

GREECE'S MAJOR PROBLEM: TOO MANY PEOPLE¹

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The extremely high ratio between the population of Greece and its total productive area presents one of that nation's most crucial problems. The density per square mile of arable land was 580 in 1951 and for the total area 151 per square mile (Weaver and Lukerman, 1953). The latter figure represents about a tenfold increase since 1821 when it was 15. The high density for the country as a whole is more pronounced when one considers the fact that the major part of the country is mountainous and infertile.

The large Greek population is due to two main causes. The first cause is the high birth rate, exceeding that of any other European country with the exception of Yugoslavia and Poland. Improved sanitary and medical facilities have helped to reduce the mortality rate. In 1951 the birth rate per 1000 population was 26.1, an increase of 6.5 over 1941-45. The death rate was 10.7 as compared with 17.1 in 1941-45 (Population Index, 1952). The second was the influx of a large number of refugees—about 1.5 million—from Asia Minor in the period 1922-28 (Eddy, 1931). Although foreign minorities left the country during this period, newcomers exceeded them by far, the net gain having been 1.5 millions.

The combination of high birth rate and low mortality has resulted in a net surplus, which, in the pre-war period, amounted to about 85,000 people per annum and in 1951 to about 115,000. Thus, the annual rate of population increase is 1.4 to 1.5 percent. This annual increase exerts a strain on the economy of the nation, because it has been unable to provide full-time employment opportunities for the growing labor force. Here is a typical example. A village near Salonika with a population of 782 people in 1937, showed 314 births and only 161 deaths during the years 1937-1946 (Smothers *et al.*, 1948). The additional population had to be supported on the same amount of land as before, yet could not provide additional employment. This has been the case throughout the nation.

INTERNATIONAL TRADE

The increase in population has also altered international trade relations and the domestic political structure of the country. It has increased requirements for food, thus necessitating greater food imports. Politically new parties have arisen whose extreme slogans and sugar-coated measures have attracted the young men of the nation who lost faith in the older parties and even the nation's future. This unsteady course of Greek politics can be traced largely to a growing hostility between the landowners and the unemployed and underpaid city workers who feel that they are not an integral part of the nation. The city workers suffer the greatest deprivation, because they don't earn enough money to improve their economic and social status in the Greek community. The pressure of standards makes them want more material things than they can afford.

Why then does not the Greek peasant take the necessary preventive measures to slow the growth of the rural population? In the first place he looks upon his children as a guarantee against want in old age. The larger the family, the less the burden on each child who later must contribute to the support of the parents. Furthermore, the peasant considers more than four children, preferably boys, a sign of God's blessing and also proof of his virility.

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Emigration has been an important factor in Greece's economy on account of the regular return flow of emigrant's remittances. The recipients of the remittances buy the goods and services which make living comfortable. Although providing a certain safety-valve for Greece's population, emigration has deprived the country of considerable productive forces. Only the old and very young stay behind. The Greek emigrants have found easy acceptance in the United States and in other countries. In 1951 the following countries received Greek immigrants: Israel, 133; Southern Rhodesia, 31; Union of South Africa, 124; United States, 1,449 (Demographic Yearbook, 1952).

Despite the efforts of the government to improve the domestic economy of the country, the Greek balance of trade is still unstable. Two main obstacles hamper an increase in exports. These are the fact that pre-war markets have been lost while the old markets are unable to buy as much as formerly. Greece was out of these markets during the war and has found it impossible to meet the new competition which displaced her.

To reduce her trade deficit, Greece was permitted under the European Recovery Program to enter into bilateral trade agreements with participating countries in the hope of increasing her exports. This, however, did not help Greece very much because exports of her major surplus products was not encouraged by other countries, particularly, wine to France, and tobacco and raisins to Great Britain. In 1949, the deficit was \$332,000,000 (Greek Information Office, 1950). The deficit can be erased only by increasing the export of such products as tobacco, citrus fruits, olives, olive oil, wine and raisins, the demand for which is highly unstable.

Invisible earnings have been steadily decreasing because (1) of the assimilation of Greek emigrants in the countries where they were established and (2) the flight of Greek shipping capital abroad. Revenues from shipping have decreased because shipowners have changed their flags in order to avoid paying taxes to the Greek government. In 1949, 558 out of 985 Greek ships operated under foreign flags (Greek Information Office, 1950). Vessels which continue to sail under the Greek flag have under European Cooperation Administration (E.C.A.) and government pressure been paying their taxes to the Greek Treasury. This represents about 10 percent of the government's total expenditures.

AGRICULTURAL ADJUSTMENT

In 1947, the Greek government, with the help of E.C.A. initiated a broad program to promote productive agricultural projects whose main objectives were (1) to increase available land by draining swamps, (2) to protect crops from drought by extending the present irrigation system and (3) to check flood damage by erecting flood control devices. The real purpose behind the program is to increase the size of the farms. It has been estimated that the average size of a farm is about 8 acres (Smothers *et al.*, 1948). A larger farm would permit a full employment and greater production.

Prospects for increasing agricultural lands for the production of grain cereals are now favorable. According to one estimate, over 300,000 acres of the plains of Macedonia can be reclaimed through drainage, 680,000 acres in Thessaly and in Peloponnesus can be protected from floods and over 1,000,000 acres of dry lands throughout the country can be irrigated (Greek Information Office, 1950).

E.C.A.'s mission to Greece has been mainly responsible for the improvements that were registered by Greek agriculture from 1948-1952. The 1.5 billion dollars which the American taxpayer has spent on the rehabilitation of Greece since the end of the war seems a great deal of money to invest in a Balkan country the size of the State of New York. But here certainly was a worthwhile investment. The aid shows encouraging results. Yet these results might have been more decisive and promising had Greece been in the same position as many of the European

countries at the conclusion of the war, that is, if Greece had not been involved in Civil War.

In estimating the amount of progress made in the rehabilitation of agriculture, one finds a return to pre-war production trends in some agricultural products—wheat, barley, corn—and some encouraging results in the cultivation of new commodities, namely, cotton and rice. For example, the production of grain has reached its pre-war level of 770 thousand metric tons, while that of cotton has increased from 76,000 to 112,000 bales. More than 100,000 acres of land have been added to the existing total through the draining of swamps and the extension of the irrigation system (Greek Information Office, 1950).

However, the most important consequence of American Aid to Greece has been the change that it caused in the attitude of the peasant concerning his role in the economy of the country. The aid convinced him that in his hands are the tools for a better life. On the other hand, the future of the Greek agriculture does not depend on him alone, but also in the trade relations among the countries of the world. If international trade were accelerated, Greece could develop the crops best adapted to her soil and climate, such as tobacco growing, fruit growing, vine-dressing and raisin cultivation. But, if the present character of international trade continues, Greece will be compelled to increase her production of expensive grains in order to feed her constantly growing population.

THE INDUSTRIAL SITUATION

The Greek government has tried to improve the lot of the urban labor force by using part of American aid to develop industry. The most important phase of the industrialization program has been the construction of hydro-electric plants. Funds for these plants were assured through the Marshall Plan plus dollars from Italian reparations. The impact which the building of these power plants will have upon the entire Greek economy can be appreciated when we realize that at the present time electric power in Greece does not exceed 270,000 kw of which 150,000 are distributed in the Athens-Piraeus area. With the completion of the hydro-electric plants, available electric power will be almost doubled (Xydis, 1950).

There is no doubt that income from farming in Greece would be effectively supplemented by the availability of cheap and plentiful electric power. Rural home industries could be materially helped by the supply of electricity to many districts, especially in Macedonia. Thus, the first objective to be aimed at in the electrification of the country must be the use of electricity to increase the farmer's income to the maximum, that is, to about two dollars per day, in contrast with the current 75 cents or little more (U.N. Statistical Papers, Series E, No. 1, 1950 and No. 3, 1951). Otherwise the best possible foundation will not be laid for the development of industry.

SUMMARY

Greece's great problem is under-employment. The country's main economic activity, agriculture, is hampered not only because of too small farms but also by the lack of good roads, arable land and water supply. Many people are underfed because after the harvest is in, there is slight opportunity for them to augment their income until the following spring when they begin to farm again. In such circumstances, better than outright technical assistance would be the instructing of the people in ways to utilize more efficiently than they do their produce and also to encourage them to develop their own technology.

Despite the conscientious effort of the Greek government to improve the agricultural and industrial economy of the country in order to provide more employment opportunities and to increase the employment period, one should not look for an immediate dramatic and substantial rise in the Greek standard of living.

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