, with a lack of consultation and extension services, with the setting up of training programs for only 2% of the rural population each year. And with a lack of reflexes to changes in the international environment and delays in the implementation of policies, the government is showing that it clearly cannot meet the challenges of the times; instead of helping the productive fabric of the country, it succeeds in being a hindrance to any creative endeavor. Moreover, the monitoring role of the state by the enforcement of memorandum policies was downgraded so that young farmers become defenceless against illegal imports and 'hellenifications', while measures such as meat and milk balances cannot be implemented as a result of unfair competition and market distortions.

The weaknesses in the conversion of farmers to a distinct professional class are obvious and there is a need for recognition of the key role that young people can play, given that they are the most dynamic and innovative part of society in terms of rural survival and the fostering of entrepreneurship in rural areas, with the result that state mechanisms cannot support the profession, nor can they meet the demands of an evolving business while staying in a role that refers to the bureaucratic support of a process of subsidy distribution without any vision for development.

It is obvious that this situation should not and cannot continue. The country cannot pay the price of the underdevelopment of the agricultural sector and the continuous leakage of human resources, in contrast to the trends prevailing both in Greece and internationally. We geotechnical scientists, as professionals involved in the primary sector of the economy, have to help the Greek rural economy change route. We should clearly use our knowledge and assistance in the restart process, to initiate change in strategy as well as culture, in the determination of the objectives of agricultural production.

Encouraging youth employment in agriculture through developmental planning is an essential process in restarting the Greek economy. Youth dynamics in the process of returning to the countryside should be a central policy option in order to encourage entrepreneurship by creating a healthy business environment, providing a supportive mechanism for the production process and the markets. There is a need to change the application model of the CAP and to regard the farmer as an entrepreneur and not a trader. It is the last chance for Greece to reverse the situation that it is experiencing today.

The competitiveness of the Greek rural economy should not be based on the inflows of economic migrants coming to Greece and offering cheap labor, at the same as young Greek scientists leave to go abroad, offering the specialised services of their brilliant minds elsewhere. This brain drain should be replaced from their installment in the Greek countryside, a factor which gives added value, without the need for an influx of cheap labor.

Otherwise, there will be more space for disappointment and disdain. This is something that should be avoided at all costs. This is a debt owed by the political leadership, all agencies involved and the European Union, which carries great responsibility for the current situation. We must reverse the declining trend of the sector. The dynamics and the opportunities are there – it is enough to be able to see them so that we may study and exploit them.



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