The agrarian cooperatives and the policy of the Greek governments: from the enactment of the law of 1914 until the establishment of the compulsory cooperatives

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1. Introduction

The objective of this paper is to present the basic lines of the cooperativist policy of the Greek governments from 1914 and the enactment of the law 602 on cooperatives, up to 1923. The relationship that the state tried to establish with the cooperativist movement, the level of its intervention in the internal affairs of the cooperatives, the mechanisms supporting the cooperativist effort and the barriers in the cooperatives’ expansion will be the key points in our presentation. The paper will also examine how the first legislative act is incorporated in the wider policy framework of Greek governments during that period. Finally, the way in which the political development affected the implementation of this decree, in relation with the procedures for the completion of the agricultural reforms, will also be examined.

Before we try to answer the above questions we will briefly present the basic characteristics of the Greek society prior to 1914 focusing mainly on the countryside.

2. The agricultural society up to 1914: A brief overview

At the beginning of the 20th century, Greece was a country trying to combine the annexation of areas with Greek population, which were still under Ottoman rule, with the modernization of its structures. Regarding the situation prevailing in the countryside, the big ownership existed mainly in the recently annexed regions of Thessaly and there were serious problems in the relationship between big landowners and tenant farmers who rejected the new legal framework of full ownership. At the same time, there began to appear initially in Thessaly the first types of agricultural integration in the form of agricultural societies.1

All those early attempts to create rural societies contributed to the mobilization of the agricultural population, initially of Thessaly, and to a more organized promotion of their demands. The year 1910 marked the peak of reactions of the Thessalian agricultural movement with the formation of a large Panthessalic Fight Committee, the organization of a mass protest in Larisa on the 6th of March and the subsequent events at Kileler leading to the injury and assassination of many peasants. However, it

2 Arseniou, L. (2005). The epic of the thessalian farmers (the farmers of Thessaly) and their revolts (rebellions), editions Kyriakidis, Thessaloniki. (in Greek).
should be stressed that the Kileler events had no continuity and were in effect some isolated expressions of agrarian radicalism.

El. Venizelos at a political speech in Larisa, prior to the election of November 1910, promised the immediate settlement of the agrarian issue, without however violating the right of ownership. Hence, it seems that Venizelos in 1910 didn’t want to break his relationships with the landowners. The issue dominating the political agenda at that time was the compulsory expropriations of large areas. The big landowners rejected any plan about expropriations and proposed the introduction of the optional purchase of the land by the tenant farmers. However, the new generation of politicians was gradually turning in favor of the compulsory expropriations, as the necessary compromise between private ownership and the lack of property of the majority.

Venizelos’ government passed a number of legislative measures indicating its intention to smooth out of the social relations in the countryside and to implement certain structural reforms. Furthermore, at the third Panhellenic Congress of Agriculture, Industry and Commerce, which took place in Volos from 9 to 14 of September 1912 and was chaired by the Minister of National Economy Andreas Michalakopoulos, a resolution on the reinstatement of the landless, through compulsory expropriations, was approved. This indicates that the claims of the rural population were showing a continuously increasing dynamism and receiving a relative support from the State. The Balkan Wars of 1912-1913, had naturally slowed down the procedures for the settlement of the agrarian issue. The victorious outcome of the wars and the annexation of Macedonia, Epirus, Crete and the Aegean islands added a new dimension to the agrarian issue and the Greek government succeeded in bringing all the abandoned lands, even those of full ownership, to the state. During the first years of the period under study, the state policy in the newly annexed areas focused on the establishment of banking organizations that would grant loans to farmers.

Apart from the enactment of the law 602, this period of time is characterized by a series of reform efforts regarding the settlement of the agrarian issue. However, all those efforts remained unfulfilled mainly due to the domestic political instability, the country’s involvement in the First World War and the reaction of the big landowners against any policy favoring the farmers.

The law 244 of April 17th 1914 introduced the establishment of an administrative service for the cooperatives, with basic responsibility to send staff abroad in order to study the organization and the operation of cooperatives in other countries and the law of June 15th 1914 anticipated the establishment of agricultural chambers which could

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4 Sideris, A., (1934). The agricultural policy of Greece during the last century, editions Papadogianni, Athens, p. 147-151. (in greek)
6 Sideris, A., (1934). The agricultural policy of Greece during the last century, editions Papadogianni, Athens, pp. 153, 155-156. (in greek)
contributed to the smooth operation of agricultural unions and to support them through the formation of either agricultural treasuries or common storehouses.

3. Agrarian reforms from 1914 to 1923

The whole reformatory initiative characterizing the Venizelos’ governments after 1910 was interrupted around the end of 1914. The outbreak of World War A’ and the issue of Greek participation or not in it, which led to the national schism of 1915, were the main reasons for the delay of the agrarian reforms. The disagreement between the Prime Minister El. Venizelos and King Constantine, regarding the country’s standing in the world war clash, resulted in the formation of a revolutionary government, under the leadership of El. Venizelos, seated in Thessaloniki. The eventual participation of Greece at the side of the Entente powers led to the domination of the Venizelos’ side and the isolation of the monarchists. The government of Thessaloniki had, since 1917, expanded to the whole country.

This provisional government of Thessaloniki, wanted to establish a partnership with the farmers inviting them to new ventures towards the achievement of the national aims. One of those ventures was the plan for the agrarian reform that took its initial form in five legislative decrees enacted in 1917. The first objective of all those decrees was the restoration of the landless farmers, through the compulsory expropriations of private farms over 1000 acres or through the cession of public land. Their second objective was to secure the rights of the Greek state on the public lands as the successor of the Turkish state. When the government of Thessaloniki had dominated over the whole country, these decrees took the form of law 1072 on December 29, 1917.

The establishment of the Ministry of Agriculture in 1917 set the foundations for the planning of a systematic agricultural policy. However, in spite of the efforts of the previous years, the agrarian reform began with the law 2052 of 1919 which attempted to limit the harmful provisions of law 1072 and more specifically its excessive centralization.

The defeat of the Venizelos’ party at the elections of November 1920 led to the suspension of this law’s implementation. The government of Gounaris was forced to denounce “the reaction of the big landowners to any regulation in favor of the small landowners”10. The law 2921 which was voted on July 29, 1922 aimed, in theory, at the formation of a framework favorable for the low and middle layers of the rural

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8 Sideris, A., (1934). The agricultural policy of Greece during the last century, editions Papadogianni, Athens, pp. 156-158. (in greek)
class, which however, was practically impossible as a result of the existing strong link between the government and the landowners\textsuperscript{11}. Hence, in practice, the decree protected the interests of the big landowners since the fast expropriation of private lands became more difficult, while the way of estimating the amount of compensation became more favorable for the owners\textsuperscript{12}. However, the period this law has been in force, was very limited due to the Asia Minor disaster in August 1922. According to Ch. Evelpidis, an agronomist of that period, this decree was applied to 9 farms, but none of the decisions was unappealable.

Regarding the issue of agrarian reform, it is obvious that the biggest step was made after August 1922 and that the decision of taking more radical measures was imposed by the need of reinstating a very large number of refugees. The procedures for the enactment of such a decree had started in the first months after the Asia Minor defeat and hence on February 15, 1923, the decree on the reinstatement of landless farmers was issued. It enacted the transfer of public, municipal and communal estates and the complete compulsory expropriation of private estates for the restoration of landless sharecroppers and refugees.

Furthermore, the state facilitated the expropriation procedure, as the entrance of landless peasantry into the estates was allowed even before the compensation payment\textsuperscript{13}. Responsible for the expropriation, the distribution of land, the control of the cooperatives’ actions and the level of compensation was a three member “Expropriation Committee” composed of one judge of a court of the first instance and two public servants.

The expropriated lands were not given to the farmers for free, but were sold to them by the state. The selling price was the compensation awarded to the owner by the court of the first instance augmented by the amount of expenses suffered by the state and by a 5% surcharge in favor of the Agricultural Bank. This amount should be paid to the state by the reinstated landless within 20 years, at an interest rate of 8%. In the following years, due to the difficulties caused by the global financial crisis, the interest rate was reduced to 6% and the paying off period was extended to 25 years.

All those mentioned above show the effort made for the completion of the most cohesive and radical agrarian reform that had taken place in Greece so far\textsuperscript{14}. It is obvious that through this reform the Greek state was not simply aiming at the splitting-up of the big ownership, but at the creation of a wider framework leading to the liberation of the landless and their transformation into independent owners.

\textsuperscript{11} Sideris, A., (1934). \textit{The agricultural policy of Greece during the last century}, editions Papadogianni, Athens, p. 174. (in greek)
\textsuperscript{13} Sideris, A., (1934). \textit{The agricultural policy of Greece during the last century}, editions Papadogianni, Athens, pp. 178-179. (in greek)
\textsuperscript{14} Sideris, A., (1934). \textit{The agricultural policy of Greece during the last century}, editions Papadogianni, Athens, p. 181. (in greek)
4. The evolution of cooperatives from 1914 to 1923

This section will study the evolution of the cooperativist movement from 1914 up to 1923 and the establishment of the compulsory cooperatives system. The basic lines of the law on cooperatives, as well as the various ways in which the Greek governments tried to support the cooperativist movement will be the main field of our study. Furthermore, the evolution of agricultural cooperatives will be quantified using a set of available statistical data.

4.1. The law on cooperatives, and the growth of the cooperativist movement.

Already from the beginning of the 20th century – apart from the already mentioned associations – the first unions had also been formed as a result of the private initiative of bourgeois intellectuals and agrarists. According to the data presented at the International Conference of Ghent in 1913, 87 agricultural cooperatives were operating.

The influence of this modernization movement was decisive in the voting of the law. Some of the pioneer cooperativists, carriers of a wider vision for the development of the country’s infrastructure, took on key positions in the ministries over the next years and played a decisive role in the voting of the law on cooperatives. It is also worth mentioning that the cooperativists being active in Greece during the first years of the 20th century were talking about serious delays in the evolution of the cooperative network referring, in many cases, to the other Balkan states which had made significant steps in that field.

The model for the law’s drafting was the respective german law on cooperatives. According to the decree, the cooperatives were considered as unions of commercial character with a reserve fund equal to their cooperative shares. Their members were mutually responsible, both financially and legally, for the administration of the association. Hence, on the basis of all the above, the state had the responsibility to prepare the proper legislative framework for the setting up of unions, which, until then, were the result of isolated private initiatives.

According to the legislators, the establishment of cooperatives would confront the intermediaries in selling agricultural and other products and in buying raw materials. Furthermore, the formation of credit cooperatives would be a considerable barrier in the activities of the usurious networks. At the same time, the establishment of banking institutions, which would grant loans to the farmers, was one more step towards the monetization of the agricultural economy in conjunction with the confrontation of organic problems in the countryside.

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The law underlined the need of local cooperatives to join their forces, so as to form confederations, which could promote the farmers’ interests more effectively and efficiently and accomplish the objectives of cooperatives more satisfactorily.

The legislation was very progressive for its time, as indicated by a number of decrees strengthening the democratic operation of the cooperatives as well as by the regulations for the free withdrawal of a member from the cooperative. Furthermore, all the members of a cooperative, irrespective of their financial status, had the same rights and the same obligations.

In the first years after the promulgation of the law, the creation of new cooperatives progresses with constantly increasing rates which became more intense after 1920 (Table 1). Regarding the geographical distribution of agricultural unions, it is clear that the most intense activity is observed in Peloponnesus followed by Crete, Corfu, Attikovoiotia and Evoia.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cooperatives Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>1915</td>
<td>152</td>
</tr>
<tr>
<td>1916</td>
<td>198</td>
</tr>
<tr>
<td>1917</td>
<td>275</td>
</tr>
<tr>
<td>1918</td>
<td>166</td>
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<tr>
<td>1919</td>
<td>124</td>
</tr>
<tr>
<td>1920</td>
<td>257</td>
</tr>
<tr>
<td>1921</td>
<td>327</td>
</tr>
<tr>
<td>1922</td>
<td>317</td>
</tr>
<tr>
<td>1923</td>
<td>408</td>
</tr>
</tbody>
</table>

The propaganda of the cooperativists and the executives of the Ministry of the Economy for the promotion of the cooperatives, as well as a series of privileges and facilitations offered, contributed to the further development of cooperatives. Most of those privileges were introduced by the law of 1914 and included tax exemption from the stamp duties for drawing up the statute of the association and for other documents issued by the cooperatives for the administrative or the judicial authorities. Additionally, exemptions from taxation for the documents, the promissory notes and the bills of exchange issued in the transactions between the cooperative and its members.

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A further privilege was related with the purchase of products, especially during the First World War when the country faced severe shortage of foodstuffs. Finally, another facilitation was the supply on credit of sulphur and copper sulphate for the needs of the farmers.

4.2. The functions and the effectiveness of cooperatives

The formation of cooperative unions was closely related with the need of establishing an organized system of agricultural credit which would provide farmers with the necessary capital and at the same time would reduce decisively the phenomenon of usury. Other functions of the cooperatives were the provision of seeds, fertilizers and food to their members, as well as the joint selling of products, thus bypassing the role of middlemen. Apart from these cooperatives, we also find unions of products’ purchase as well as productive cooperatives with a sectoral classification based on the cooperative’s main product.

However, the dynamism of all those formations seemed very limited and it is obvious that the overwhelming majority of the established cooperatives were classified as credit cooperatives. Indicatively, we can mention that in 1927, 3392 out of 4431 cooperatives were dealing with the granting of credit.

The main reason for the predominance of credit cooperatives was related to the specific characteristics of the agricultural society. One of the most serious problems faced by the farmers was their dependence on usurers who were lending money at a particularly high interest rate. Therefore, it is obvious that, under these conditions, the availability of capital was the prerequisite for the success of all other types of cooperative unions. A further reason was related to their easier operation, as compared to the operation of all other types of associations, which required more technical and business knowledge as well as stricter cooperative discipline. Finally, the close link of the cooperativist movement with the official banking organization of the country justifies to a great extent the proliferation of the credit cooperatives.

The view that the cooperatives’ dominant role was the granting of credit is reflected on the fact that, even some years after the passing of the law, the farmers didn’t seem to have realized the potential contribution of the cooperatives in the joint purchase of technically better equipment. There were indeed many criticisms stating that the farmers’ only interest for the cooperativist issues was the granting of loans.

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Cooperatives could provide an opportunity for the radical transformation of the agricultural production, its industrialization and its relief from the backward cultivation methods of the previous decades. However, the extent to which this happened was not in step with the agrarists’ expectations.

From 1920 onwards, an effort is made to link the cooperatives with other activities besides those mentioned in the bill of 1914. The strengthening of the system of agricultural security, through the setting-up of the rural police, was an objective the accomplishment of which could be facilitated by the cooperatives. Furthermore, many people were talking about the need of protecting the farmers and their cultivations from the natural disasters and in this direction the insurance cooperatives could have a decisive contribution.

Emphasis was also given to the fact that cooperatives should not have any speculative or commercial interest or ties with political parties. On the other hand, the carrying-out of certain public works (draining, irrigation) for the modernization of the countryside, through the cooperatives, was at a very early stage. A basic problem of the greek countryside was the speculative activity of tradesmen and the formation of production and consumption cooperatives would be a barrier in such movements.

Another point of interest was the cooperatives’ level of effectiveness in facing the countryside’s structural problems. The big landowners were exploiting the tenants and the living and working conditions, especially for the landless farmers, were oppressive. As A. Klimis writes in his book, there were certain cases of cooperatives in Macedonia and Thessaly which tried and succeeded to challenge the traditional benefits of big landowners. We often talk about tenant farmers cooperatives which, depending on their power, could face effectively the big landowners. The better organized of those unions, besides their claims for a more equitable land distribution were extending their activities to the joint purchase of machinery, seeds and fertilizers.

Another significant function of the cooperatives was their effort to satisfy the demand for a more equitable land distribution. As we have seen in the previous section, the legislation of Venizelos’ governments had anticipated the formation of compulsory cooperatives for the reinstatement of the landless farmers. However, the whole process was moving very slowly.

Since November 1920 and following the victory of the anti-Venizelos coalition, the delay and finally abolition of the enacted agricultural reforms affected as well and the restoration through cooperatives. In 1922, a few months before the defeat at the front of Asia Minor, the interest for agricultural issues had been monopolized by the law 2922, which eventually led to the slow-down on expropriations and the abolition of

the cooperatives of compulsory expropriations. However, the defeat of 1922 resulted to the cancellation of this legislation and the adoption of a more radical program of agricultural reform. With the law of 1923 and the reactivation of the restoration cooperatives destined for the landless, native or refugees, the use of the cooperatives as a tool for the more equitable distribution of land and for the settlement of landless farmers was clearly defined and applied.

4.3. The formation of cooperatives’ unions and the steps towards the establishment of a confederation

As it was underlined in the law of 1914, the establishment of regional unions, which had started already in 1917, would strengthen the evolution of the cooperative movement. Apart from the much more effective representation of the rural class interests, the formation of such type of unions, at the various regions, would facilitate considerably the task of the National Bank of Greece (NBG), by making the control of their operations more direct and the follow-up of their activities quicker. The role of the unions would be advisory; they would answer the legal questions of the cooperative members and contribute to the provision of services to them. Furthermore, they were buying the various materials on behalf of the cooperatives, were selling their members’ agricultural products and were collecting the deposits which were used for lending the cooperatives’ members.

On the other hand, their assistance to the cooperatives’ organization and staffing, enabled the cooperatives to overcome the reactions of traders and various intermediaries, whose interests were adversely affected by their foundation. Additionally, the setting-up of unions of cooperatives would assist cooperatives to avoid certain usual operational mistakes regarding book keeping and recruiting. Finally, the high transportation cost and the delays in the delivery products, usual problems in the operation of cooperative stores, were alleviated and eventually solved through the formation of unions in various regions.

A further step towards the enforcement of the cooperatives structures was made on May 8, 1919 with the issuing of a circular from the Ministry of Agriculture to the agricultural cooperatives, urging them to join the Confederation of agricultural cooperatives. This Confederation, which would be charged with the ideological and organizational matters of the cooperatives, would contribute to the partial relief of the state from obligations, such as the control and the supervision of those incorporations. It should be stressed that the cooperative unions were not losing their independence but, on the contrary, through the Confederation they could push their claims in a more organized and effective way.

The following years did not have to show any considerable activity on the reinforcement of the agricultural structures. It was only in year 1922, when the A’

Panhellenic Conference of Agricultural Cooperatives was held, that some mobility on this issue was observed.

This year marked also the establishment of the Panhellenic Confederation of Agricultural Cooperatives, as a professional association, which however did not have a long life. In any case, it is obvious that over the years the cooperatives increased their power and enforced their organizational structures. However, they could not, practically up to the end of the period under study, extend their activities into other fields besides the granting of credit.

4.4. The barriers in the expansion of cooperatives

This section will present the barriers faced by the cooperatives in their efforts to penetrate the rural population. These barriers may be classified into two groups, depending on whether they are related to various social groups undermining the action of cooperatives or to various structural problems of the greek countryside, as indicated by many cooperativists.

The barriers of the first group included:

- The reaction of the usurers and the various merchants, whose interests were harmed by the action of the cooperatives
- The negative influence exercised on the cooperatives by the various local political leaders.
- The lack of interest of certain managers of NBG branches regarding the further development of rural cooperatives.

Similarly, the barriers of the second group included:

- The insufficient knowledge and training of certain administrative executives of the cooperatives.
- The low educational level of the rural population
- The individualism characterizing the farmers
- The lack of a wider vision and the emphasis on satisfying certain short-term needs without the slightest interest for possible long-term benefits.

5. The state policy on cooperatives. Objectives and decisions.

This section will discuss the greek governments’ policy on cooperatives. It will start with the presentation of the relationship between NBG and the cooperatives and will continue with a brief overview of the state policy of intervention in the cooperatives and the steps taken to implement it.
5.1 The relationship between National Bank of Greece and cooperatives

A basic line of the state policy on cooperatives and obviously a reason of the credit organizations’ expansion, was their cooperation with NBG in granting loans.\(^{32}\) According to the agreement signed between the State and the National Bank on December 6, 1914 the State imposed on NBG certain contractual obligations aiming at strengthening agricultural credit as a counter - balance to the extension of the Bank’s issuing privilege in the New Countries.

Regarding the bank itself and the relationship it has built with the cooperatives, it is worth mentioning that they undertook the role of intermediates between the bank and the small producer farmers, whereas the NBG saw “on their face” a reliable partner who contributed to the cutback of cost and the reduction of lending risk.

As we can see from Table 2\(^ {33}\), during the first years of the period under study, the overwhelming majority of the NBG’s agricultural loans were directed to individual farmers. However, in the course of the years this trend gradually changed and it is indicative that in 1923 the loans to cooperatives had exceeded the individual loans.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount of Loans</th>
<th>Amount of Loans to Cooperatives</th>
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<tbody>
<tr>
<td>1915</td>
<td>4.685.154</td>
<td>228.000</td>
</tr>
<tr>
<td>1916</td>
<td>7.896.439</td>
<td>979.749</td>
</tr>
<tr>
<td>1917</td>
<td>8.291.512</td>
<td>1.495.122</td>
</tr>
<tr>
<td>1918</td>
<td>20.504.784</td>
<td>7.432.082</td>
</tr>
<tr>
<td>1919</td>
<td>27.274.362</td>
<td>13.443.649</td>
</tr>
<tr>
<td>1920</td>
<td>79.562.381</td>
<td>24.907.751</td>
</tr>
<tr>
<td>1921</td>
<td>72.266.259</td>
<td>27.493.314</td>
</tr>
<tr>
<td>1922</td>
<td>151.301.123</td>
<td>75.557.637</td>
</tr>
<tr>
<td>1923</td>
<td>220.019.000</td>
<td>114.971.000</td>
</tr>
</tbody>
</table>

Initially, the credit to the cooperatives was granted on personal guarantees and on the basis of joint and several liabilities among the partners. However, from 1914 onwards and given that the cooperative loans had began to increase significantly, the adoption


of a new policy for better protection of the guarantees in favor of the banking organization was introduced.\(^{34}\)

However, in spite of the remarkable increase of credits, the fact that they were short-term loans, limited their effectiveness to change the agricultural sector’s face. The radical steps needed for that, required the granting of medium and long-term credits, a practice not usually followed by NBG.\(^{35}\) The idea of setting-up an independent agricultural organization, as the proper way for the monetization of the agricultural economy and the modernization of the agricultural structures, had been presented many times since 1915 but it actually was implemented many years later.\(^{36}\)

The NBG, using the cooperatives as vehicles facilitating its plans, created a centralized system of agricultural credit.\(^{37}\) Several ruralists related the deficiencies of cooperative action in the countryside with the dominant role of NBG. One of their basic criticisms was that the cooperatives had been transformed into branches of this dominant banking organization and, as a result, they showed insufficient interest in promoting the agricultural interests and facing the problems of the countryside.\(^{38}\)

Finally, the way NBG operated and the fact that, in many cases, its policy was in favor of the limitation of the cooperatives’ self-administration had provoked intense criticism by cooperativists. Hence, the need for the formation of a central credit bank, performing in the same profitable way, the credit activities for the cooperatives was particularly stressed in the public debate on agricultural credit even since 1920.\(^{39}\)

It was obvious that during the period under study and in the following years, the National Bank fulfilled its objectives partially. The granting of loans was the positive aspect of its operation but the type of loans and the relationship established between the bank and the cooperatives were factors that did not facilitate the radical transformation of the Greek countryside’s structures.

### 5.2. State intervention and cooperatives

Following the enactment of the law 602 on cooperatives, a key point of the state policy was the attempt of hiring trained scientific personnel that would contribute to the spread of the cooperative ideas and the better guidance of farmers. We can therefore see that, already from the first years of the period under study, there was a


strategy of state supervision of the cooperatives operation, through the competent officials and services\textsuperscript{40}.

Regarding the issue of state interventionism, a further point worth mentioning is related to the extent to which it should be exercised. Indeed there were disputes among the cooperativists concerning the attitude the state had and should have towards the cooperatives.

Executives of the Ministry of Agriculture, that was established in 1917, were expressing their opposition to the policy of strong state interventionism in the cooperatives. They believed that self-administration and self-responsibility were the basic characteristics of the cooperatives that should be preserved. According to them, the role of the board of directors should be enforced and the members of the cooperatives, realizing their obligations, should contribute to this direction. The role of the state, on the other hand, should not be overestimated as, besides the generic problems of the petty politics interests, the agrarists underlined both the small number of administrative clerks and their low quality\textsuperscript{41}.

In 1919, year of publication of the most complete, so far, agricultural reform plan by Kafantaris, we see that the activities aiming at a more systematic control of the cooperatives continued at more intense rates\textsuperscript{42}. The ministry’s view on the operation of any type of cooperative was reflected on the models of the statutes it drew up. The cooperatives could make a number of changes on them which, however, should be finally approved by the Ministry’s officials. It is clear that after 1920 the state’s effort to intervene in the function of the cooperatives was reinforced.

This was achieved through the creation of specialized corps responsible for the administration of the cooperative. This policy can be justified if we take into account the numeric increase of the cooperatives during this period. Their potential dynamism could be used for political purposes and as we saw above, this was a possibility that the State wanted to avoid.

6. Conclusions

Concluding this paper, we may underline that the birth of cooperatives in the Greek agricultural sector was initiated by intellectuals and agrarists who had studied abroad and wanted to implant the cooperative ideas in Greece. This initiative was encouraged and received an official form, through the enactment of the law of 1914 by the governments of El. Venizelos, as part of the liberal reforms he wanted to implement. However, in spite of the liberal character of the legislation there seemed to be an attempt of tutelage and control of the cooperative movement by the state.

\textsuperscript{40} Klimis, A., (1985). \textit{The cooperatives in Greece}, editions Pitsilas, Athens, p. 305. (in greek)
\textsuperscript{41} Klimis, A., (1985). \textit{The cooperatives in Greece}, editions Pitsilas, Athens, pp. 401-403. (in greek)
At this point it should be stressed that the formation of cooperatives, through the law of 1914, was an initiative from above and not the result of a collective effort of the rural population to alleviate its problems.

The foremost objective for the countryside, as it is reflected on the government’s decisions during this period, was the reconstruction of the undeveloped structures. A further objective was the gradual monetization of the rural economy and this was “served” by the close link between cooperatives and NBG. The provision of several facilities (seeds, equipment, credit) to a large number of small landowners, in order to support themselves and their families, was a significant aspect of the agricultural policy of that period, unbreakably linked with the law of 1914.

A specific pursuit of the Venizelos’ governments, prevailing in the country up to 1920, which revealed yet another activity of the agricultural cooperatives, was the attempt to directly involve them in the agricultural reforms and the compulsory expropriations of large ownerships.

Finally, a basic line of the agricultural policy at that period, was the attempt to adapt to the requirements of the commercialized agriculture through the intense penetration of the capitalistic way of production into the countryside. This target was achieved mainly via the establishment of a centralized credit system that is also a direct consequence of the law of 1914.

6. Bibliography


