Global governance/politics, climate justice & agrarian/social justice: linkages and challenges

An international colloquium
4-5 February 2016

Colloquium Paper No. 51

"Erst Kommt das Fressen": The Neoliberal Restructuring of Agriculture and Food in Greece

Harry Konstantinidis

International Institute of Social Studies (ISS)
Kortenaerkade 12, 2518AX
The Hague, The Netherlands

Organized jointly by:

With funding assistance from:

February, 2016

Follow us on Twitter:
https://twitter.com/ICAS_Agrarian
https://twitter.com/TNInstitute
https://twitter.com/peasant_journal

Check regular updates via ICAS website: www.iss.nl/icas

"Erst Kommt das Fressen": The Neoliberal Restructuring of Agriculture and Food in Greece

Harry Konstantinidis

Abstract

While public debt has become the focal point of discussions of the Greek crisis, the Greek crisis has been used as an opportunity to extend a series of neoliberal reforms. I examine the agricultural and food sector of Greece since 1981 and I show how Greece's integration into the European market, following Greece's entry in the European Economic Community led to (a) the dismantling of agricultural and food production in Greece and (b) the increased power of intermediate actors in the Greek food system. I argue that a series of grassroots responses, including solidarity initiatives and direct consumer-farmer interactions, offer insight into a strategy of food sovereignty to help rebuild productive capacity in agriculture and address food insecurity. However, the three structural adjustment programs implemented in Greece after 2010 undermined these responses, by furthering the liberalization of Greek agriculture and the centralization of the food sector. Finally I argue that recent lender intervention into governance, and particularly lender veto-power over all proposed legislation introduced by the third Structural Adjustment Program of 2015, poses additional challenges for strategies aiming at food sovereignty.

Keywords: food; agriculture; Greece; political economy; European Union; neoliberalism

1. Introduction

In 2015 Greece was in the seventh year of the sharpest and most prolonged economic crisis in its modern history – and the deepest crisis in the history of the European Union: output has fallen by approximately 25% from its pre-crisis level, and the unemployment rate has increased from 7% in 2008 to 25% in 2015.[1] The economic crisis has also triggered a "humanitarian crisis": poverty and homelessness have been on the rise, while health and environmental conditions have deteriorated for significant parts of the Greek population (Konstantinidis and Vlachou, 2015). Moreover, Greece has experienced a rapid rise in hunger and food insecurity. By 2012, more than one in two households below the poverty line were considered food insecure; organizations working on hunger prevention estimate the prevalence of food insecurity among schoolchildren in certain districts at 60% and the prevalence of hunger at as high as 25% (Deloitte, 2014).

Although the Greek recession started in the last quarter of 2008, it entered a new phase in May 2010, when Greece and the "Troika" of lenders - European Central Bank (ECB), European Commission (EC), and the International Monetary Fund (IMF) - agreed to the first of three structural adjustment packages (dubbed "Memoranda" in Greece).[2] The "Memoranda" offered loans aimed to enable Greece to meet public debt obligations in exchange for a series of neoliberal "reforms": public sector and government spending reductions (austerity), wage decreases, the introduction of new flexible forms of labor, and privatizations. Furthermore, by promoting the creation of a "business-friendly environment", as well as service and product market liberalization, the Memoranda acted as levers for extending capital's scope of operations in Greece and the completion of the European market. The stated goal of these reforms was to increase the competitiveness of the Greek economy through a strategy of internal devaluation, thereby restoring growth and the sustainability of public debt (European Commission, 2010).

The neoliberal restructuring of Greece was not, however, limited to the implementation of specific reforms, often transposing into national legislation and implementing European Union directives and OECD recommendations that had been resisted by Greek workers and citizens. The neoliberal restructuring also extended to institutions governing Greek economy and society. Between 2010 and 2012, a series of legislative changes eroded national and industry-level collective bargaining, replacing it with company-level agreements (Schulten, 2015). Greek governments committed to depoliticize public administration by extending the model of central bank independence and shielding specific agencies (such as the revenue administration, the statistical agency and the privatizations fund) from political (i.e. democratic) pressure (European Commission, 2012; 2015). The latest Memorandum in August 2015 further challenges traditional democratic decision-making processes and national sovereignty, as it provides the Troika of lenders veto power over virtually all legislation introduced in the Greek parliament. Thus, structural adjustment aims to constrain and quench ongoing attempts to challenge neoliberal practices – such as efforts to stop the productive dismantling of Greek agriculture and to defy the centralization of the food sector through the creation of new linkages between producers and consumers in Greece.

The paper is structured as follows: In Section 2, I argue that Greece's integration into the European market, and particularly the implementation of the European Union's Common Agricultural Policy (CAP), drove the dismantling of agricultural capacity in Greece. This dismantling is illustrated by declining food production, increasing agricultural and food deficits, and stagnant agricultural labor productivity, even before the onset of the crisis in 2008. In Section 3, I present the evolution of the food sector in Greece before the crisis and highlight the role of intermediate actors in the distribution of food from farmers to consumers. In Section 4, I present briefly a series of grassroots solidaristic

---

[1] Eurostat database, series nama_10_gdp (GDP), une_rt_m (unemployment), accessed December 1, 2015.

[2] The Papandreou government signed the first Memorandum in 2010, the Papademos government signed the second Memorandum in February 2012, and the Tsipras government signed the third Memorandum in August 2015. For the unfolding of the Greek crisis see Vlachou (2012), Laskos and Tsakalotos (2013), and Konstantinidis and Vlachou (2015).

responses, such as the "no-middlemen" movement that aimed to reconnect producers and farmers, promoting alternatives to the dominant agro-food system and alleviating the hardships both groups were facing during the crisis. In Section 5, I show how the actions of the central government during structural adjustment put additional strain on farmers through liberalization and increased taxation while also undermining alternative linkages between consumers and farmers. In section 6, I analyze recent developments in Greece, after the election of the Syriza government in January 2015 and the signing of the third Memorandum in August 2015, as well as their consequences for the project of food sovereignty in Greece. I argue that the terms of the third Memorandum, which demand the effective forfeit of sovereignty by the Greek government and its transfer to the country's lenders, limit the potential for the State to play a crucial role for the project of food sovereignty. I offer concluding remarks in section 7.

2. Greek agriculture after 1981

1981 marked Greece's entry into the European Economic Community (EEC) and the rise of the center-left Panhellenic Socialist Movement (PASOK) to power. At the time, Greece was primarily an agricultural country, with agriculture providing 31% of total employment (World Bank, 2015). Greek agriculture was characterized by small size and fragmentation: based on the 1983 Farm Structure Survey, the earliest year for which data is available, 883,000 out of 958,700 agricultural holdings in Greece were smaller than 10 hectares, and average farm size was 4.1 hectares (Eurostat, 2000, 23-24). Furthermore, while for the first few years after 1981, Greece ran a small deficit in net agricultural exports, net food exports were positive.

The integration of Greece in the EEC prompted significant changes to the Greek economy. The Common Agricultural Policy (CAP), in particular, structured around the principles of market unity and community preference to create a European-wide market for agricultural goods, accelerated the opening of the Greek agricultural and food market to imports from other European countries with more developed agricultural sectors. The third guiding principle of the CAP, financial solidarity, provided Greek farmers with access to European farm subsidies. These subsidies originally took the form of traditional productivist instruments, such as price supports. Starting with the 1992 CAP reform, however, an increasing share of subsidies targeted rural development and environmental objectives, rewarding *inter alia* organic methods and setting-aside land. Moreover, the 2003 CAP reform introduced the "decoupling" of direct aid from production: previous production-based payments were converted into payment entitlements, as long as farmers operated and maintained their land in good agricultural and environmental condition (Garzon, 2006). This reform, which strengthened the EU position in WTO negotiations at the time, was in line with the neoliberal spirit of reducing distortionary policy features (Galko and Jayet, 2011); moreover, by making farmers more attuned to market signals and effectively preparing them for future reductions in state support, it also satisfied European fiscal conservatives.

The Common Agricultural Policy transformed Greek agriculture. PASOK, despite initial anti-EEC rhetoric, used CAP funds to consolidate its power in rural areas in the 1980s through agricultural cooperative-administered transfers. Hence, the ratio of subsidies to Greek agricultural value-added increased from 6.7% in 1980 to 44.7% in 1990 (Liodakis, 1994, 270) However, the development of clientelistic relations and lack of oversight over spending allowed funds to be channeled towards consumption rather than towards productivity-enhancing investment (Louloudis and Maraveyas, 1997).

The post-1992 CAP reforms further contributed to perverse outcomes and productive stagnation in Greek agriculture. Payments supporting organic methods –without specific production targets – led, for example, to a rapid increase in the number of certified organic producers - from 1,460 in 2000 to 27,700 in 2007. The number of registered organic farmers increased after the announcement of each new round of subsidies; however, organic food production increased little in the same period (Kathimerini, 2011; Konstantinidis, 2012).

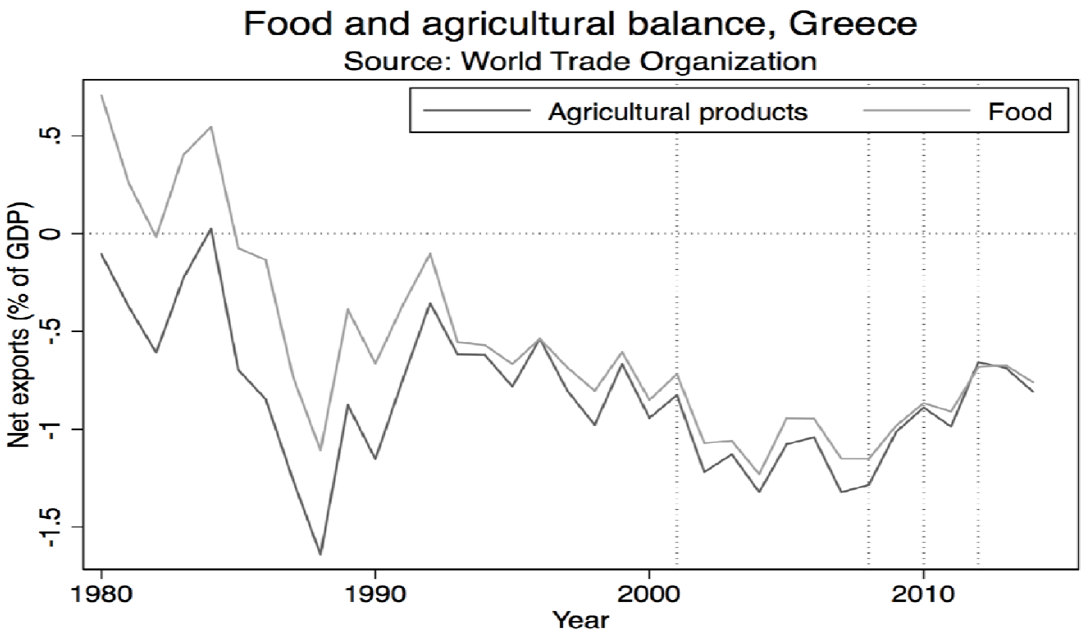
Furthermore, while the 2003 CAP reform allowed member states the option of maintaining some production-linked payments (i.e. to choose between full and partial decoupling), the Greek government immediately opted for full "decoupling" of agricultural subsidies from production, in contrast to other European countries, like Spain and France, which maintained a significant share of subsidies coupled to production targets (Garzon, 2006; Galko and Jayet, 2011). The Greek government argued full decoupling would allow maximum absorption of EU funds, sidestepping the concerns of leftist parties (Communist Party and Syriza) over the potential ramifications of decoupling on production. Full decoupling was also supported by the country's largest agricultural co-operative organization (PASEGES), as it effectively provided an attractive early retirement option for the ageing farmer population (Tolios, 2009).

Following these developments, the competitive position of Greek agriculture deteriorated steadily in the post-1981 period. Growth in food production, which was rapid in the 1960s and 1970s, slowed down in the 1980s and 1990s. In the 2000s, with Greece's entry in the European Monetary Union, food production fell at an average annual rate of 1.4% between 2000 and the onset of the crisis in 2008, with a particularly marked decline after the decoupling of subsidies from production in 2005 (World Bank, 2015).

As figure 1 shows[3], Greece was a net exporter of food at the time of its entry into the EEC in 1981. Starting in 1985, however, Greece developed a food deficit. Greece's food and agricultural production deficit widened as a percentage of GDP, despite a series of devaluations to the drachma in 1983, 1985 and in 1998. The worsening of both the food and the overall agricultural deficit reversed only after the beginning of the crisis in 2008. However, while both the agricultural and the food deficit decreased after 2008, this happened largely due to falling imports (which accounted for 72.4% and 74.5% of the decrease in the agricultural and food deficit between 2008 and 2014 respectively) rather than increased Greek exports.

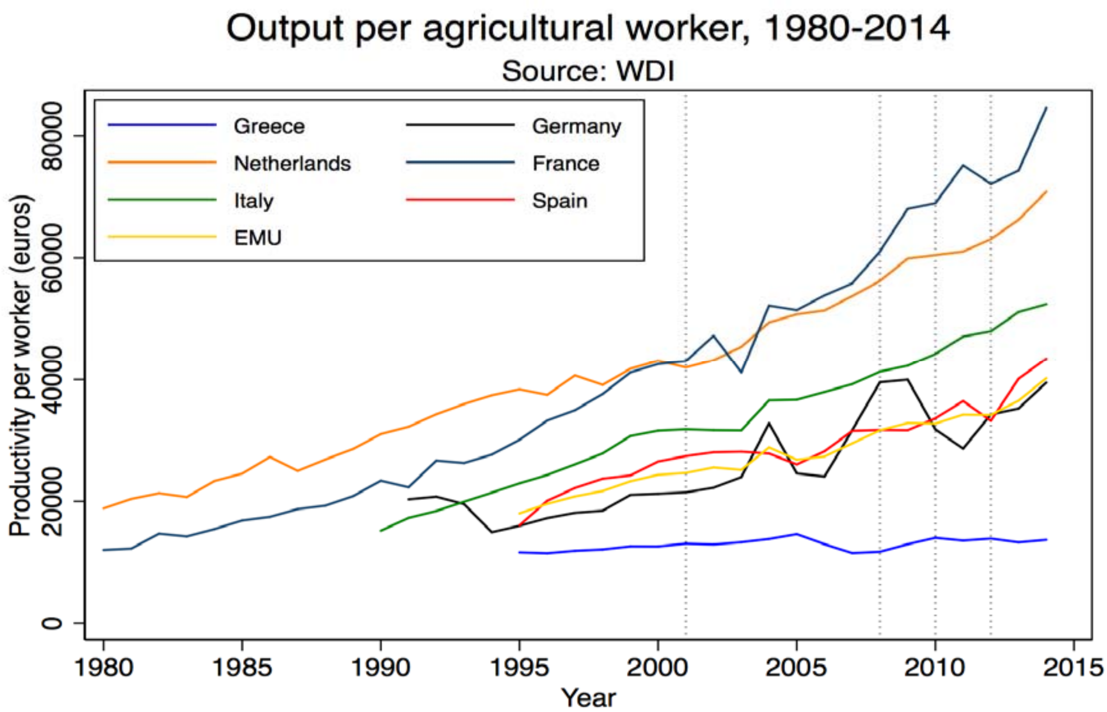
[3] World Trade Organization data, Comtext database. accessed December 5, 2015.

Figure 1



Source: World Trade Organization. The dotted lines delineate Greece's Eurozone entry (2001), the beginning of the crisis (2008Q4), and the first two Memoranda (May 2010 and February 2012)

Figure 2



Source: World Development Indicators. The dotted lines delineate Greece's Eurozone entry (2001), the beginning of the crisis (2008Q4), and the first two Memoranda (May 2010 and February 2012).

Figure 2 compares the development of agricultural labor productivity (output per agricultural worker) in Greece with a series of other European countries. Output per worker in Greece has been stagnant since 1995. This stagnation is particularly striking given that output per worker in other European countries (e.g. France, Italy, Germany, Spain) doubled over the same period.[4] Moreover, the stagnation of Greek agricultural productivity after 1995 occurred despite otherwise favorable conditions: the Greek economy at the time was experiencing rapid growth rates and (non-agricultural) labor productivity gains that were significantly exceeding EU and Eurozone averages (Laskos and Tsakalotos, 2013; Konstantinidis and Vlachou, 2015). Additionally, immigrant flows, initially mainly from Balkan countries (Albania, Bulgaria and Romania) and subsequently from South Asia (Pakistan, Bangladesh) provided cheap labor power in rural areas (Kasimis et al. 2003; Tolios, 2009).

In other words, the greater integration of Greece into the European market since the 1980s and the liberalization of trade and agriculture did not promote productivity-enhancing capital investments in agriculture, but extended Greek import dependence to meet domestic demand, as well as the reliance of agricultural income on subsidies (Liodakis, 2011; see also Tolios, 2009; Nikolaidis, 2011). Furthermore, as can be seen in Figure 2, mild gains to agricultural productivity evaporated between 2005 and 2007, concurrent with the decoupling of subsidies from production prior to the crisis.

3. Food systems in Greece

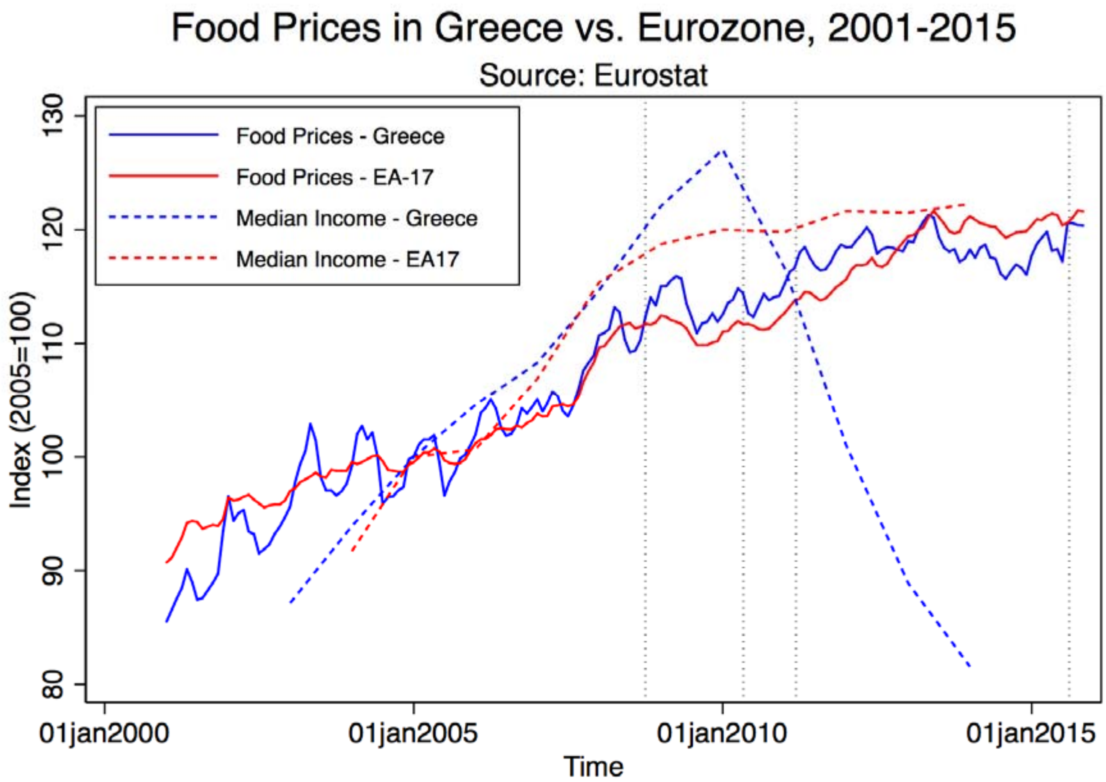
Beyond affecting production, the post-1981 changes to the Greek economy restructured the channels of food distribution to consumers. As in other countries, the organization of the Greek food system resembles an hourglass, with a small number of players (suppliers, merchants, food processors, and supermarkets) intervening between a large number of farmers and consumers (Patel, 2007). In the Greek case, these intermediate players exert significant power over farmers and consumers for three reasons. First, given the small size of Greek landholdings, farmers generally produce a small volume output, making it difficult to bypass middlemen and establish direct relations with outlets. Second, the discrediting of agricultural cooperatives, due to 1980s mismanagement and indebtedness (Louloudis and Maraveyas, 1997; Tolios, 2009), stripped farmers of a prime tool for collective action. Third, government policy consolidated the central role of middlemen in the Greek food system. Due to cumbersome and costly licensing procedures, genuine farmers markets (i.e. producers' markets) are largely nonexistent in Greece, while merchants dominate open-air outlet markets ("people's markets' – λαϊκές αγορές).

Another aspect that characterizes distribution of food in Greece is the rapid concentration and centralization of the Greek supermarket sector since the 1990s. Historically, small specialized stores (bakeries, butcher shops, and fruit stores) controlled the majority of food sales in Greece. However, starting in the mid-1980s and spurred by the goals of greater European integration and, later, of reaching the Maastricht criteria for participation in the Economic and Monetary Union (OECD, 1994, 7-12), financial and trade liberalization led to increased foreign direct investment from other EEC countries (primarily Germany, France, the UK, and the Netherlands). In the 1990s, Belgian, French and German food retailers (most prominently Delhaize, Carrefour, and Lidl) began operating in Greece, either through acquisitions of domestic supermarket chains or through the setting up of subsidiary operations. This led to a rapid increase in the presence of large supermarket chains in Greece, measured through the number of stores and the volume of sales, as well as their relative share in total sales (Skordili, 2013), allowing them to squeeze out smaller competitors and to exercise significant power over consumers and farmers. Furthermore, the crisis prompted an ongoing wave of supermarket mergers and acquisitions, leading to a sharp decline in the number of supermarket chains

[4] The latter is true not only for "core" countries, such as France, the Netherlands, or Germany, but also for countries that accessed the EEC later, such as Spain.

(from 89 in 2010 to 63 in 2014). In this context, the four largest retailers have consolidated their position during the crisis, controlling in 2015 approximately 80% of sales.[5]

Figure 3



Source: Eurostat. The dotted lines delineate Greece's Eurozone entry (2001), the beginning of the crisis (2008Q4), and the three Memoranda (May 2010, February 2012 and August 2015).

In this context it is unsurprising that, despite internal devaluation, food prices have not fallen during the crisis. Figure 3 presents the evolution of food prices and median income in Greece after 2001, compared to the Eurozone average. In the period preceding the crisis, food prices moved in tandem with the Eurozone average. Incomes in Greece on the other hand increased faster than the Eurozone average, reflecting above-average growth. The first Memorandum in 2010 marks the beginning of the strategy of internal devaluation, leading to a fall in median income by approximately 36% between 2010 and 2014. However, for a significant part of the crisis (until 2013), food prices in Greece rose faster than in the Eurozone, despite the sharp fall in domestic incomes and labor costs. Thus, increased taxes, heavy dependence on imported food and the role of middlemen (particularly that of supermarkets) explain the discrepancy between food prices and incomes. Even though labor costs fell sharply during the crisis, this change did not translate into lower prices for consumers, compounding Greek people's difficulty to meet their needs.

---

[5] See http://www.kathimerini.gr/809268/article/oikonomia/epixeirhseis/pws-o-nomos-toy-isxyroy-epikrathse-kai-sthn-agora-twn-soyper-market, http://www.rizospastis.gr/story.do?id=8611238, and http://www.skai.gr/news/finance/article/296802/oriaki-auxisi-poliseon-kai-kerdon-sta-souper-market-to-2014/, accessed January 11, 2016.

4. Grassroot responses to the crisis

What then is to be done? During the crisis, a series of movements and initiatives sought to rebuild agricultural production and regain control over the distribution of food, reconnecting farmers with final consumers, and challenging the effectiveness of the market mechanism for food provisioning.[6] With respect to production, Greece witnessed an explosion of urban gardens. The first such instances were guerilla gardens, associated with conflict over land use in dense urban settings – such as the Navarino Park in the Exarchia neighborhood in Athens, which was converted from a parking lot into a self-managed park by a residents' initiative.[7] After 2011, urban gardens were "mainstreamed": several municipal authorities throughout Greece offer garden allotments as part of the attempt to alleviate poverty among their residents (Anthopoulou and Nikolaidou, 2013; Partalidou and Anthopoulou, 2015).

While efforts to reorganize production have been at infant stages and have not captured significant public attention, changes in the distribution of food have garnered more widespread attention. In February 2012, the "no middlemen" movement (also known as the "potato movement") sprung up in Northern Greece when a volunteer group from Katerini contacted directly potato producers from Nevrokopi, arranging a 24-ton sale of potatoes at a price of 0.25/kg - allowing farmers to dispose of unsold product and consumers to buy the product at a price equivalent to 1/3 of supermarket prices. [8] The success of this first initiative sparked significant interest and was instantly replicated by groups in other cities who sought to create direct interactions between farmers and consumers. Such interactions have taken multiple forms: either occasional disposals of food at pre-arranged dates and times, usually coordinated through the internet, or as in the case of the city of Agrinio, producers' markets (λαϊκή παραγωγών) - an weekly open-air market exclusively for local farmers. Moreover, the first experiments with community-supported agriculture have taken place in Athens, connecting organic farmers from the metropolitan region with urban consumers.[9]

Moreover, other forms that bring food to people in need have sprung up during the crisis. Food pantries and soup kitchens – which were virtually non-existent in Greece before the crisis – have now been set up in most cities, distributing food and meals to those in need, helping people meet a basic need while challenging the commodification of food. Moreover, a number of solidarity initiatives, such as "El Che-f" or "The Other Human" aim not only to provide food, but also to involve and mobilize those in need: according to Solidarity For All, a network of Greek solidarity structures, 15% of food recipients are also active participants in solidarity structures (Solidarity For All, 2014). This type of mobilization, which highlights the collective character of food and tries to break down stigmatization as well as ethnic and national barriers, is particularly significant in the current Greek political context: the neo-Nazi Golden Dawn group has repeatedly attempted to capitalize on poverty through highly-publicized handouts of food "for Greeks only".

While the solidarity initiatives may appear as a success of volunteerism, the social and solidarity economy, or third sector initiatives, the State (at its different levels, central and local) plays a central role in their successful functioning and their propagation (or not). The State can directly or indirectly expand or limit the operation of solidaristic structures by changing the legal framework in which they operate. Moreover, the State can provide material support for such operations: it can fund such solidaristic structures or provide resources for such operations to take place (such as land or buildings).

---

[6] See http://www.avgi.gr/article/3318390/stin-koinonia-tis-krisis-i-allileggui-einai-pantou-, accessed January 17, 2016.

[7] See http://parkingparko.espivblogs.net/englishfrench/about-the-park/, accessed January 17, 2016.

[8] See http://www.agronews.gr/agora/organoseis/arthro/77893/to-kinima-tis-patatas-apo-tin-pieria-os-tin-kriti/, and http://www.aljazeera.com/indepth/features/2012/06/201261102126662269.html, accessed January 18, 2016.

[9] For a list of solidarity initiatives, see solidarity4all.gr and enallaktikos.gr, accessed January 17, 2016. For community-supported agriculture, see http://agronaftes.blogspot.com/p/csa.html and http://www.paseges.gr/el/news/Exaplwnetai-h-koinotika-yposthrizomenh-gewrgia, accessed January 17, 2016.

In the Greek case, the different levels of the State during the crisis often took contradictory positions. In many instances, local authorities promoted the functioning of solidarity structures by providing space and logistical support for producers' markets and "no-middlemen" initiatives. Moreover, municipal authorities in several cities provided city-owned space for urban gardens or set up social pantries, often in collaboration with non-governmental organizations. While local authorities have been in many cases sympathetic to social economy initiatives, however, successive Greek central governments during the crisis have undermined these efforts to rebuild the Greek agricultural and food system, as discussed below.

5. Food and agriculture in the era of the Memoranda

By accepting the Troika's conditionality, the successive Greek central governments accepted a series of policies that extended the neoliberal restructuring of Greece. By promoting the creation of a "business-friendly environment", as well as service and product market liberalization, the Memoranda acted as levers for extending capital's scope of operations in Greece and the completion of the European market. Furthermore, due to shortfalls in privatization revenue and private investment, the Greek governments resorted to generalized tax hikes to meet their fiscal targets: among other increases, increases in value added tax (VAT) for most commodities in 2010, as well as the 450% increase to the excise on heating oil in 2012 had severe environmental and social repercussions, with the reappearance of smog in Athens and an acute "heat-or-eat" dilemma for significant parts of the Greek population. [10]

The ongoing post-2008 crisis and the three Memoranda accelerated the neoliberal restructuring of the Greek agricultural and food landscape. Greek farmers, in particular, experienced increased pressure after 2010, facing increased property taxes as well as reductions and eliminations of certain tax privileges (including diesel subsidies and VAT refunds) (European Commission, 2012; 2015). In combination with generalized increases in VAT and fuel prices, farmers faced significant increases in non-labor input costs. [11]

Moreover, the Memoranda aimed to further deregulate and liberalize agricultural services and product markets, aligning Greek legislation with European Union regulation. Although deregulation and liberalization took a wide variety of forms (such as deregulation of veterinary or slaughterhouse services), a striking instance of liberalization revolves around the creditors' demand that Greece abolishes national legislation that limited the shelf-life of fresh milk to five days (European Commission, 2014, 2015). The explicit goal of this intervention was to open up the Greek market to foreign competition, allowing the import of import milk from cheaper EU countries, which the five-day period effectively excluded, in line with OECD recommendations (OECD, 2014). While the OECD recommended opening the Greek dairy sector, it also suggested that this change would increase competitive pressure on Greek farmers, making it hard for "inefficient small local farms" to operate unless they increase their productivity (OECD, 2014, 55). In line with these recommendations, the Greek government increased the maximum shelf-life of fresh milk to seven days in 2014 (European Commission, 2014). These policies did not, however, reduce consumer milk prices. This result is not surprising: producer prices are only 35% of consumer prices in Greece (OECD, 2014, 50), while the difference between consumer and producer prices in Greece is 35% higher than the EU average. These statistics signify the presence of high markups in the intermediate stages of processing and food retail (OECD, 2014, 51), and therefore of significant market power of intermediate actors in the Greek food chain.

[10] See http://www.nytimes.com/2013/02/04/world/europe/oil-tax-forces-greeks-to-fight-winter-with-fire.html, accessed January 21, 2016.

[11] Fuel and electricity prices increased in Greece by 102% between 2009 and 2013, as opposed to 25% for all Eurozone countries, to a large extent due to increased taxation. See Eurostat database, series prc_hicp_midx (consumer prices), accessed December 17, 2015.

In the food retail sector, rather than taking measures to curtail high markups, the Memoranda spearheaded a series of changes that strengthen the position of large players and led to more centralization: ironically, a number of these changes occurred in the name of product market competition and of lifting barriers to competition. The introduction of Sunday trading in 2014, for example, bolstered the competitive position of supermarkets able to absorb additional labor and operating costs more easily than smaller producers. At the same time, the central government in May 2014 changed the legal framework in line with OECD (2014) and Troika recommendations to "liberalize outdoor trade" (European Commission, 2014, 248). As part of this new regulation, the government banned the sale of products by outdoor traders in the vicinity of stores selling similar products and in municipalities of more than 3,000 people (effectively the entire country). This new legal framework overturned the framework regulating direct interactions between producers and consumers, effectively making the "no middlemen" movement illegal. At the same time, by placing restrictions on outdoor trading in the vicinity of stores, the Greek government created a new framework protecting the interests of retail stores, in particular supermarkets, that were challenged by the new types of direct producer-consumer interactions.

6. Hitting a wall: food sovereignty and the Syriza government

The election of Syriza in January 2015 offered an opportunity for change. While in opposition, Syriza had campaigned to end austerity and the humanitarian crisis in Greece and to restructure the economy to prioritize people's needs. Syriza had been critical of the Memoranda, and had pledged to end austerity if in power. Furthermore, Syriza – both in its official rhetoric and the active participation of its membership - had supported the "no middlemen" movement, as well as various other solidarity structures. In fact, the first act of the Syriza government in March 2015, in defiance of the country's lenders, was the bill to face the "humanitarian crisis": landmark legislation aimed to alleviate the hardships faced by the most vulnerable members of Greek society. The bill introduced a program of food stamps, which provides monthly assistance for food purchases to approximately 145,000 low-income Greeks. Moreover, the bill provides free electricity to low-income families, and introduced installment payment schemes for poor and indebted households.[12]

While these measures were successful and popular, Syriza's defiance of the Troika did not last long. In the summer of 2015, after months of negotiations with the country's lenders, the Syriza government committed to continue Greece's structural adjustment in exchange for new loans by signing the country's third Memorandum. In fact, the Syriza government (which won a renewed mandate after the September 2015 elections) committed to undertake additional tax increases and also unpopular reforms, including pension reform and new privatizations, which even the previous right-wing government was unwilling to carry out. Furthermore, the Greek government committed to not introduce any new installment or settlement schemes for debt payments. Moreover, in October 2015, in accordance with the third Memorandum, the government reversed several key provisions of the law to face the humanitarian crisis: in particular, the Greek government increased interest rates for participants in the installment scheme, and revoked the installment option for late payers.

The Third Memorandum had significant ramifications for Greek farmers. Greece committed to abolish the refund of excise tax on diesel oil farmers by October 2016. Moreover, the Greek government agreed to increase farmers' social contributions as well as their taxes – both in the form of higher tax rates and through increased prepayment of value added taxes (European Commission, 2015, 6-7). In the dairy sector, the Greek government committed to conform to the earlier OECD recommendation of letting producers set the use-by date of milk, altogether abolishing the shelf-life regulation.

[12] See http://www.bbc.com/news/world-europe-31952521, as well as https://www.anthropocrisis.gr/anthropocrisis/Pages/Info.aspx for specific benefits and eligibility criteria, accessed January 21, 2016.

Moreover, in the name of competition, the Syriza government committed to undertake the remaining OECD toolkit recommendations, *inter alia,* allowing supermarkets to sell over-the-counter drugs and bake bread from frozen dough (OECD, 2014; European Commission, 2014; 2015). Importantly, by allowing them to increase their scope of operations, these measures inevitably bolster the competitive position of large supermarkets.

Syriza assured that it would counteract the recessionary effect of such measures with what it called a "parallel program". This parallel program calls for a new productive and food model to reverse the environmental crisis and help achieve food security through sustainable agriculture and support of small farmers producing traditional crops. Syriza calls to increase Greek agricultural production through the promotion of cooperative and solidarity initiatives; healthy, safe, nutritious and affordable food for consumers; social planning around food rather than complete control by market forces; and shortening the food chain between producers and consumers. To this end, it suggests that it has completed a plan for utilizing idle farmland, as well as for revitalizing the Greek food and drink industry along social economy lines (Syriza, 2015, 25). Moreover, it suggests that it will introduce school meals for elementary school pupils, promote new legislation regulating how food can be managed (i.e. banning food waste), and legalize the "no-middlemen" movement by abolishing population criteria for direct producer-consumer interactions (ibid, 39). Although the document does not use the term, one could plausibly claim that it is aligned with the principles and the goals of food sovereignty. In fact, this document underlines food as a primary social and democratic issue, and explicitly characterizes rebuilding food production in Greece as a weapon against future blackmail.[13]

While these plans may appear to move to the direction of restoring agricultural production and creating new forms of food distribution, the third Memorandum significantly constrains Greece's ability to govern its food system. According to the latest Memorandum, the Greek government commits to "*consult and agree* with the European Commission, the European Central Bank and the International Monetary Fund on *all actions* relevant for the achievement of the objectives of the Memorandum of Understanding before these are finalized and legally adopted" (European Commission, 2015, 4, emphasis added). The requirement to *consult and agree* heightens lender supervision compared to the previous structural adjustment programs, which instead bound the Greek authorities to *consult* with its lenders before adopting legislation. Thus, based on the latest Memorandum, a bill has to receive the Troika's approval before being tabled in the Greek parliament. Additionally, the Memorandum calls for the de-politicization of Greek public administration, especially in crucial sectors of state capacity such as revenue administration (ibid., 5). This attempt – which presumes the clear separation of technical tasks from political direction – is an attempt to replicate the model of central bank independence, shielding officials from democratic social and political pressure (see Epstein, 2002).

Moreover, the third Memorandum explicitly stipulates,

> "no unilateral fiscal or other policy actions will be taken by the authorities, which would undermine the liquidity, solvency or future viability of the banks. All measures, legislative or otherwise, taken during the programme period, which may have an impact on banks' operations, solvency, liquidity, asset quality etc. should be taken in close consultation with the EC/ECB/IMF and where relevant the ESM" (p. 17).

In a financialized world, it is impossible to imagine legislative or policy measures that categorically have no impact on banks' operations or asset quality. Hence, this passage reiterates the primacy of financial interests over other competing demands, a key feature of neoliberal capitalism. Moreover, it establishes the country's lenders as the ultimate arbiters of formal governance.

These changes in the political process constitute significant changes in the political terrain. By subjecting all proposed legislation in Greece to the approval of organizations that are not

[13] This is a reference to the threat that – given Greece's large food deficit – if Greece leaves the euro, the subsequent depreciation of the national currency would lead either lead to food shortages and a sharp drop in availability of food, or to a foreign exchange crisis.

democratically accountable (such as the ECB and the IMF), the latest Memorandum constrains public control over the direction of policy. For food and agriculture, in particular, it constrains the extent to which the State can support changes in the direction of food sovereignty, even though the country's governing party embraces elements of a plan for food sovereignty in its political platform. Support for rebuilding domestic production with interventionist measures would be considered a reinstatement of protectionism – and a violation of the European single market. Moreover, given the class interests of the country's lenders, any resources or funds that would be allocated towards supporting new food systems (such as funds for food stamps, use of state-owned farmland, state buildings or labor power directed at supporting direct producer-consumer interactions) would undoubtedly be judged as suboptimal uses of resources or funds – when they could instead be used to pay Greece's public debt.

7. Concluding Remarks

The preceding sections present the neoliberal restructuring of agriculture and food in Greece starting in 1981. I show that the implementation of the Common Agricultural Policy, as well as trade liberalization eroded the productive capacity of the Greek agricultural sector. This change is illustrated by declining agricultural production, widening agricultural and food deficits, and stagnant agricultural productivity, all phenomena associated with Greece's integration into the European market and all of which precede the crisis. Moreover, spurred by financial liberalization, the Greek food retail sector became more concentrated since the 1990s, resulting in greater control of intermediate actors over both consumers and producers. When the crisis hit Greece in 2008, consumers – facing increased unemployment and rapidly falling nominal incomes – experienced increased difficulty meeting their most basic needs: including food. Given however, increased Greek dependence on imports and the increased power of supermarkets in setting prices, food prices did not fall – and even rose faster than the European average – exacerbating the pauperization of large parts of the Greek population.

The difficulty of procuring food for large parts of the population, as well as the hardships farmers have been experiencing during the crisis, elicited a series of initiatives seeking to circumvent middlemen and supermarkets, and to reconnect producers and consumers. While local authorities have played a generally supportive role in these efforts, successive Greek central governments have undermined these initiatives through, *inter alia*, passing legislation effectively banning direct producer-consumer interactions in most Greek cities. Despite the introduction of food stamps for the most vulnerable households of Greece, the Syriza government has been unable to implement a plan of food sovereignty as part of a productive reconstruction of the Greek economy. Given the current institutional framework created by the third Memorandum of August 2015, for any policy to be implemented in Greece, it has to either not require parliamentary changes or have approval by the country's lenders (ECB/EC/IMF). These developments raise a series of questions extending beyond this paper: What is the role of the state in promoting food sovereignty? Is it possible to have a strategy of food sovereignty without effective sovereignty?

References

Anthopoulou, T. and Nicolaidou, S. 2013. Municipal urban food gardens and sustainable city: placing the agro-food system on the urban agenda. Available at http://grsa.prd.uth.gr/conf2013/49_anthopoulou-nikolaidou_ersagr13.pdf

Deloitte. 2014. "Διατροφή" Program Evaluation. Stavros Niarchos Foundation. 23 July 2014. Available at http://www.snf.org/media/4427555/SNF_Nutrition_Program_Assessment.pdf.

Epstein, G. 2002. Financialization, Rentier Interests, and Central Bank Policy. Political Economy Research Institute. June 2002.

Eurostat. 2000. Farm structure – Historical Results – surveys from 1966/1967 to 1997. Final Version: October 2000. Luxembourg: Office for Official Publications of the European Community.

European Commission. 2010. The Economic Adjustment Programme for Greece. Occasional Papers 61, May 2010. Brussels: Directorate – General for Economic and Financial Affairs.

European Commission. 2012. The Second Economic Adjustment Programme for Greece: First Review. Occasional Papers 123, December 2012. Brussels: Directorate – General for Economic and Financial Affairs.

European Commission. 2014. The Second Economic Adjustment Programme for Greece: Fourth Review. Occasional Papers 192, April 2014. Brussels: Directorate – General for Economic and Financial Affairs.

European Commission. 2015. Memorandum of Understanding between the European Commission acting on behalf of the European Stability Mechanism and the Hellenic Republic and the Bank of Greece. Available at http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/01_mou_20150811_en.pdf, accessed December 18, 2015.

Galko, E. and P.-A. Jayet. 2011. Economic and environmental effects of decoupled agricultural support in the EU. *Agricultural Economics* 42(5): 605-618.

Garzon, I. 2006. *Reforming the Common Agricultural Policy: History of a Paradigm Change.* New York: Palgrave Macmillan.

Kasimis, C., A. G. Papadopoulos and E. Zacopoulou. 2003. Migrants in Rural Greece. *Sociologia Ruralis*. 43(2): 167-184.

Kathimerini. 2011. The bubble of organic. [in Greek]. February 11, 2011. Available at http://www.bioport.gr/modules.php?name=News&file=article&sid=1683

Konstantinidis, C. Organic farming and rural transformations: A Political Economy Approach. Dissertation. University of Massachusetts Amherst Dissertation No. 614. Available at http://scholarworks.umass.edu/open_access_dissertations/614.

Konstantinidis, C. and A. Vlachou. 2015. Nature in the Time of Crisis: The Case of Greece. University of Massachusetts Boston Working Paper.

Laskos, C. and E. Tsakalotos. 2013. *Crucible of Resistance: Greece, the Eurozone & the World Economic Crisis*. London: Pluto Press.

Liodakis, G. 1994. *Land Rent, Interest Rates and Agricultural Prices: Economic Aspects of the Agrarian Question*. Athens: Synchroni Epohi. [in Greek]

Liodakis, G. 2011. The Agricultural Sector Between a Rock and a Hard Place. In A. Vlachou, N. Theocharakis, and D. Milonakis (eds.) *Economic Crisis and Greece*. Athens: Gutenberg. [in Greek]

Louloudis, L. and N. Maraveyas. 1997. Farmers and Agricultural Policy in Greece since the Accession to the European Union. *Sociologia Ruralis*. 37(2): 270-286.

Nikolaidis, V. 2011. The Agro-Food System and the Development of the Greek Economy. In A. Vlachou, N. Theocharakis, and D. Milonakis (eds.) *Economic Crisis and Greece*. Athens: Gutenberg. [in Greek]

OECD. 1994. *OECD Reviews of Foreign Direct Investment: Greece.* Paris, France: OECD Publishing.

OECD. 2014. *Competition Assessment Review: Greece.* Paris, France: OECD Publishing.

Partalidou, M. and T. Anthopoulou, 2015. Urban Allotment Gardens During Precarious Times: From motives to lived experiences. *Sociologia Ruralis*.

Patel, R. 2007. *Stuffed and Starved: The Hidden Battle for the World Food System*. Brooklyn: Melville House Publishing.

Schulten, T. 2015. Opportunities for a Restoration? The Future of Greek Collective Bargaining after the Third Memorandum. Berlin: Friedrich Ebert Stiftung. Available at http://library.fes.de/pdf-files/id-moe/11624.pdf.

Skordili, S. 2013. Economic Crisis as a Catalyst for Food Planning in Athens. *International Planning Studies.* 18(1): 129-141.

Syriza. 2015. Government Program Plan. August 2015. Available at http://www.avgi.gr/documents/10179/0/ΣΧΕΔΙΟ%20ΠΡΟΓΡΑΜΜΑΤΟΣ%20ΣΥΡΙΖΑ/b29e5a3e-41b8-4a17-b7cc-caba9d0e68af, accessed January 21, 2016. [in Greek]

Solidarity For All. 2014. Building Hope Against Fear and Devastation. Solidarity 4 All 2014-2015 Report. Available at http://issuu.com/solidarityforall/docs/report_2014.

Tolios, Y. 2009. *Environment and Agricultural Policy during Globalization: An Alternative Strategy of Food Sovereignty*. Athens: Kapsimi. [in Greek].

Vlachou, A. 2012. The Greek economy in turmoil. *Rethinking Marxism*. 24(2): 171-200.

World Bank. 2015. World Development Indicators. Washington, D.C.: The World Bank. Available at http://data.worldbank.org/data-catalog/world-development-indicators, accessed December 15, 2015.

World Trade Organization. 2015. Statistics Database, Time Series on International Trade. Available at http://stat.wto.org/StatisticalProgram/WSDBStatProgramHome.aspx?Language=E, accessed December 15, 2015.

About the Author(s)

Charalampos (Harry) Konstantinidis is an assistant professor of economics at the University of Massachusetts Boston. His research lies in the intersection of political economy and ecological economics. His recent work examines the socio-economic dimensions of the growth of organic farming in the EU, as well as the inverse relationship between farm size and productivity in rural Kenya. His work has appeared, among others, in Feminist Economics, and the Review of Radical Political Economics.