

**ARTISANS IN LATE DEVELOPMENT:  
AN INVESTIGATION OF ATHENIAN SMALL PRODUCERS  
IN THE MACHINING AND GARMENT INDUSTRIES**

by

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## ABSTRACT

This thesis examines why in a semi-peripheral and late-developing country such as Greece small artisanal businesses have persisted, despite the orthodox view that industrialisation should have spelled their demise. In the course of the investigation artisans are described and defined, put into context, compared with their counterparts in other contexts, and studied at both the macro and micro level to uncover the reasons for their unexpected survival.

The thesis is organized in three parts. Part One (chapters I-III) gives the theoretical, and comparative framework. Marxist teachings concerning simple-commodity production are explored, followed by a survey of the petite bourgeoisie in advanced societies, and of the Italian experience of small firm resurgence.

Part Two (chs IV-VI) considers certain macro-level influences of the Greek formation on the structure of the artisanate. Circumstances and the new push towards industrialization after World War II are investigated to see what opportunities they furnished for the artisans' survival. State development plans and their impact on artisans are discussed, and the contextualization is rounded off by a review of the pertinent literature.

Part Three (chs VII-XI) directs a micro-level focus on a sample of 100 small producers in machining and garment-making. After an explanation of methodology the "who", "how" and "why" of artisanship is explored, followed by an examination of the situation of aspects of being an artisan, both within the workshop and in relation to the outside world. The artisans' limitations, their collective organization, and their self-appraisal and plans for the future are taken up. The study concludes with an attempt at a synthesis that brings out the specificity of the Greek artisans.



**To Anastasia, Despina, and Markella**

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## GENERAL INTRODUCTION

The present study bears out the fact that the choice of a sociological research topic frequently reflects the author's personal experience. Growing up in central Athens, I have seen my neighborhood change dramatically over the years. From a locality of small one- or two-storey houses each with its own little inner courtyard and with small family-run businesses here and there and artisanal workshops, such as might be found in any small town in Greece, it has become an area of city blocks with six or seven-storey apartment buildings. For all that, the workshops have not disappeared. Those that emitted visible pollutants were relocated in more run-down parts of the city, but the majority of them have remained, and as the new multi-storey apartment buildings increased the number of local residents, new workshops sprang up. They are housed in the basement or on the ground floor of the new buildings, with a separate door to the street. This has remained the pattern until today, and is typical of the transformation that has taken place elsewhere in the Athens-Piraeus conglomerate - as, indeed, in all the cities of Greece since the late 1950s.

This contiguity of workshops and residences, though often an annoyance to the inhabitants, was nevertheless taken for granted. It was only with the somewhat heightened awareness in recent years of workshops as sources of pollution that relocation has been considered. Both the local and central authorities have drawn up projects to that effect, but with limited effect. The artisans object that they would not be able to afford the relocation costs, and the state is very slow to provide the necessary 'artisans industrial parks'.

This Greek reality stands in sharp contrast with what I was taught as a student of sociology about the changes accompanying the advent of industrialism and modernity. In the countries of early industrialisation (e.g. Britain in late eighteenth/early nineteenth century) as well in the late industrialisers (Germany, Sweden, Japan, and other countries during the later part of the nineteenth century) – all those that today are considered advanced industrial countries – the high tide of capitalist expansion went hand in hand with the sharp decline of non-capitalist manufacturing. The latter was destroyed and/or absorbed by the former, and for the most part artisans and independent craftsmen became a thing of the past. It is interesting that both liberalism and Marxism saw the demise of artisans and other non-capitalist producers as a necessary (if painful) step towards progress, towards what nowadays is identified as modernisation and development. Thereafter, whenever the theory built on these schools of thought was invoked to guide or enlighten changes actually happening, as in the case of the 'late-late' developers, the destruction of small independent producers was anticipated as a *sine qua non* of development. (The notion of late-late development, introduced by A. O. Hirshman, designates industrialisation attempts after the inter-war world economic crisis. Though the term is apt, I myself shall be using 'late' development).

The continued existence of the Athenian artisans also contrasted with my understanding of the country's overall development. It was quite obvious that industrialism and modernity had come to Greece, and there was no lack of official statistics to affirm this. The evidence came from changes such as the twin processes of migration and urbanisation, the growth of new industries and services, the emergence of new lifestyles and consumption patterns, the opening up and democratisation of the political system, and so on.

Yet, instead of the expected masses of wage-workers supposed to be created by these processes, there seemed to be no large-scale proletarianisation of the population. Artisans, moreover, who should have been declining in numbers, seemed to remain quite unaffected. It was my impression that not only were they not proletarianised, but they actually proliferated numerically. Was that really the case? and if so, why? Was it an expression of the supposedly fiercely independent character of the Greek people that impels them to resist incorporation into capitalism? Perhaps it was merely a localised deviation from the path to the orthodox (i.e. English) path to industrialisation, another of the systemic ills haunting the country and holding back its development, as maintained by the Left and others (e.g. Filias 1974). Was there some other reason for this? These were my initial questions.

Official statistics for very small enterprises, particularly in manufacturing, which would prove useful for making international comparisons, are hard to come by. The most recent comparative (gross) data I have found are 1988 figures cited by D.J. Storey (1994: 21-23). There, Greece is mentioned as having 670,000 'micro-enterprises' of all kinds. It is the European Union (E.U.) country with the highest number of small units relative to its population: 67 such enterprises (of all kinds) per thousand inhabitants tops Portugal's 62 per thousand, and the E.U. mean of 45 per thousand. The average firm size for Greece is 3 employees, against 6 for the E.U.. The labour share of the so-called micro-enterprises, which employ from 1 to 10 persons, is 59% in the case of Greece, 48% for Italy, and an E.U. average of 30%. Units officially designated in Greece as artisanal numbered about 135,000 in 1988 (see chapter V, Table 5.2), and the country again had the highest relative number of artisanal units in manufacturing when compared with other E.U. members (computed by comparing ESYE statistics with Storey 1994: 26-34,

and Weiss 1988: 15-19; also Steinmetz and Wright 1989). Therefore, it would seem that in the Greek case there is a certain discrepancy between what theory would lead us to expect and what has actually taken place.

This is the subject the present study attempts to investigate and answer. Why, despite a not insignificant measure of industrialisation and modernisation, have artisans persisted in a country of the semi-periphery (Wallerstein 1974) such as Greece (Mouzelis 1987: 16-26) in the time horizon of late development? The existence of Greek artisans having been taken for granted, the question has never been asked.

In order to answer it, it is necessary to provide a framework for understanding artisans in general, and define them. In particular, Greek artisans must be described as such, placed into context, and compared with other small producers elsewhere.

The material is organised in three parts. The first part (chapters I-III) examines approaches to the study of the artisans and provides a comparative framework. The second part (chapters IV-VI) considers the influence of macro-level developments on the structure of the Greek artisanate. The third part (chapters VI-X) concentrates on the micro-level; empirical material is presented and discussed from a sample of 100 small producers in two trades: in machine-manufacture and garment-making.

At this point I should note that the examination of the macro-level was not undertaken merely to support the empirical research. Of course this has been an important concern, but the emphasis on the macro-level was also necessary because, to my knowledge, it has not as yet been studied with artisans in mind, and because this was the only way to ask the appropriate questions about their unexpected survival. Therefore, the emphasis of this study is laid on both the macro and micro-levels.

Specifically, chapter I explores the Marxist tradition attempting to establish the nature of simple-commodity production (SCP) and its links to the petite bourgeoisie. Chapter II investigates sociological approaches to the study of the petite bourgeoisie in the context of advanced industrial societies, taking into account the residual role artisans have come to play in advanced capitalist societies. It also touches on the official interest being shown today in promoting small firms in such countries. The Italian experience of small-firm resurgence (artisanal and other), which is the subject of Chapter III, stands out. Developments there have been hailed as an instance of industrial resurgence in a core country, and the study of this success story is useful for comparative purposes.

Chapter IV, which opens the second part of this study, tries to relate artisans to Greece's historical legacy of the early post-war period when the issue of the country's industrialisation was set anew, which has shaped macro-sociological and macro-economic constraints and opportunities. This is then carried forward in Chapter V by considering some of the development directions drawn up and pursued in the post-war period. In the process, the impact of state action (in terms of allocating a role to artisans) as well as inaction is brought out and evaluated. Chapter VI rounds off the contextualisation of Greek artisans by looking at the available literature on them.

Chapter VII, and the next three chapters constitute the third part, where the empirical material is presented on which this study is based. The field-work was conducted by means of a questionnaire. The sample, which was of the "snow-ball" type, involved 100 interviewees equally divided among machine manufacturing and garment-making. Chapter VII introduces matters relevant to the choice of sampling methods and to the practical methodology adopted. Chapter VIII explores these artisans'

backgrounds and the *who*, *how* and *why* of artisanship. Chapter IX examines patterns characteristic of the state of being an artisan, with reference to both the workshop and to the artisan's relations with the outside world. In chapter X, the factors are examined that limit the artisans' further expansion; how they are linked with their collective organisations; and how they see themselves and their future.

As in all sociological work, the findings of the empirical chapters are obviously tentative rather than conclusive. They are, hypotheses for further quantitative investigations to vindicate the criteria of reliability and representativeness of random samples. Yet, it is my belief that the biographical structure of the questionnaire employed, with its in-built exploratory proclivity, has allowed the discovery of a number of patterns that subsequent research may certainly apportion with much greater exactness, but will not alter fundamentally. My belief is founded on the saturation of information that has been reached. In consequence, although my findings are tentative, this does not invalidate certain inferences that link the samples to the reality of Greece's semi-peripheral social formation. This in fact, is the task of the last chapter of this study (chapter XI), which attempts to arrive at a synthesis and bring out the specificity of Greek artisans.

#### Elements of continuity and discontinuity

The term artisan is neither new nor uniform in time and place.<sup>1</sup> According to an older, now obsolete definition, an artisan is 'one who practices or cultivates an art; an artist' (*Oxford English Dictionary*, *OED* 1987). In modern definitions, an artisan, again according to the *OED*, is an individual 'employed in any of the industrial arts; a mechanic, handicraftsman, artificer'; for *Webster's New Students Dictionary* (*WNSD*) of 1964, he is a 'person (as a carpenter) trained to have



manual dexterity or skill in a trade'; in *Longman's Dictionary of Contemporary English* (1981), gives artisan as 'a skilled workman, especially in industry'. The differences among these contemporaneous definitions are not insignificant, and even the elements they have in common are not without qualifications. In the widest possible sense, they indicate a worker's association with some kind of *skill* as well as *industry*. However, to try to find common elements between the early sense of an artisan and the modern variants will prove all but impossible without going back to the root of the word. So the modern OED informs us that *art* is human skill as the result of knowledge and practice.<sup>2</sup>

Quite aside from semantic differences, the various versions and definitions of artisan and artisanate, as well as the various facets of social life related to artisans in every-day practice as well as the relevant literature (e.g. type and methods of work, the role of the family, apprenticeships, guilds, social outlook, etc.), do refer to a rather broad spectrum of petty commodity producers.<sup>3</sup> At the same time it must be recognised that official statistics and records have helped to blur the picture by extending the term to apprentices and other pre-industrial workers (Thompson: 1979: 259). Be that as it may, it is important to compare, albeit very briefly, pre-industrial artisans and contemporary ones to find out whether elements not only of continuity but also of discontinuity are to be found between them.

A key prerequisite for the existence of the social category of independent artisans is that craftsmen had to renounce their dependence on the self-sufficient *oikos* or feudal manor that produced use-values. To put it differently, artisans acquired their special character only when they became agents of commodity production, albeit of small or petty-commodity production. Beyond this basic condition, certain enduring features that have survived the successive transformations of the stratum

must be brought out, but this is not to say that historical artisans and contemporary ones are marked by linear continuity.<sup>4</sup>

With respect to the features that have survived but in altered form, the following comments are pertinent.

The working methods of artisans have changed a great deal. Hand-tools and manual skills have been superseded by machinery and the know-how of operating it, so that the range of skills that are brought into play has been completely transformed. Very few of the contemporary artisans I researched now use hand techniques exclusively. Virtually all of them operate with more or less complex tools and mechanised equipment that increasingly incorporates modern technology in its controls. In consequence, learning new skills, even if they are still mainly picked up on the job, is becoming less empirical and more part of a formal process of education. Technological progress and greater division of labour also mean that there are few instances today of artisans making their own tools as they used to do. Tools are now normally bought ready-made. As a result of these developments, the unity of conception and execution in the same person, which used to be a mark of artisans, has broken down. However, in the last twenty years there has been a limited resurgence of this feature among the more innovative artisans, like those found in the Third Italy. The artistic element in artisanal work has had a similar fate. Significantly restricted (largely due to mass-production methods) it is found only among the fraction of artisans who still rely on hand techniques (their workshops are known in Greece by the awkward name of 'artistic artisanal establishments' (Kalitexhniki biotechnéa).

Another area where significant changes have occurred are the artisan's civic status and organisation. The contemporary artisan is, at least nominally, independence from a boss, a master, an employer (or a

father), enjoys personal independence and indeed full rights as a citizen. S/he is a sovereign individual unlike her/his historical predecessor. This is a result of more general societal shifts, of course. Social categories in pre-industrial societies were nothing like as clear-cut as those of modern economic man. So for instance the unfree status of slaves in ancient Greece, who were often craftsmen, did not preclude their owning property including slaves; while much later in Germany, in 1800, rural artisans (who accounted for one-third of all artisans) were not legally free but part of the still feudal hierarchy (Borchardt 1976: 86). Craftsmen, probably the most widespread kind of pre-industrial producers, are another example (Cipolla 1988: 92). Often thought of as independent, they were by no means free of controls and restrictions, even if they were not proletarian in the strictly Marxist sense. This in turn meant that their interests could be represented only through membership of corporate guilds, and these guilds imposed controls, effected closure mechanisms, and regulated opposing claims.

Given that the working class is a relatively recent phenomenon (Arendt 1986: 96), the distinction in late medieval Europe between apprentice and craftsman (as employee and employer) on the one hand, and artisan (self-employed) on the other, had very little meaning in the past. When these three agents were under the authority of a guild or some other corporate body, the terms applied almost interchangeably. In such instances talking about an artisanate did make sense.<sup>5</sup> By contrast, contemporary artisans operate in a much more clearly defined environment, and the difference between an artisan and an employee is not one of rank, but verges on or is a matter of class difference. There is no legal or ethical obligation for the master to assist the young apprentice or the skilled wage-worker to become artisans themselves, even if they eventually do. Similar reasons keep these two social types from

belonging to the same horizontal organisations, and partly explains why the guilds declined. The organisations that group contemporary artisans markedly differ from guilds; they unite their members for specific purposes and are not all-inclusive.

The demise of the guilds, one of the consequences of modernity, has meant the decline also of the communitarian and craft traditions, including the mystical element in the craft itself, the common set of values, and the sense of belonging that had organised the life of guild members and given it a special meaning. Members belonged to their guild heart and soul, and this inclusiveness has been replaced by new traditions, in which the communitarian element is less tangible and more imagined. Although the new traditions do have an impact on contemporary artisans, they are much less of a deep commitment than were those in the past.

The old ideology of a 'just' ordering of society, in which the small self-sufficient business dominates, is still to be found. However, since the environment <sup>which</sup> from it sprang is no more, its power to bind artisans and mobilise them into action is less. Contemporary artisans, who are more privatised than were their earlier counterparts, are also exposed to and increasingly taken over by other, not strictly artisanal, representatives of ideologies.

Finally, there have been changes with respect to the artisans' relationship with their customers. In earlier epochs craftsmen and customers often knew each other intimately, since the markets were small and restricted to the local village or town. Such relationships on a first-name basis are rather rare today, due to the urbanisation and continuing commodification of economic life, which increasingly affects the markets contemporary artisans address - the local market in most cases, but also the national market, and sometimes even the international

market. Accordingly the small scale of operations, which used to be a constant in earlier times, is not so small any more. This begs the question of how small is small? The definition of *small* can only be synchronical in respect of other forms of production, or relative to the production technologies available at a given time. Having said that, artisanal production in this relative sense does continue to be 'small'.

Concerning now the elements of the artisanate that have remained intact across time, these are as follows.

Both in the past and today, artisans, in the context of a workshop of their own, personally and directly participate in the labour process. They still do so as independent agents, using the skills they have learned in the course of an apprenticeship. They own their means of production, whether these are traditional hand-tools or modern machinery, with which they, and very often the members of their family, earn their daily bread. The overall purpose of artisanal production continues to be to make 'a reasonable living'; once this has been realised, the objective becomes simply a matter of perpetuating this situation, which implies a continued engagement in simple-commodity production. This core of distinctive features uninterruptedly present among artisans throughout the ages, form a vital part of the definition of what it is to be an artisan.

## Notes to General Introduction

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1. The artisan, the craftsman, has almost invariably been considered, until the present, to be of the male sex. This is not because women did not perform skilled craft work, but when they did they were under the authority of a man: father, brother, husband, son or uncle; they were not independent. Besides, women 'rarely entered fully into the "mysteries" of the craft, and capital, including tools and workshops, was bequeathed ... to sons' (Berg 1989: 74). Women were not often formally apprenticed, and their becoming members of guilds was rare (*ibid.*).

2. A clarification of our key-term artisan in modern Greek is of particular importance here, given that the empirical investigation presented in this study was conducted among modern Greek artisans. The modern Greek term for artisan is *viotéchnis*, and the artisan's business is a *viotechnéia*. This *viotechnéia* is usually contrasted with *viomehanéia* (industry, manufacturing company), and *viotéchnis* with *viomehanos* (industrialist).

It has been pointed out that in Greek the emphasis is on how people obtain their livelihood, whereas in English (in terms such as manufacturing, industry, artisanate) the emphasis is 'on the way man creates, with his hands, his tools, his craft' (see Nikolaou 1988). Indeed, the above-mentioned Greek words are compounds assembled from *vios* meaning life, livelihood, and either *téchne*, meaning art, craft, or *mechané*, meaning machine (also means, and way of assisting). They therefore do convey a sense of the way by which a livelihood is obtained.

3. As E. P. Thompson notes when writing about the year 1830, 'There were great differences of degree concealed within the term "artisan", from the prosperous master-craftsmen, employing labour on his own account and independent of any masters, to the sweated garret labourers' (1979: 259).

4. For the purposes of this comparison I draw on the material on contemporary artisans presented in chs II-III and VIII-X.

5. The initially synonymous use in French of *ouvrier* and *maître* for the worker/craftsman and the master-craftsman/artisan - or for that matter the indiscriminate use in modern Greek of *ergátis* for worker, and *mástoras* or *technítis* for skilled worker, craftsman (see Arendt 1986: 223) - or the very broad meaning of the term artisan as discussed earlier, support my point. In fact, if there are any differences in these synonymous appellations they appear to indicate rank, not class differences in terms of relations of production. Accumulated experience may

indeed be considered a useful index of hierarchical distinctions.

Hobsbawm has the following to say concerning the wage differentials between the skilled and the unskilled, which express traditions of rank differences too:

'The characteristic skilled worker in pre-industrial crafts would expect to get ideally about *twice* as much as the common labourer, a differential of great antiquity and persistence, ... (These are, of course, *rates* not *earnings*.) In fact, the skilled man normally tended to get rather less than this differential, especially when unable to restrict entry from the unskilled trades, and more when entry was effectively restricted, ... In practice the relation between the rates of the pre-industrial labourer and craftsman - say the mason and his labourer - was more likely to be two or three to five than one to two' (1974d: 346).

## Part One: Theoretical Considerations: Approaches to artisans

### CHAPTER I – ARTISANS, SIMPLE-COMMODITY PRODUCTION, AND THE MIDDLE

#### CLASSES: MARXIST APPROACHES

##### Introduction

There are two sound reasons for studying Marx's views and those of other Marxists on the subject matter given. Firstly, Marxian analysis still retains considerable heuristic force (Mayer 1975: 409). Secondly, Marx's influence has been paramount in the more general discussion of social classes and forms of production, as well as in analyses of the petits bourgeois, and particularly artisans.

What has been interchangeably designated in the literature as simple, petty, small, small-scale, independent, or self-organised commodity production/producers pertains directly to artisans (and to other small-scale commodity producers).<sup>1</sup> Indeed, they are considered the exemplars of this form of production.<sup>2</sup> On the one hand, simple-commodity production (SCP) is their basic, most enduring activity and expresses their particular set of relations of production. On the other, artisans are the agents of SCP (a polynomial abstraction), which may conveniently be thought of as a social structure.<sup>3</sup>

Marx employed the notion of SCP as an analytical tool for comparing the features, development, and overall *differentia specifica* of industrial capitalism. More recently, SCP has also been used in socio-historical analyses and theoretical investigations of modes of production. However, the status of the term has not been unambiguous. The foundations of SCP, its correspondence or otherwise of it to historical reality, as well as the concept itself, have all been much questioned.<sup>4</sup>



It will therefore be useful to elucidate the precise nature of SCP as the first objective of this chapter. Following this, I shall make a survey of the views of Marx himself, as well as of certain of his followers – namely V.I. Lenin, N. Poulantzas, and E. O. Wright – on the position of the middle classes and their artisan faction within the capitalist class structure.

### 1. The Marxian notion of SCP

An attempt to define Marx's understanding of SCP on the basis of his writings soon shows that the notion is scattered throughout his work. This has given rise to some particularistic readings and allowed the emergence of conflicting conceptualisations. My own view is that, beyond some superficial ambiguities, Marx's views on SCP are quite consistent and uniform.

In Capital (1976, 1977) and elsewhere (1969, 1971, 1973), Marx's concern was to investigate the features, specificity, and tendencies of modern capitalism and its mode of production. His critical understanding of the corresponding social regime became part of his revolutionary project for the overthrow of class society. In his critique of the political economy of his day, in which the features of the capitalist mode of production (CMP) are discussed as though it completely dominated society, the introduction of concepts such as SCP was for purposes of exegesis, a heuristic device, 'a method by which thought grasps the concrete' (Rubin 1972: 255).<sup>5</sup> SCP, therefore, is a logical concept, *derived* from the basic categories developed in Capital. It helped Marx describe the transition from an economy in which production for use had predominated (in the various pre-capitalist modes of production), to one in which the production of use-values for exchange attained its apogee (in the capitalist mode).

Marx also saw SCP as reflecting certain aspects of some actual social formations. There are references in his work to historical societies, primarily classical Greece and late medieval Europe, with SCP or other non-capitalist modes of production. (These may be viewed as illustrations of the differences between a society dominated by capitalism, and other societies in which capital appeared in undeveloped form.) These references, of course, also provide examples of how the transition to capitalism was effected (for instance Marx 1977: 593-613).

Whether Marx's references to SCP are purely theoretical or more historically specific, he always contrasts instances of subsistence production with commodity production at various stages of commodification and in various mixtures, up to the phenomenon of complete commoditisation including that of labour-power. The final step in that process is, of course, fully-fledged capitalism. Indeed, Marx explicitly recognised capitalism as predominantly the production of exchange-values (commodities);<sup>6</sup> among these, the (generalised) production of labour-power as a commodity is a unique element, and seen to be so precisely by comparison with SCP.

This point needs stressing, since it is in terms of labour power that the distinction between simple-commodity and capitalist production is most obvious in logical terms. SCP is the production of use-values for the purpose of exchange by independent producers who own/control their means of production and do not resort to employing wage labour.<sup>7</sup> Capitalist production equally involves the production of commodities, but in this instance ownership/control of the means of production and its overall organisation lie in the hands of the capitalist who hires wage-labour in order to produce the commodities (i.e. two classes are involved in the production process). Both modes of production involve selling the commodities in order to use the proceeds for obtaining means

of consumption, which are also commodities - except for labour-power, which is a commodity to be productively consumed only in the CMP, not in SCP. This difference aside, in both instances is there selling in order to buy. The process is represented by the simple circuit C-M-C' (C: commodity; M: money; C': commodity different from C). Since use-values are exchanged for other use-values, the primary aspect of this circuit which opens and closes with commodity, is qualitative.

The independent producer sells in the market a final commodity which has already undergone the process of production. In Marx's own words, members of this class '... meet me as sellers of commodities, not sellers of labour, and this relation has therefore nothing at all to do with the exchange of capital'. In this sense their labour does not fall under the capitalist mode of production' (Marx, quoted in Hodges 1961: 33). Besides, when the independent producer sells a commodity, he is finished with it, plus the fact that the commodities produced differ from one independent producer to the next.

By contrast, the capitalist producer must, in order to exchange finished products, acquire (purchase and engage in production) the commodity of labour-power. The wage-labourer sells his labour-power to the capitalist but, unlike other commodities, this is not a final commodity, nor is it always the same. In addition, labour-power as commodity cannot realise its use-value unless it is engaged in productive activity,<sup>6</sup> unless the wage-labourer is subsumed into the process of production according to the capitalist's directives. In other words, the seller of the commodity labour-power must submit to the direct supervision and control of the buyer, the capitalist, for the transaction to have any meaning. Obviously, this situation is in sharp contrast to that of the independent producer. This means that, in capitalism, production of commodities is not 'simple', in that it necessarily involves the production

of the particularistic and highly complex commodity labour-power (Kay 1975: 63-70; also Sayer 1979: 34-35).

Another difference between SCP and CMP is in terms of reproduction. Since the independent simple-commodity producer does not aim at accumulation (expanded reproduction), s/he is structurally engaged in only simple reproduction, in more or less maintaining the status quo: each production cycle is to be of an adequate magnitude to replenish the inputs required for personal consumption as these are socially defined, as well as those for productive consumption, to allow the process to continue on the existing scale for a further cycle. By contrast, expanded reproduction, which goes over and above what is required for a new round, involves enlarging the scale of production so as to result in accumulation, a *sine qua non* for capitalism (Marx 1976: 1022). So when a petty-commodity unit moves towards expanded reproduction, this is the surest indication that it is entering the process of transformation into a capitalistic unit. Inversely, a capitalistic unit which does not accumulate will cease being capitalist (Marx 1976: part seven). However, although expanded reproduction is necessary for capitalist development, in actual practice it is not by itself sufficient; it does not overcome all obstacles to entry, as I shall show when discussing my own empirical material in part III.

For Marx, the actual agents of SCP are independent pre-capitalist peasants, artisan-craftsmen, as well as producers combining both these basic characteristics, or other independent workers (miners, woodcutters, shepherds, fishermen, etc.) owning/controlling their means of production, and producing at least in part for the market, while partly relying on certain commodity inputs for their reproduction. Independent producers can and do exist in a CMP-dominated social formation. Marx

contends that in such cases the SCP is being destroyed by capital as a matter of fact, and that capital will also destroy

'itself in those forms in which it does *not* appear in contradiction to labour: *petty capital*, and intermediate or hybrid types between the classic, adequate mode of production of capital itself, and the old modes of production (in their original form), or as renewed on the basis of capital' (Marx in Hobsbawm 1978: 117).

This implicitly concedes that independent producers, petty capital (i.e. working owners), and other mixed types may also appear in the context of a formation dominated by the CMP. In fact, in his later works Marx became quite explicit on this issue, and pointed out that independent producers, peasants, and handicraftsmen (as backward forms or vestiges of the past - Marx 1977: 597) are found also in dominantly capitalist societies, although in altered form: their productive relations, even though they are not subordinate to the CMP, *are given a capitalist stamp*. Under the CMP,

'the independent peasant or craftsman is cut into two persons. As owner of the means of production he is capitalist; as labourer he is his own wage-labourer. As capitalist he therefore pays himself his wages and draws his profit on his capital; that is to say, he exploits himself as wage-labourer, and pays himself, in the surplus-value, the tribute that labour owes to capital. Perhaps he also pays himself a third portion as landowner (rent), in exactly the same way ... that the industrial capitalist, when he works with his own capital, pays himself interest, regarding this as something which he owes to himself not as industrial capitalist but *qua* capitalist pure and simple' (Marx 1969: 408).

Precisely because he owns them, the independent producer does not relate to his means of production as capital, nor indeed as a wage-worker. Yet in a society that is dominated by the CMP, his means of production 'are *looked on* as capital, and he himself is split in two, so that *he*, as capitalist, employs *himself* as wage-labourer' (*ibid.*). In fact, the independent producer operating in such a society appropriates his own surplus-value - not because he has produced it himself, which is immaterial, but because he has ownership of the means of production - the capitalist form (Marx 1969: 407-09).

Two further points should here be made. The first concerns the SCP labour force and relations of production. Aside from the independent small-commodity producer, members of his family also engaged in the work have been considered as part of the SCP unit. Marx seemed to accept that such working kin were not to be considered as wage-labourers. The same applies to apprentices taken into SCP units. Relations of simple-commodity production were therefore kin-based and/or based on the domestic unit. Undoubtedly, the existence of family workers and apprentices is proof of the as yet incomplete commoditisation of the economy and its SCP units, with commoditisation not progressed sufficiently to disrupt the persistence of domestic and/or community ties.

The second point concerns Marx's treatment of the boundaries between SCP and capitalism. The qualitative difference between them has been explained already. Yet how is one to characterise, for example, a manufacturing concern in which, say, two artisans who are partners labour there together, along with two members of their family (perhaps sons), and also hire four wage-labourers? Is this concern a capitalist or a SCP one? Marx's criterion for distinguishing capitalism from other forms would then be 'mainly by the number of workers simultaneously employed and the mass of means of production concentrated for their use' (Marx 1976: 454).<sup>9</sup>

## 2. Marx on the petty bourgeoisie

Marx did envisage a process of 'complex' simplification of classes to take place in the course of the development of capitalism (Hall 1977: 35). For him this was an innate tendency of societies organised along capitalist lines. The classes and strata that stand half-way between bourgeoisie and the proletariat are forced by the impetus of capitalist competition and superior organisation to adapt and diversify their func-

tions; most of them gradually sink into the proletariat. One of these intermediate classes is the petty bourgeoisie.

For Marx the petty or petite bourgeoisie (*Kleinbürgertum*), or (lower) middle class,<sup>10</sup> includes all those who own small amounts of property, i.e. 'the lower middle class, the small manufacturer, the shopkeeper, the artisan, the peasant, all these fight against the bourgeoisie, to save from extinction their existence as fractions of the middle class' (Marx in Jordan 1971: 154). Another formulation specifies the lower middle class as 'the lower strata of the middle class - the small tradespeople, shopkeepers, and retired tradesmen generally, the handicraftsmen and peasants' *ibid.*: 156). In a third definition he includes in the petty bourgeoisie 'café and restaurant proprietors, *merchants de vins*, small traders, shopkeepers, craftsmen, etc.' (Marx 1973b: 65). Overall, the petty bourgeoisie is 'an independent section of modern society' (Marx, quoted in Hodges 1961: 32-33).

Within capitalist society, the independence of the petits bourgeois may be understood in terms of their particular position, in that they are neither wage earners themselves nor employers of the labour of others - which corresponds, as already noted, to SCP.<sup>11</sup> Their independent existence is protected and maintained by virtue of the sacrosanct character of all property, including their own, in capitalist society. At the same time their independence is challenged, and their material base is eroded when the advance of that system, activates its inherent tendencies towards the concentration and centralisation of capital.

Of course, Marx's social classes entail the existence of significant differences between social groups. But one should remember that Marx's sociology was not directed primarily to understanding the constitution of society, but rather existed as part and parcel of his revolutionary plan. The formulation of his analyses and their

very structure lose much of their meaning outside his overall project. Indeed, the inevitable tension between science and politics is reflected in much of Marx's analyses, and/or in the plurality of meanings and definitions of some of his concepts.

Accordingly, social classes are defined above all on the basis of relations of exploitation. Individuals finding themselves in the same circumstances are unified by these relations into a unitary class - as either exploited or exploiters. Exploitation may be internal or external to the production process, although within Marxism's priority is usually accorded to the production process. Why? Obviously because in the capitalist system, the arena of Marx's prime concern and intervention, the relations of exploitation are endogenous to the production process, the relations of production being also relations of exploitation. As such they alienate individuals from their earlier allegiances. At the same time they have the potential of bonding people with similar interests and uniting them into antithetical groups. It is here that one of Marx's prime political priorities was expected to materialise, that of uniting the various groups of wage-workers into one - which can happen only if there is a fundamental cleavage in society. The emphasis placed by Marxists on defining social classes according to their members' position vis-à-vis the relations of production that organise the labour process, stems from this particular political priority; at the same time it is claimed that it conforms to the actual state of affairs. Once this perspective is applied to the definition of the working class in capitalism, it cannot be revoked for other social systems/modes of production, since that would be crass eclecticism. The definition of any social class, therefore, relies on its position vis-à-vis the relations of production, even though these, with the marked exception of



capitalist relations, do not normally entail co-operation, differential roles, and exploitation within the production process.

With respect to the petty bourgeoisie, relations of exploitation internal to the production process (if we by-pass the thorny question of family labour), do not exist. This has led whole strands of Marxism (including in some instances Marx himself) to deny the petty bourgeoisie the status of a singular class. Instead, its members were scattered among several different social strata. Yet at other times Marx clearly presents it as a unitary class, as when he made reference to the debt problem by pointing out its negative impact on the petty bourgeoisie as a form of exploitation, hence as the basis of class-type cleavage (Marx 19973b: 65, 115), or when considering its exclusion from political power (*ibid.*, p. 37). However, he did not elaborate.

In the context of the *class in itself/class for itself* schema, Marx's stand on whether the petty bourgeoisie forms a class or not becomes much more explicit.<sup>12</sup> In his political writings, the petty bourgeoisie is treated on a par with small peasants. This, as I understand it, expresses a reluctance to treat it as a 'great' or 'basic' class, as in the capitalist context Marx referred to the capitalists and wage-workers.<sup>13</sup> The petty bourgeoisie is seen not as a homogeneous, as a formed social class, at times not even minimally so, but as a 'transition class in which the interests of the two [basic] classes meet and become blurred' (emphasis original; *ibid.*: 179).<sup>14</sup>

This perception of a class composed, in a sense, of diluted elements from other classes<sup>15</sup> allows for the treatment of the petty bourgeoisie as a mere auxiliary to either of the two basic classes of capitalist society - despite the fact that it is often given a pivotal role and position in accounts of political processes (Hall 1977: 41).

Another issue that has kept much of its topicality is Marx's closely related usage of the notions of political representation and the ideological complementarity of the middle classes. The latter notion directly concerns the peasantry, and what Marx had in mind by petty bourgeoisie was an essentially urban class (Hodges 1961: 36). The problems of articulating an autonomous ideology, and that of representation which the French peasants faced (see Marx 1969-1970), sprang from their particular circumstances: they were living much scattered and in isolation. But in *this* sense they resemble the urban petits bourgeois, who too are scattered and isolated. Hence, by extending the analogy, the notions may apply to the urban petty bourgeoisie too.

Political representation does, of course, occur on the basis of the interests of particular groups, but the correspondence between the two appears not to be one-to-one, but rather a matter of relative affinity. It is restricted within sociologically defined boundaries of what interests may be, which are based on the social situation of each class. Thus, the solution to the crisis, referred to in The Eighteenth Brumaire, is petty bourgeois, but not because all representatives are 'shop-keepers' (petits bourgeois); in fact they are not. Even if they all were 'shop-keepers', this would not be correct. If the solution is petty bourgeois in character, it is because the proposed way out of the crisis 'corresponds to the objective limits of the particular material interests and social situation of the petite bourgeoisie as a class' (see Hall 1977: 44; also Calvet 1982).<sup>16</sup>

### 3. Other Marxist approaches

#### 3.1 V. I. Lenin

In The Development of Capitalism in Russia, one of Lenin's primary concerns is to show how the differentiation of the peasantry spread capitalist relations of production, and how inevitable this process was in conditions of nineteenth-century Russia. Lenin presents a step-by-step examination of the various forms taken by SCP in the course of social evolution from a natural economy to capitalism. In this context, SCP as a form of production occupies an intermediate position between the two extremes; it is also peopled by an intermediate class.

SCP for Lenin is associated with the form of simple reproduction. This means that in SCP the process of production is always on the same scale - including its previous technical scale. It also means that, even when operating for a market, this form of production is not concerned with expanded reproduction, with accumulation: the whole of the surplus is consumed, and no portion of it is converted into capital (Lenin 1977: 37, 52-6, 66). SCP, therefore, can continue for centuries without undergoing any substantial change in character or size, remaining localised and parcellised (*ibid.*: 67). What in Russia triggered the transition to accumulation (capitalism) was the differentiation of the peasantry, in the course of which emerged a rural artisanate.

But these incipient artisans did not break at once with traditional practices and continued to produce articles made to order (*ibid.*: 335-36). They did not engage in commodity production for impersonal markets, only in commodity circulation - whenever they received payment in money, or when they purchased materials and tools. 'The product of the artisan's labour does not appear in the market, hardly ever leaving the sphere of peasant natural economy' (*ibid.*: 337). On the other hand, in as far as contact with the market stimulated production for it, the

artisans became small-scale commodity producers (*ibid.*: 338), who nevertheless are 'characterised by [their] totally primitive hand technique that remains unchanged almost from time immemorial' (*ibid.*: 548). Lenin's references to artisans are not entirely unambiguous, since he applies the term indiscriminately to producers at various stages of commodification.

The differentiation of the peasantry in Russia was historically intertwined with the abolition of serfdom, and released a considerable supply of labourers. Some of these obtained employment with artisans, initially as part-time workers, subsequently full-time. This meant that these wage-labourers provided for their small producer employers some surplus-value that could be converted into capital. At a given point, this hiring of labour, capitalisation, and expansion made certain artisans and other intermediate strata into fully-fledged capitalists - provided, of course, a market was or became available. It is with this in mind that Lenin declared that 'small-scale production gives birth to capitalism and the bourgeoisie continuously, daily, hourly, spontaneously and on a mass scale' (Lenin: 1965: 9). In other words, he now perceived simple commodity producers as incipient capitalists.<sup>17</sup>

In their daily practice, petty-commodity producers form a part of the petty bourgeoisie, a social class according to Lenin. The criterion he employed for defining the petty bourgeoisie has been described as a 'sort of class criterion'. It involves 'the relationship to the means of production minus the antagonistic relations' between the owners of the means of production and the owners of labour-power 'with, instead, a relationship in which the two poles are unified' (Wesołowski 1979: 109). The petty bourgeoisie 'covers all independent production for the market', while employment of wage-labourers is explicitly not considered one of its essential features (Lenin 1977: 179). In other words, ex-

ploitation being external to the labour process, exploiters can also be for instance landlords, merchants, bankers, or money-lenders. For Lenin, the petty bourgeoisie as a class is not only an urban but also a rural category, and consists of peasants (commercial farmers), artisans (usually handicraftsmen), small-commodity producers in industry, petty traders and shopkeepers (*ibid.*: 384; Hodges 1961: 34-35).

In respect to the politics of the petty bourgeoisie, Lenin's position was similar to Marx's. He invokes the 'two spirits' present in the petty bourgeoisie, the spirit of the worker and the spirit of capitalist, in an attempt to interpret their vacillating position and attitudes, and their role as auxiliaries to one or other of the basic classes. Lenin held that in turn of the century Russia the petite bourgeoisie was a revolutionary class 'within the working-class movement'. When, however, he saw them incline towards the bourgeoisie, he criticised them severely; eventually, petty bourgeoisie became a derogatory term for him (Lenin 1965: 16-17).

In Lenin, simple-commodity producers are shown as portraying certain features which, I think, are indicative of the form of production they represent, and in this sense appear to transcend the specificity of The Development of Capitalism in Russia. Thus small-commodity producers are depicted as fearing competition because it might entail their ruin, and are secretive of any technical inventions and improvements, so as to keep them for their own exclusive use and perhaps to defeat their competitors. They are known to work long hours without stopping, and indeed have to unless they cut down their own standard of living. In unfavourable conditions they do not have a full set of tools, they make a limited assortment of articles, they lack storage space, they pay much higher costs when buying smaller amounts of raw material retail, and must sell more cheaply since they are in dire need of money. The only

asset they control is themselves and their labour input. In these circumstances their income may be considerably lower than wages in a capitalist enterprise. Petty-commodity producers are aided by family labour, especially in the smaller units. Marketing of their products is direct to the customer or to a small neighbourhood market.

One final point concerns the border between small commodity and capitalist production. Lenin's index for this is the number of wage-workers employed in relation to their employers' own and family labour. When wage-labour predominates over family labour, then capitalism has taken over. Lenin is not consistent, however. At one point he specifies the employer's transformation into a 'real capitalist' when s/he employs 15 to 30 wage-labourers (*ibid.*: 355), but elsewhere he approvingly quotes Isayev, who gives a lesser number.<sup>18</sup> In Isayev too the proprietor's ability to divorce himself completely from manual labour is important in connection with how much wage-labour is employed. Of course, these are only manifestations of the main underlying issue, namely how much available capital the artisan-to-be-capitalist has at his disposal (see *ibid.*: 361).<sup>19</sup>

### 3.2 N. Poulantzas

N. Poulantzas draws a sharp distinction between the petty bourgeoisie and small capital, holding that lumping the two together serves only monopoly capital's attempt to co-opt the former (Poulantzas 1978: 104, 139, 151). The petty bourgeoisie is *not* seen as a fraction of the bourgeoisie,<sup>20</sup>

'[it] is *not* a bourgeoisie smaller than the others; it is *not* a part of the bourgeoisie at all, since it does *not* exploit, or at least is not chiefly involved in exploiting wage-labour' (*ibid.*: 151; emphasis added).

Poulantzas regards the petty bourgeoisie as constituting a distinct class with two basic factions, the 'traditional' and the 'new' petty bourgeoisie.

For him, the traditional faction belongs to the simple-commodity form, the form which historically made the transition from feudalism to capitalism. In terms of relations of production it includes both small-scale production and small-scale ownership (*ibid.*: 206). More specifically, small-scale production consists of types of artisanal production, or small family businesses, where ownership and possession of the means of production coincide with the direct producer. Thus,

'there is no economic exploitation properly so-called, in so far as these forms of production do not employ wage-labour, or at least only do so very occasionally. Labour is chiefly provided by the actual owner or by members of his family who are not remunerated in the form of a wage. This small-scale production draws profit from the sale of its goods and through the overall redistribution of surplus-value, but it does not directly extort surplus-value' (*ibid.*: 285-86).

The statement that small-commodity producers do not directly extort surplus-value is accurate only as far as the ideal-typical version of artisan, self-employed in SCP. For the rest, the claim is flawed because in practice exploitation is by no means unknown.

Poulantzas' qualification (which he does not actually specify but which can be inferred) for including establishments employing wage-labourers in SCP and the petty bourgeoisie is that the employees' labour must not exceed that of the owner and of his family. In this he aligns himself with classical Marxists. He holds that 'in the strict sense' the artisanal petits bourgeois in France are to be found within the enterprise category of fewer than five employees, the smallest grade for which there are official data. He therefore excludes some of the larger employers from the petty bourgeoisie on the basis, apparently, of too

high a ratio of wage to family labour. What the precise dividing line should be is not spelled out.<sup>21</sup>

Poulantzas therefore emphasises the principal role played by the labouring owner and his family, but we must also take into account the numerous cases where such wage-labour is exploited. I would identify the artisanal petty bourgeoisie among small-scale producers in the fewer than five employees bracket, but some artisans certainly operate businesses with a larger workforce and still their family members outnumber the wage-workers. Empirical data are required if we are to reach a more definitive conclusion on this issue.

Poulantzas also holds that there is a 'class barrier' between the petty bourgeoisie and the small (non-monopoly) capitalists. One implication is that mobility between them is minimal, especially upward. Another is that the nature of the contradictions that drive the petty bourgeoisie away from the in capitalist formations dominant monopoly capital is supposedly completely different from those that divide small capitalists from monopoly capital. Concerning the first set of contradictions, the 'dissolution effects imposed by monopoly capital on the traditional petty bourgeoisie ... actually do assume the forms of an accelerated process of liquidation and elimination' (*ibid.*: 151), an index of which is the decline of artisanal enterprises.<sup>22</sup> This process is, however, tempered by the intervention of the state, which for political reasons concedes economic privileges to the petty bourgeoisie.<sup>23</sup>

The relationship between monopoly capital and small (non-monopoly) capital, is in sharp contrast to that between monopoly capital and the petty bourgeoisie. Although it is at times affected by competition, it is always characterised by the unity that monopoly capital has imposed upon its non-monopoly brethren (*ibid.*: 150). Existing cleavages among the various factions of capital do not lead to the elimination of non-



monopoly capital, although the cleavages between capitals (small or large) and the petty bourgeoisie, which are not related to differences in 'magnitude', promoted the elimination of the latter (*ibid.*: 153).<sup>24</sup>

Poulantzas in fact launches an attack against the notion of 'small and medium-sized enterprises' (SME). He considers SME to be a myth concocted by political forces that is as much of an aberration as (some) orthodox Communist Parties in the West. According to him, rolling artisans and other petits bourgeois into one with small capitalists serves only the purposes of the latter, who co-opt and utilise them in their struggles against the more monopolistic factions of capital. As the petits bourgeois are led to consider themselves on a par with small capital - both being members of the SME, in actual practice and even by law - they begin to dissolve their autonomous organisation, even though this undermines their position with their new allies. Strategically, via the SME scheme the petits bourgeois become, and are utilised as, auxiliaries of capital in the latter's continuing struggle against the working class (*ibid.*: 139-40, 150-53).<sup>25</sup>

Patterns of recruitment into artisanal positions are important. According to Poulantzas, in France, 60,000 workers joined the artisanate between 1959 and 1964, two-thirds of whom were skilled and one-third semi-skilled. One-third of the total, quite a significant figure, were the sons of artisans. This indicates that the stratum is fragmented to a considerable extent. Part of it reproduces itself in terms of position, but the majority decomposes into other class positions and is recruited anew from the working class, at which point there is upward mobility. A not insignificant further upward mobility of artisans into the small-capitalist stratum is also acknowledged.<sup>26</sup> In a country like France artisans would, therefore, seem to be a very mobile stratum indeed.<sup>27</sup>

Does this evidence invalidate Poulantzas' rejection 'of the myth of social promotion', his claim of a class barrier, and his critique of the SME notion? I think it does not, given that the move from skilled wage-worker to independent artisan would, at best involve, a slight betterment of one's situation. With respect to mobility from artisan to small capitalist, the proliferation noted may indeed involve business growth of a capitalist type. But then the issue is whether or not these new entrepreneurs can manage to maintain themselves in their new positions. Perhaps it is safer to say that the above data question and qualify Poulantzas' postulates, and make it necessary to search for an explanation of the observed deviations, which his structuralist scheme really cannot account for.

At this point a short excursus is indicated. For Poulantzas, as noted earlier, the traditional and new *petits bourgeois*, form a single class. He investigated their ideological and political underpinnings, and found them permeated, due to class polarisation, by the dominant bourgeois and working-class ideologies, and always determined by the class struggle. Both groups exhibited certain features in common that compose the *petit bourgeois* ideology.<sup>26</sup> Similarly, in political outlook the petty bourgeoisie as a whole or in its parts has no stable autonomy and is subservient to that of either of the two main classes (Poulantzas 1978: 287-97; and see Wright's critique 1978: 40-41, 58-59).

However, the origins of the two factions are quite different and their economic determination, constitution and overall make-up is very dissimilar: the traditional group continues to be engaged in non-capitalist SCP, while the 'new' petty bourgeoisie is the product of advanced capitalism (Therborn 1983: 172-73). They are united in one class due only to their common ideological and political features. According to Poulantzas, both 'old' and 'new' *petits bourgeois* being excluded from

the basic classes gives them a common negative element that, as he claims (but not expounds), 'actually produces economic similarities which have common political and economic effects' (*ibid.*: 206). In fact, it is due to this renowned overpoliticisation, understandable in view of the priorities of Marxism, that Poulantzas lumps the two petit bourgeois groups into a single class.<sup>29</sup> Interestingly enough, that unifying element does not always operate. Because of the artisans' working-class origins and traditions and their participation in manual labour, they tend to adopt the perspectives and positions of the working class. This establishes them as a 'class faction' distinct from the small retailers who exhibit different, pro-bourgeois affiliations. The division is not between 'old' and 'new' petty bourgeois, but between artisans and shopkeepers (*ibid.*: 330). Of course this is an indirect way of acknowledging the vastly heterogeneous character of the groups that constitute the lower middle class(es) or petty bourgeoisie (see critiques of Poulantzas' views in Hunt 1977: 81-107; and Wright 1978: 43-59, 1985: 40).<sup>30</sup>

Closing this section, I think that three points need to be emphasised.

*Firstly*, I find the rejection 'of the myth of social promotion', the critique of the SME notion, and the claim that there is a class barrier, very useful - not for the political reasons that prompted Poulantzas', but heuristically I believe they may help direct studies towards questions more pertinent to the social cohesiveness of the artisan stratum and of its divergence from other social groups, from the perspective of both actors and institutions. However, the idea of a class barrier should be modified to allow for more autonomous action, which in concrete empirical cases is important for mobility; it also requires more specification.

*Secondly*, the role of the state in mature capitalism, in tempering, alleviating, and even countering the consequences of the endemic tendency towards class polarisation must, since the state is not a mere class apparatus, also be taken into account, as well as the actors' interaction with the various state agencies.

*Thirdly*, Poulantzas shows the difficulties, and unwittingly the dead-lock, involved in advocating a class analysis which relies on polarisation and struggle between the basic classes,<sup>31</sup> and perceives other classes and strata as revolving around them and determined by them, without showing how the subservient classes and strata counteract by themselves exerting influence on the various structures bearing upon them. Social classes other than the two basic ones should be analysed in their own right, without shedding all references to their economic, political, and ideological determinants. This can be done only if class analysis is not taken to be quasi-synonymous with political strategy.

### 3.3 *E. O. Wright*

In his discussion of contradictory class locations Wright concerned himself with the petty bourgeoisie and what he calls small employers, that is employers who, while they exploit labour-power, are not capitalists. The petit-bourgeois form of production is SCP, and he contrasts it with capitalist production, which is defined in class terms (Wright 1985: 34-35).

SCP is characterised as production for the market by self-employed producers who do not employ workers and exhibit a high degree of work autonomy. In this Wright follows other Marxists already surveyed. For the petty bourgeoisie to be considered a class portraying the above characteristics - class being a relational concept for Wright - it must engage in systematic exchange relations with other classes.<sup>32</sup>

Accordingly, surplus appropriation in SCP does not involve exploitation; 'whatever surplus is produced is generated by the petty bourgeoisie producer and his family' (Wright 1978: 74, 79-80). It must, however, be said that since part of the surplus they produce is 'appropriated by capital through credit relations and other forms of exchange relations, self-employment is obviously insufficient to define self-exploitation' (Wright 1985: 62). For Wright, unequal exchange on the market *is* exploitation, and therefore some petits bourgeois are exploited by capital, although he qualifies this statement by saying that these transfers are 'redistributive of a social product already produced within a set of property-relations' (*ibid.*: 98, 103). If we were to accept his proposition, small employers would also have to be considered as exploited by capital; obviously such a conception of exploitation is non-Marxist.

The magnitude of the surplus of independent producers is insignificant to allow for accumulation. However, employing even a single worker alters the social relations of production, though the surplus-value he produces is very small, and at any rate likely to be less than that produced by the owner-producer. This is especially so if members of the owner's family contribute their unpaid labour. As additional wage-workers are employed, the ratio of family to wage-labour declines.

'At some point it becomes less than half of the total surplus product, eventually becomes a small fraction of the total surplus. At that point the petty bourgeoisie producer becomes firmly a small capitalist. There is no *a priori* basis for deciding how many employers are necessary to become a small capitalist' (Wright 1978: 80).

For Wright, divisions of labour, technologies employed, and the timing of wage-labour employment in terms of the lifespan of the artisanal business and the historical period, have a determining influence upon family/wage-labour ratio and the size of the surplus, which must be

large enough to facilitate the transition from one form of production to the another. This grey area between SCP and CMP in terms of agents is covered by what Wright calls the 'small employer'. Indeed, between the petty bourgeois placed in an 'unambiguous location within class relations' (*ibid.*: 74) and the small capitalist stands the contradictory location of the small employer as a location *between* modes of production.<sup>33</sup>

Wright eventually abandoned the emphasis of his general approach on relations of domination, i.e. control or non-control that was his key criterion of class inclusion (rather than 'location in the capitalist process of production', as Therborn had argued - 1983: 173). These relations in SCP he had defined as self-control, 'i.e. the individual self-direction within the labour process'. Later he acknowledged that the theoretical autonomy involved in self-control in the labour process, the unity of conception and execution, in real life suffers constraint by the market, by credit institutions, long-term contracts with capitalist enterprises, etc. (Wright 1985: 51-54). It would seem that the difficulties with autonomy are similar to those of dependency, both stemming from the indeterminate character of these concepts. Wright now regards work autonomy/control over the labour process as contingent upon work settings for particular jobs, and not as a distinctive petit-bourgeois characteristic.

In Wright's re-evaluation of his concepts he has also argued that the 'contradiction' involved in the small employer location is not really contradictory: while small employers may have market interests that run counter to those of the bourgeoisie, their fundamental interests ('interests which call into question the structure of social relations' - Wright 1978: 89) are not opposed. The location, therefore, of

the small employer may be 'dual' or 'heterogeneous', but it is not contradictory.

In his latest formulations of his theoretical approach, Wright, having left aside the understanding of exploitation on the basis of the labour theory of value, adopts J. Roemer's concept of exploitation, which is based on a labour-transfer approach. Exploitation is defined as surplus labour transferred from one class to another. It can occur both inside and outside the institution of wage-labour in a market economy, in the sense that labour transfers are to be found in the inequalities in the distribution of productive assets. These assets may take the form of property relations in the means of production, but labour power is also a productive asset, as well as skills, credentials, and organisational control (*ibid.*: 62-84). This approach to exploitation he calls 'multidimensional' (*ibid.*: 283).

In a capitalist formation, according to the multidimensional approach, the petty-bourgeois self-employed producer with (in relation to all other producers) average capital stock/means of production as a principal asset, would be neither exploiter nor be exploited. An important condition is that the self-employed producer must have precisely the per-capita level of the relevant asset - in our case, capital. Any deviation would then make him either exploiter or exploited. Of course, if other assets are also taken into account, he may well be an exploiter in some respects, and exploited in others (*ibid.*: 86-87, 103).

From this multidimensional standpoint there are two other ways in which different forms of exploitation (different in terms of assets as the basis for labour transfers) can be linked together. In the first, the 'external' link, two forms of exploitation exist within a given production process that interact with each other. Wright mentions the interaction between simple-commodity producers and capitalist firms as

an example of such an external link. In the second, the 'internal' link, there is a simultaneous operation of different forms of exploitation within a single production process. An example could be small employers. External links are considered instances of articulations of modes of production, while internal links are instances of the more complex interpenetration of modes (*ibid.*: 111-12).

Applying this new approach to our particular interests leads to no breakthrough. On the basis of 'different ownership of assets in the means of production' (i.e. capitalist assets), the largely ideal-typical traditional petit bourgeois is defined as someone who owns just enough to reproduce himself, but not enough to hire anyone else. The small employer is defined as one who owns enough means of production to hire workers, but not enough to have the option of not working at all. With respect to numbers, the petit bourgeois has one employee (due to an acknowledged error in questionnaire construction he should have had none); the small employer has two to ten employees; while an employer with ten or more employees is considered as a fully-fledged capitalist (Wright 1985: 149-51). If we ask into which class the small employer belongs, the answer is by no means clear-cut. He is a mixed type, nearer the ideal-typical petit bourgeois at the lower and more populous end, but a semi-capitalist in the upper margin.

Overall, the strong point Wright's approach is, I think, the incorporation of skill and other assets in the determination of class, although I think it is unwise to depart completely from the more classical Marxist approach. On the negative side, he does not at all account for family labour.



## Conclusions

The strong point of the Marxist approaches surveyed seem to me to be their definition of SCP and the petits bourgeois on the basis of their objective and intrinsic characteristics and situations. Their structures are perceived as a product of historical circumstances within advanced capitalism, and there is extensive similarity among the authors on the basic features of the lower middle class, in particular on the economic foundation of artisans in SCP. The differences discernible in their writings are related to the political and ideological developments of the historically specific formations on which the authors base their arguments. These differences concern the particular profile of the lower middle class and its constituent parts, but not its basic economic structure.

The Marxists' concentration on strategic class behaviour, large-scale transformations, and structural-institutional influence on the lower middle classes often has heuristic and interpretative importance. Yet it also exhibits a broad negligence towards issues with which they were not directly concerned which, while understandable, also shows the limits of their analyses. This neglect includes the circumstances and material conditions of petty-bourgeois existence, the way the various petty-bourgeois strata constitute themselves, how their practices influence other institutions and agents, and how they assert themselves as social actors.

Given the priorities of Marxist analysis, it would seem that this neglect stems from the fact that, once the petty-bourgeoisie failed to assume a revolutionary role and/or did not enact an autonomous role at particular historical junctions, it was judged to be unable to speak up for itself, but 'must be represented' (Marx 1973b: 239), and that it is not a coherent and self-conscious class.<sup>34</sup>

It was 'discovered' that the petits bourgeois are interested with only minute changes, that their horizon is limited by the smallness of their daily activities that render them incapable of active participation in larger developments, that their only aim is to stabilise or marginally improve their position, while constantly being afraid of a possible (and according to Marxists inevitable) deterioration and their eventual demise. In short, the petty bourgeoisie's was perceived as pathologically self-centred and tied to its petty property; therefore to be, or to be called, petty bourgeois became derogatory. Thereafter, the issue was the question of which of the two main classes of capitalism would manage to represent the petty bourgeoisie in the forthcoming class struggle. In other words: the petty bourgeoisie became a mere object, unable to speak with a voice of its own.

## Notes to Chapter I

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1. 'Under the heading of small-sale producers we include urban craftsmen and artisans as well as peasants', notes W. Wesolowski (1979: 154).

Kalomalos has pointed out that the English term 'petty' bourgeoisie, hence 'petty'-commodity production - unlike the French '*petit*' or the German '*klein*' meaning small - was first used derogatively by the English aristocracy when referring to the lower middle class, and that this use of the term has infiltrated the social-sciences vocabulary. He considers it a prime example of value-laden terminology employed by a supposedly value-free sociology (Kalomalos 1989: 4). Similar objections most probably underlie the employment of *petit* instead of 'petty' or 'small' by some contemporary authors writing in English (see for instance Bechhofer and Elliott 1976; 1982; Crossick 1984; Cuneo 1984), although an aversion to the Marxian undertones of SCP may also be at play. However, it may be countered that, whatever its particular trajectory, the term 'petty' as an anglicized version of *petit* (see OED), has become established as a value-free synonym for the word 'small'. (So 'petty' and 'small' have both been used, in different contemporary translations of the same Marxian text; compare Marx 1973: 512; and Marx in Hobsbawm 1978: 117.)

The terms simple, independent, small, or petty commodity production, which are widely used today involve a quantitative criterion that is of course arbitrary. I myself have opted for 'simple-commodity production', because this has a definitively qualitative aspect, discussed later in this section. The other terms appear in the text interchangeably and in a neutral sense.

2. W. Wesolowski considers it a 'mode of production characterised by only one class and not two, antagonistically situated classes' (1979: 14). The issue of whether simple-commodity production is a form or a mode of production is not at all straightforward. For Marx, a mode of production is a specific structure, which in Capital and Grundrisse he elaborates at some length, but this is not the case for some later Marxists. (A shorthand definition of Marx's mode of production would be 'a totality (*das Ganze*), which is composed of a structure of production and of human and non-human material, that the structure orders and articulates in their positions and roles in production' (Kalomalos 1989: 5, my translation.) For Marx's followers the notion of mode of production has at times become almost identical with social formation or society, despite some attempts to clarify the issue (see for instance Althusser and Balibar 1977: 317; Cutler *et al.* 1977: 222-31; Hindess and Hirst 1975: 9-17, 1978: 20, 46-62). To the existing ambiguity over the mode-of-production concept should be added the obscure issue of what is a *form* of production and how it is to be related to a *mode* of production, and

of course decide on the status of simple-commodity production. Since this would take us too far from my present thesis, I shall restrict myself when discussing simple-commodity production to using the more neutral form of production, and avoid the mode/form issue as it does not have a direct bearing on my central subject.

3. T. Kalomelos discusses what he has termed 'small-property mode of production'. As I understand it, this notion more or less overlaps with SCP although it is narrower; control is not incorporated along ownership of the means of production in the definition. (I should note that in a personal communication Kalomelos asserted that such control is included).

4. Some discussions of SCP, especially structuralist elaborations, may be criticised as unwarranted theoreticism. With them the avoidance and indeed complete absence of any reference to empirical evidence, which they reject as empiricism, has reached almost programmatic status (Gibbon and Neocosmos 1985: 168), inexorably leading to sterile theorising. On the other hand, the lack of theoretical clarity has been aggravated by some authors building up their theoretical schemata on the basis of distinct empirical contexts.

5. Marx often uses SCP in this way (for instance Marx 1976: 273, 927 ff; Marx 1977: 175 ff). I. Rubin's account of Marx's theory of value argues that Marx utilised SCP for explanatory purposes (as a theoretical abstraction), not for historical analysis (Rubin 1972: 95-105).

6. 'Capitalist production is the first to make the commodity into the general form of all produce' (Marx 1976: 951).

7. Independent producers enjoy a good measure of personal freedom, and are not tied to relations of external personal dependence that regulate the appropriation of their surplus by some non-labouring stratum.

8. 'Labour-power becomes a reality only by being expressed; it is activated only through labour' (Marx 1976: 274).

9. The following excerpt illuminates Marx's view on the limits of SCP and the starting point of capitalist production and, although lengthy, is worth quoting.

'Capitalist production only really begins, as we have already seen, when each individual capital simultaneously employs a comparative large number of workers, and when as a result, the labour-process is carried on on an extensive scale, and yields relatively large quantities of products. A large number of workers working together, at the same time, in one place (or, if you like, in the same field of labour), in order to produce the same sort of commodity under the command of the same capitalist, constitutes the starting-point of capitalist production. This is true both historically and conceptually. With regard to the mode of produc-

tion itself, manufacture [*Manufaktur*] can hardly be distinguished, in its earliest stages, from the handicraft trades [*Handwerksindustrie*] of the guilds, except by the greater number of workers simultaneously employed by the same individual capital. It is merely an enlargement of the workshop of the master craftsman of the guilds' (Marx 1976: 439).

10. P. Calvet has made it clear that for Marx these terms refer to exactly the same social entity (1982: 90). A. Giddens makes the same point (1978: 31).

11. S. Ossowski has pointed out that in Marx one can identify two sets of criteria in the definition of the petty bourgeoisie. The first is ownership of the means of production and the input of the owners' individual labour. The second includes ownership of the means of production and non-employment of wage-labour (see Ossowski 1973: 112-23). Used separately, each set of criteria forms the basis of a trichotomous distinction of social classes. But if both sets of criteria are utilised together, this allows for a more precise description of social classes. The three criteria involved are: ownership/non-ownership of the means of production, whether the owner supplies his own labour or not, and whether or not wage-labour is being employed.

12. Thus in the Eighteenth Brumaire he writes:

'in so far as millions of families live under economic conditions of existence that separate their mode of life, their interests and their cultural formation from those of the other classes and bring them into conflict with those classes, they form a class. In so far as the small peasant proprietors are merely connected on a local basis, and the identity of their interests fails to produce a feeling of community, national links, or a political organisation, they do not form a class. They are therefore incapable of asserting their class interests in their own name' (Marx: 1973b: 239).

13. According to W. Wesołowski, in Marxism 'classes related to the dominant mode of production are usually termed basic classes'; other social groupings are called 'non-basic classes' or 'strata' (1979: 15).

14. In other words the strain between sociology and politics in Marx shows itself in terms of whether the petits bourgeois form a distinct class or not. S. Ossowski (1963: 75), as P. Calvet notes (1982: 153), has brought into the open this instance of conflicting loyalties between science and revolutionary ideology, which has led some sociologists to treat Marxism not as a strain within sociology but rather outside it (for instance Giddens 1990: 701-02; for a thorough discussion of the issue see Therborn 1977; for a contrary view see Bottomore 1978).

15. As Wesołowski notes, small-scale producers are deprived of an op-

posite class pole, 'which is, as it were, combined in the person of every small-scale producer. This is expressed in the "two spirits" so frequently analysed by Lenin: the spirit of the capitalist and the spirit of the worker' (1979: 109).

16. Similarly, L. Napoleon does represent the peasantry without being a member of that class. There was a 'resonant complementarity' rather than a one-to-one correspondence between his ideas and the ideological outlook of the peasantry. 'There is an homology of forms between them' (Hall 1977: 45). This complementarity, operating in the midst of a particular conjuncture, allowed Napoleon to represent the members of a class that 'cannot represent themselves, they must be represented' (Marx 1973b: 239).

17. This process, from peasant, to artisan, to capitalist, is what has come to be known as 'Way No. 1' to capitalism (G. Lefebvre 1978: 124).

18. According to Lenin, Isayev argued that while

'the employment of 2 to 3 workers provides the proprietor with such a small surplus that he has to work alongside them, ... the employment of 5 workers already gives (him) enough to enable him to give up manual labour in some measure, to take it easy somewhat' (*ibid.*: 361),

and to be mainly involved with business functions. At 10 wage-workers or more,

'the proprietor not only gives up manual labour but practically ceases to supervise his workers: he appoints a foreman for the purpose ... . He now becomes a small capitalist, a "born master"' (*ibid.*).

19. The criterion of capital is the main consideration, although it is very difficult to quantify it. Lenin operationalised this criterion in terms of the artisan's quantitative means of production. This did make sense in the context of what was mainly handicraft production; in a different context, e.g. nowadays, it would be absurd. Other indicators - such as technical organisation, access to larger markets, volume of output, etc. - although useful in gauging the level of capitalisation, were of secondary importance.

20. For Poulantzas, economic divisions within a class give rise to class *factions*. Divisions within a class that stem from ideological and political determinants, are referred to as the *strata* constituting that class (1978: 23).

21. Actually, enterprises in France are legally defined as artisanal on the basis of how many workers they employ. i.e. 'fewer than 5 workers, *excluding* family members *and* apprentices' (Berger 1980a: 125, my emphasis). For Poulantzas, an artisan's establishment could have a big-

ger workforce, say a total of 7 or 8 employees, as long as the proprietor's large labouring family offsets their labour input; then, by Poulantzas' criterion, it would nevertheless keep its petit-bourgeois character.

22. Poulantzas notes that in France between 1954 and 1966 the percentage of establishments employing from 1 to 4 (4.99) workers fell from 13 to 10% of the total number of establishments, after which he speaks of a 'massive process of pauperisation' and indeed proletarianisation of the petty bourgeoisie (1978: 152).

23. In the French context, the state permits extensive tax evasion to take place; also, certain benefits accrue as a result of inflation, price increases, etc., all of which are 'political mechanisms' tempering the subjection of artisans and other petits bourgeois to capital (*ibid.*: 152-53, 239-40).

24. By way of contrast, A. Giddens understands the Marxian perception of the petty bourgeoisie in the following way: 'the petty bourgeoisie, if it is to be regarded as a class separable from the *grande bourgeoisie*, is so in virtue of a difference in scale of enterprises owned, not because it is in an exploited position *vis-à-vis* the latter class' (1978: 101). This is exactly what Poulantzas (and Marx) rejects.

25. In France, the country that serves as the framework for Poulantzas' Classes in Contemporary Capitalism, a firm of up to 300 employees is included among the SME (Poulantzas 1978: 140), along with self-employed craftsmen's and artisans' establishments of two, three or four persons.

26. In France between the years 1954 and 1966, small capitalists, which includes 'those with from 6 to 9 (9.99) employees, increased by 73,000'. Part of this increase is attributed to artisans who managed to expand their businesses (*ibid.*: 329).

27. This mobility undoubtedly has repercussions as far as the stratum's ideology, traditions and reference points, cohesiveness, identity and organisation are concerned, which are likely to be very loose. In fact, to speak in these conditions of an artisanate as a class agency would hardly correspond with reality.

28. Basic elements of this ideology are a reformist anti-capitalism, a challenge of the established order not for purposes of overthrowing it but for participating in it, a moral critique on the basis of 'order', 'discipline', 'authority' and 'hierarchy', individualism and power fetishism, expressed particularly in statolatry, in subordination and subservience to the dominant bourgeois ideology, etc. (see *ibid.*: 285-99).

29. The political rationale behind this particular issue is acknowledged by Poulantzas himself throughout his Classes in Contemporary Capitalism. The absurdity into which it led him with respect to the issue at hand, is politely noted by T. Benton (1984: 146).

30. A conception of class as an effect of ideological, political, and economic 'structural determinants', inseparable from the class struggle, cannot explain the absence of common economic determinants, whatever Poulantzas say. To my mind, existing similarities in politics and ideology among the 'old' and the 'new' petty bourgeoisie, or for that matter among artisans and shopkeepers or other petit bourgeois types, may be explained as responses to similar structures of subservience and dependence. Again, they cannot be accounted for in terms of the non-existing similarity of position and overall situation, the so-called negative criterion of class.

31. 'The principal aspect of an analysis of social classes is that of their place in the class struggle' (*ibid.*: 17).

32. If all producers were in fact petits bourgeois, they 'would cease to be a class in the proper sense of the term' (*ibid.*: 59). While this has never occurred in history, Wright perceives the petit-bourgeois class and its form of production as always having a subordinate role in relation to other classes and forms of production.

33. This implies that, for Wright, SCP is treated as a mode of production on a par with other modes, such as the capitalist one.

34. Paraphrasing Marx, the petty bourgeoisie, in the relevant contexts, would seem to be formed as a class 'by the simple addition of isomorphous magnitudes, much as potatoes in a sack form a sack of potatoes' (Marx 1973b: 239).



CHAPTER II - CONTEMPORARY SOCIOLOGICAL APPROACHES TO THE PETTY  
BOURGEOISIE AND SMALL FIRMS IN ADVANCED INDUSTRIAL SOCIETIES

Introduction

In the context of advanced industrial societies, artisans have only exceptionally been treated separately in the literature. This is undoubtedly related to the fact that of the various petit - bourgeois strata, they are the one to have survived least. The dearth of material directly relevant to them creates a serious problem in their sociological study, especially since the internationalisation of sociology has meant the transference and utilisation of Western theories, concepts and analytical tools to analyses of non-Western societies. In consequence there is practically nothing available in perspectives and analytical tools that is *directly* relevant to the sociology of artisans in the advanced societies and which could be applied to the analysis of artisans in a country of the semi-periphery, or would provide a foundation to build on.

Historically speaking however, all artisans, in the semi-periphery and periphery as well as in the advanced countries, exhibit a qualified structural affinity with the various other groupings of small proprietors. Acceptance and recognition of the homology among them has led to the incorporation of artisans and other groupings under the single umbrella of the petty bourgeoisie. This would suggest that analyses of various other petit-bourgeois groups and their discussions could be useful for the analysis of artisans proper by facilitating comparisons. It is in this sense that some of the approaches and issues examined by what has been termed the sociology of petit capitalism (Curran and Burrows 1986; 1987) are surveyed here. Obviously, the move from a

broader category to a more restricted and particularistic one, rules out any one-to-one correspondence between the two, so that the literature on the petty-bourgeoisie may in fact be only indirectly relevant to study of artisans.

In this chapter, after a brief look in the decline and subsequent renewal of interest in the petty bourgeoisie, I shall examine the views of Bechhofer and Elliott and their associates' on the marginality and survival of the stratum, the members of which are then examined as actors. This is followed by a look at what the impact of the state has been at entrepreneurship, and at industrial relations in small firms. 'Small firms' is yet another mixed category that both includes the petits bourgeois (and artisans) and transcends them, so one must be cautious in extending to artisans the conclusions reached.<sup>1</sup>

#### 1. The decline and resurgence of the petty bourgeoisie in advanced industrial countries

As predicted by Marxist and liberal theories, large enterprises, employing thousands of workers and producing huge quantities of diverse products for mass markets, have in the course of the twentieth century come to dominate the industrially advanced countries.<sup>2</sup> The processes of capitalist development that led to their emergence were at the same time processes furthering the decline of small-scale craft and artisanal production.

The drop in small production (measured by number of employees) has been substantial, as verified by data for selected western countries, so in the category of 1-10 employees per firm the share of industrial employment - a useful index for ascertaining the overall impact of small concerns on society<sup>3</sup> - dropped in France from 19% to 12% between 1962 and 1966; during the same period it went down in Germany from 13% to

2%. In Italy the drop was more gradual, from 28% to 25% between 1961 and 1971 (data mentioned in Weiss 1984: 21; see also Bairoch *et al* 1968).<sup>4</sup> In the USA too, the proportion of employees in manufacturing establishments of less than 20 employees has undergone significant reduction. It was more than halved in the course of this century, from a high 14.4% in 1909, to a low of 6.2% in 1972, and 6.5% in 1977.<sup>5</sup> It would seem, therefore, that it was with good reason that social scientists were not particularly concerned with owners of small businesses. These were perceived as having no future. Destined to wither away altogether as a socio-economic category, they were dubbed 'transitional'. Those that had not yet gone under were considered a residue from a bygone age and termed 'traditional'; they played only a marginal role in the modern economy and society. It was the groups which were in the ascendant - technicians, managers, clerks and other white-collar workers - all those that comprised the so-called new petty bourgeoisie, who did engage the attention of the social scientists.<sup>6</sup>

The revival of sociological interest in the traditional petty bourgeoisie of the developed countries began about twenty five years ago. At first it was considered something of an oddity, but soon it became respectable and led to a growing output of sociological literature.<sup>7</sup> The awakening of sociological interest in the petty bourgeoisie coincided with a new emphasis by economists on small businesses, that was first focused on shopkeepers. For Britain, the turning point was the 1971 Bolton Report (Curran and Stanworth 1982), which concurred with sociological inquiries (such as G. Ingham's, 1970) on the effects of size on organisations. Sociologists were intrigued that, contrary to all theory and predictions, the petit-bourgeois stratum had survived. There was confirmation of its survival from various quarters, for instance a reluctant C. Cuneo (1984) admitted it with respect to Canada, while E.

O. Wright and B. Martin (1987) discovered that, overall, the petty bourgeoisie was holding up rather well in the United States. Since in some cases SMEs had patently expanded their numbers, it was reasonable to deal with the phenomenon. In particular G. Steinmetz and E. O. Wright (1989) noted an increase in the self-employed category of the U.S. labour force.<sup>8</sup> Similar conclusion were reached by Bogenhold and Staber (1991) in their study of eight advanced industrial countries. They pointed out that in six of them (Canada, France, West Germany, Italy, the U.K. and the U.S.) the upswing in self-employment is a counter-cyclical response to unemployment.<sup>9</sup> Gradually, therefore, it has been acknowledged that these groups/strata have not perished but are thriving.

## 2. Marginality of the traditional petty bourgeoisie

Credit is due to F. Bechhofer and B. Elliott and their colleagues for instigating the revival of interest in the traditional petty bourgeoisie which, after a period of falling off, has bounced back. Their studies focused on small shopkeepers in and around Edinburgh undergoing numerical growth attributable to urbanisation.<sup>10</sup> Shopkeepers as small independent entrepreneurs, were considered a section of the traditional petty bourgeoisie (Bechhofer and Elliott 1968, 1976, 1978, 1981; Bechhofer, Elliott and Rushforth 1971; Bechhofer, Elliott, Rushforth and Bland 1974a, 1974b; Elliott, Bechhofer, McCrone and Black 1982; Elliott and McCrone 1982).

Three criteria were taken into consideration in the Bechhofer *et al.* definition of the petty bourgeoisie: ownership, labour, and technology. For them, members of the petty bourgeoisie own small businesses, in which they themselves work and very often use also the labour of their families and kin. The employment of wage-labour is limited; where it ex-

ists it is an extension of, rather than a substitute for, the proprietor's own and family labour. The third element, the technology employed, is generally viewed as being of a relatively low level (Bechhofer and Elliott 1976: 76-77, 92; 1981: 182-83).

### *2.1 Technology*

The first two criteria fall largely within what in earlier chapters has been defined as simple-commodity production, and indicate a structural homology between small shopkeepers, artisans, and other petits bourgeois. But the criterion of technology is an important departure from the earlier conceptualisations. It is not clear how or why it was included in Bechhofer's definition. Perhaps he and his associates saw the resurgence of the petty-bourgeoisie as the reappearance of an extinct species, as it were. On the other hand, the traditional shopkeepers who were investigated from the late 1960's onwards did look like earlier ones, and did not utilise high technology. It would seem that the authors then generalised this characteristic and took it to be a defining feature of all petit-bourgeois factions. This is unwarranted, however.<sup>11</sup>

Technological advances have automated a wide range of industrial and clerical tasks. The flexible application of technological implements has made it possible to combine small business size with quality, efficiency, and labour-saving (Sabel 1982; Piore and Sabel 1984). This has led to a proliferation in the advanced countries of very small firms, which are themselves innovating or producing new technologies and/or are at least equipped with them (see Giaoutzi, Nijkamp and Storey 1989); this is especially so in the service sector (Gershuny 1985, 1988; Gershuny and Miles 1985).<sup>12</sup> A significant number of such small firms successfully compete with larger enterprises. It is misleading to see

them 'a la Bechhofer and Elliott, in terms of marginality, as residues from the past that have managed to survive by adapting themselves (like the artisan bakers in the studies by the Bertaux 1981a, 1981b), or by specialising in the production or administration of Hirsch's 'positional goods', i.e. luxuries or other goods and services which are not amenable to mass production and mass provisioning (see Ellis and Heath 1983). Concerning the owner-managers of these small units, they must, in terms of their structural position, be acknowledged as belonging to the petty-bourgeoisie, to a segment of it that is not decaying but reviving. This means that Bechhofer and Elliott's views on the whole petty bourgeoisie need to be revised.

The authors base their definition of the petty bourgeoisie on a market and work situation, on a Weberian approach.<sup>13</sup> This suggests that they perceive knowledge as a capital asset. Bechhofer *et al.* think that the owners of small high-technology firms of the self-employment type, i.e. petit-bourgeois elements, who have set-up their businesses in order to exploit some very recent technological innovation(s),<sup>14</sup> trade more on skill and esoteric knowledge than those whose small businesses utilise mature technologies. The utilisation of such skills and knowledge would certainly result in a work situation and market very different from that of the traditional petty bourgeoisie (shopkeepers).

Three main differences may be identified. *Firstly*, the market situation of the owner-managers of small high-technology enterprises, instead of deteriorating (as is claimed to be the case for the petty bourgeoisie at large) is in fact improving. *Secondly*, proprietors of small high-technology firms invest little of their own capital, and are financially dependent on public agencies, banks, and other sources of financing. This significantly departs from the condition of independence exemplified by self-financing, which marks the traditional petit-

bourgeois market situation. *Thirdly*, the authors claim that their work situation differs considerably from that of the traditional small high-technology owners, in that they do not do 'a good deal of hard work', but invest instead in esoteric knowledge. This is, of course, a highly dubious proposition, and not supported by factual evidence or logical arguments. The overall life styles between the two groups are quite different, but they can reasonably be expected to be different in terms of both status and political power (Bechhofer and Elliott 1976: 76-77, 1981: 198).

The above viewpoints make Bechhofer and associates exclude the high-technology small-firm owners from the petit bourgeoisie proper. It may be argued, however, that the absence of skill and esoteric knowledge, as a distinguishing feature of most shopkeepers, renders them equally incompatible with the other two major groupings of the traditional urban petty bourgeoisie, i.e. artisans and merchants. Artisans particularly do in fact trade on skills and esoteric knowledge which, along with other apprenticed workers, they perceive as their personal property.<sup>15</sup> Obviously from this perspective their situation is comparable to that of the self-employed high-technology entrepreneurs.<sup>16</sup> In any case, as technological level/esoteric knowledge does not cut across all the various petit bourgeois groupings, it cannot provide a sufficient dividing line sharply differentiating the petty bourgeoisie from other classes or strata.<sup>17</sup>

Referring to the 'structural equivalence' between the old and the new bourgeoisie (for example between the cobbler and the boutique retailer) Bechhofer and Elliott have noted that although the two positions are in many respects different, they do exhibit a basic consistency as far as essential structural conditions are concerned (Bechhofer and Elliott 1976: 91-92). In that case I see no reason why one should

exclude small high-technology firm owner-managers from the petty bourgeoisie. In fact, it seems to me reasonable to include them since they also exhibit this structural equivalence.<sup>18</sup>

Now the marginality thesis may indeed reflect the condition of small shopkeepers. By marginality, Bechhofer and his associates meant the deterioration of the shopkeepers' overall position, in particular the deterioration of their status and their market situation, and their increasingly felt powerlessness, which reduces their membership of the lower middle class to the single factor of small ownership (Bechhofer and Elliott 1968: 181-82, 191-92). But, as already mentioned, this marginality does not always or necessarily designate the status of the other petit-bourgeois groupings. The erroneous emphasis on the (low) level of technology has its origin in over-generalisation. It would seem that the difficulties with the appropriate level of technology stem from an unwarranted extension of features found in only one grouping (the shopkeepers) to the rest of the petty bourgeoisie. Such an extension, however, was largely built into the particularistic and exclusive methodology employed.

## *2.2 Moral economy and its usefulness*

The marginal position of the petty bourgeoisie is reflected in what Bechhofer and Elliott have called the 'defence of a moral economy', which refers to how they live and act out their ideology.<sup>19</sup> The members of this stratum think of themselves as enjoying a substantial degree of independence and autonomy. However, they also realise that these highly valued qualities are continually encroached by increasing bureaucratisation, large corporations, the state, political parties and economic crises, which implies that they themselves are becoming marginalised. Part of the petty bourgeoisie's



reaction to this deteriorating situation is the creation of an imaginary, unadulterated and virtuous past state of affairs. These images - in which highly personalised and reciprocal relationships of an intimate and affective type predominate in and between socio-economic units (encompassing the family, kin, friendships, work-places, neighbourhoods, the community) - are ruled by an economic, social and moral order of competitive and responsible capitalism. The idealised version of the world in which they live and work is romantically sanitized and sanctified; it is the apotheosis of small proprietorship. That idealised imagined *Gemeinschaft* is then taken as the yardstick for measuring their own current situation.

The ideology of moral capitalism is the underpinning for the petty bourgeoisie's complaints and protests. It is not restricted to a critique of the economic effects of corporations, crises, etc. It is also an ethical critique, because it addresses itself to what is portrayed as the collapse of a moral system - a euphemism for the collapse of their own social position (see Bechhofer and Elliott 1981: 190-91).

The petty bourgeoisie's critique of actually existing social relationships is appropriated by right-wing politicians attempting to provide capitalism with a moral basis. At the same time, these righteous principles of proprietorship, independence, autonomy and *laissez-faire* economy, with the petty bourgeoisie as their living remainder, elevate the latter to the position of 'custodians of certain "core" capitalist values' (Scase 1982: 149). In this way the stratum exercises important material and ideological function(s) for contemporary capitalism (*ibid.*: 160). It exonerates some of the dysfunctions of capitalist society, and by doing so conduces to its continuation. The implication then is that

the dominant forces in capitalist societies have a vested interest in supporting the maintenance of the petty bourgeoisie.

### 3. The entrepreneurial middle class as actors

According to R. Scase and R. Goffee, the interpretations of the contemporary petty bourgeoisie in industrial societies that see it as rather marginal to capitalism (Bechhofer and associates), or as standing outside the accumulation process, and/or as a vestige of a pre-capitalist past (Marxist approaches discussed in ch. I), do not suffice to account for either the stratum's legitimising role in the capitalist system, or for its persistence (Scase 1982: 160). 'The manner in which *actors* are able to create opportunities for small-scale capital accumulation and, hence, sustain the reproduction of positions' (*ibid.*: 148, emphasis original) has largely been neglected by the structuralist emphasis on position. It remains therefore to explain how and why the lower middle classes are currently on the up-swing.

The two authors have concentrated on examining the processes whereby actors themselves contribute to the reproduction of positions, and on the mechanisms by which they are reproduced in present-day society. The consideration of actors makes this approach better grounded and more sensitive to real-life processes. Scase and Goffee are not greatly interested in the distinction between actor and structural position which they regard as too complex to be useful at the empirical level,<sup>20</sup> but this does not mean that they are a-theoretical and empiricist. On the contrary, Scase insists that 'a satisfactory analytical framework must take account of the fact that the small-scale production of goods and services is *embedded within a general process of capital accumulation*' (*ibid.*: 157; emphasis original).

Scase and Goffee, unlike Poulantzas, see the petits bourgeois not as insulated from monopoly and non-monopoly capital. For them, the self-employed and the small employers are attached 'objectively' to the logic of capitalist accumulation through small production of goods and services for the market. They argue that, in spite of the preponderance of large corporations in the economy, there is room for the development of small units, especially so in sectors where work-processes are labour-intensive. Subcontracting, the existence of an underground economy, market variability, and small-scale technological innovations are additional economic factors conducing to the development of small businesses (Scase and Goffee 1980: 159-60).

### *3.1 Work-role classification*

In studies of the traditional lower middle classes the focus has often been placed on groups for the members of which property-ownership was the most distinguishing characteristic. However, according to Scase and Goffee, there are certain petits bourgeois groupings (like that of small builders) whose input of their own labour-power is not dissimilar to that of traditional craftsmen, and is the most important single factor of their work-situation (see Scase and Goffee 1984: 98). If labour input diminishes - say because of injury - their livelihood is threatened.

The authors stress this particular petit-bourgeois segment's relationship to work. Property ownership as such is not insignificant or inconsequential, but the independent variable is changes in the work performed by the small proprietors themselves. On the basis of their work role,<sup>21</sup> the self-made business owners fall into four different types: the self-employed, small employers, owner-controllers, and owner-directors.<sup>22</sup> The first two are linked to petty-commodity production,

which is perceived as both an 'escape from proletarian deprivations', and a narrow path into the 'privileges of the bourgeoisie' (Scase 1982: 160). The self-employed and the small employers are identified as belonging to the middle class, but they form its somewhat erratic and marginal segment. They are defined as follows:

'The *self-employed* ... work for themselves and formally employ no labour. However, they are often dependent upon the unpaid services of family members, particularly their wives.

*Small employers* ... work alongside their workers but, in addition, undertake the administrative tasks of running their own business' (Scase and Goffee 1980: 23-24).

The turning point for a sustained process of capital accumulation is when the small employers cease to work alongside their employees and instead concentrate on managing their businesses full-time. They then become *owner-controllers*. The next group is those who cannot personally keep up with all the necessary supervision and control and delegate some of these function to others, which means developing an administrative structures. These are the *owner-directors*, who retain personal ownership of their business. These last two types are proprietors who are concerned solely with managing and directing their firms. They form the more established segments of the middle class. Their 'structuration is largely determined by the amount of capital assets' they hold, and in fact, as members of the capitalist class, they belong to the bourgeoisie proper.

Comparing the first two types of entrepreneur with artisans shows that the first (the self-employed) matches the artisan quite well (although the self-employed are a category wider than that of artisans and include for instance professionals. The second type (small employees), covers the grey area between the ideal types of artisan and capitalist: semi-artisans at one end of the spectrum, semi-capitalists at the other.

### 3.2 *Becoming businessmen: actors' response to the impact of capitalism*

Scase and Goffee's findings shed light on an important aspect of small-business formation, namely the *why* of it. Their work makes it clear that there is a discrepancy between the general view of who sets up small businesses, and the detailed biographical accounts of the self-employed and small employers. It is evident from their histories that 'highly variable non-monetary factors ... are often central to the formation of business enterprises', although economic rewards retain their importance. A prominent role seems to be the wish for upward mobility and personal success (*ibid.* 1980: 161).

In building-construction, the industry sampled by Scase and Goffee, employees have traditionally enjoyed a good degree of work autonomy. The authors discovered that an important reason for their respondents' decision to become self-employed was an attempt by their employers to impose capitalist controls over the work process and so limit this autonomy.<sup>23</sup> In that sense 'self-employment may be seen as *individual* response ... to developments within capitalist relations of production' and an expression of resentment over insufficient economic rewards (Scase and Goffee 1981: 734-35, 744). Conversely, dependence on his own labour may impel a craftsman to opt out of self-employment in favour of wage labour, in order to cover himself against illness, old age and other adversities. So, among business proprietors of working-class origins, it is labour, not petty ownership, that seems to play the most significant role in the formation of their world-view. The craftsmen highly value 'productive' (i.e. manual) labour. Indeed, many identify themselves with the 'productive' working class, and a substantial number of them are critical of society because of the inadequate

way productive labour is appreciated and rewarded (see *ibid.* 1981: 741-43).

Work autonomy, pride in one's skills, identification with one's peers, as well as economic rewards have all been threatened by the inroads of capitalism. Since they form important parameters of a worker's immediate circumstances, they occupy a prominent place in his definition of worker situation. Most important, in the actor's own definition they are recognised as being threatened. One way out of the pressure exerted by capitalism that is open to workers and appears to safeguard what they value best, is to engage in independent business activity themselves.

### 3.3 *Obstacles to growth*

There are important obstacles to the growth of small firms into capitalist enterprises, not least among them economic competition. But, as Scase and Goffee point out, there are also obstacles that have to do with the *petits bourgeois* view of the real world that forms the basis of their actions. The question of managerial skills aside, small businessmen often do not wish to become employers. Since they greatly value their work-autonomy and personal achievement, they perceive the status of employer, as infringing this autonomy. Moreover, they fear that employees might endanger their all-important personal relations with customers, and so affect their business negatively. In consequence, the employment of others is often regarded as unreliable and undesirable.

A factor which may similarly block development along capitalist lines is that a good number of small employers never had any intention of becoming employers.<sup>24</sup> Their new role may have been precipitated by market pull: having to keep up with their increased customer demand, they responded by expanding production and somewhere along the road be-

came employers. If they were coerced by circumstances into employer status, the pronouncement that they 'do not see themselves as positively committed to profit-making and capital accumulation' (Scase and Goffee 1984: 99), does make sense. They simply feel uneasy in their entrepreneurial status.

Where petits bourgeois employ labour, a good part of them can be regarded as self-employed with employees alongside. Small employers can come to terms with their employer status only by acting as fellow employees of their hired workers. To manage their employees as well as maintaining identification with them, requires strategies of fraternalism and/or paternalism. 'Fraternal attitudes towards their employees, which lack the hierarchical elements commonly associated with paternalism', is to be found especially among small employers who operate concerns requiring a high degree of skilled labour. Of course, this strategy is not free from its own strains or conflicts (see Scase and Goffee 1981: 739-40; Goffee and Scase 1982). Undoubtedly, these conceptions and choices, or lack of them, and the strategies, alone or combined, act as non-economic disincentives, severely limiting the possibilities for capital accumulation, and indeed acting as obstacles to it.

#### 4. Small firms and ideology: The state, entrepreneurship, and industrial relations

##### *4.1 The label 'small'*

For some European countries there are no systematic data on artisans, this sociological category being part of the much broader official administrative/legal and/or statistical categories of small, or small-medium, firms (see Dale 1991: 36).<sup>25</sup> An essential feature of the

renewed emphasis on small businesses is the re-definition of smallness. This is a very important issue, because it reflects the different approaches and objectives with respect to small firms. The arbitrary distinctions drawn between small and large, or small-medium and large, enterprises effectively conceal existing qualitative differences - as for example between simple-commodity producers, semi-capitalists, and truly small (and medium) capitalists. The other side of the coin is that the catch-all title of 'small business' encompasses a form of class alliance (even when manufacturing and other segments are considered separately). Qualitatively different strata and classes are lumped together by the quantitative criterion of size, and this melange of units often comes under the patronage of institutions of the dominant class.<sup>26</sup> The alliance is brought about by labelling in accordance with state-issued ordinances as well as human aspirations for economic betterment - i.e. ideology, political power and economic interests are all brought into play.<sup>27</sup>

The official or semi-official use of the label 'small' by powerful institutions means that it prescribes from the outset the types of policies that are addressed to the enterprises so designated.<sup>28</sup> The degree of similarity between these enterprises is not known, but may be assumed to be rather limited. However, no better way has yet been found to approach artisans or the petty bourgeoisie. The aggregates and/or statistical averages known as 'small firms' are the best that is available, often forming the only available means of differentiating them from other categories. So we must be careful: what applies at the lower end of the small-firm category may well fit the petits bourgeois and perhaps the artisans too - or it may deviate to an unknown degree, or not apply at all.



#### 4.2 *Small firms and the state*

The 1970s and early 1980s saw renewed interest in small firms. The reasons for this, which paralleled the renewal of sociological interest in the petty bourgeoisie, were manifold. Here it suffices to mention government attempts at restructuring (circumscribed by the prevailing view on what constitute acceptable levels of state intervention) so as to adapt the economy to a changing environment; the attractiveness of images of a post-industrial, high-technology society; the impact of the 'small is beautiful' type of critique of modernity;<sup>29</sup> and the time factor.<sup>30</sup> The coincidence of these factors aligned government-initiated projects for small businesses with new technologies and currents of thought, and enhanced the ideological status of 'smallness' which by now has begun to have a positive significance. The upshot of all this was an intensification of earlier initiatives, and an ongoing enhancement of European Union (EU) sponsored and national schemes to assist in the creation and development of large numbers of small units in manufacturing and the service sector.<sup>31</sup> In a sense these efforts supplanted earlier projects, which had aimed at the creation of small farms in European agriculture, and extended them to urban areas.

A number of objectives underwritten by various governments orchestrated measures and projects specially designed for small businesses. In terms of their qualitative objectives, these can be grouped as long-range attempts by the state for maintenance of the system; facilitating the short to medium-term needs of the economy; and assisting with short-term priorities.<sup>32</sup> Another and not incompatible way of classifying them is to distinguish five main objectives in the state intervention on behalf of small businesses.

(i) First, it assists in the restructuring of large capital. So if there is a need to cut down on overheads and/or unproductive depart-

ments, the state will assist by promoting the establishment of efficient small enterprises to provide the former with specialist goods and services, open new markets and themselves carry part of the relevant research and development costs.

(ii) Second, it creates a class of new owners, and in this way propagate the virtues of free-market competition. This helps to boost and realise aspirations of upward mobility, at a time when oligopolisation of economic life has become self-evident in everyday life. Most importantly from the point of view of the state, this kind of intervention yields political and social support (from the wide circle of aspirants to upward mobility) for the market-oriented values being promoted.

(iii) Third, the ideological nature of state assistance aside, it results in some of the new small businessmen entering the bourgeoisie proper. In this way the state not only makes up somewhat for the undeveloped state of the country's bourgeoisie, or reinvigorates bourgeois institutions by, for example, the artificial operation of a free market through anti-trust legislature (in the industrial countries), it also actively advances the numerical proliferation of the middle class.

(iv) Fourth, it creates new jobs, small businesses with employees being an important source of new employment, and

(v) fifth, it reduces unemployment, because some of the unemployed, given a modicum of financial assistance, establish themselves as self-employed. This helps to bring down unemployment statistics, and so is a good public-relations play for those in authority.

### 4.3 *Entrepreneurship and small firms*

#### 4.3.a The enterprise culture

The proliferation of the post-war, social-democratic collectivism has by certain social scientists been seen as a reaction to the tendency

in the developed countries towards an oligopolisation of the economy (McHugh 1979; Burrows 1991a). In terms of social values, the resurgence of small firms which, by exemplifying a very positive manifestation of individualism stand in sharp contrast to the values of collectivism, may be regarded as part of the back-lash against collectivism. In Britain, the revival of small firms obtained ideological support from the political Right, which has come to interpret modern history in terms of the contours of entrepreneurship and foresaw the re-invigoration of the economy through a small-firm renaissance (Burrows 1991a; Dale 1991). The overall concept has come to be called *enterprise culture*.<sup>33</sup>

The exponents of enterprise culture have seen small-firm resurgence as an indicator that the capitalist system has not stagnated but maintains its vitality and is still open-ended. Opportunities still exist, new ones crop up continually, and it is up to ordinary, hard-working and enterprising individuals to pursue them. If they do, the market is sure to reward them with a purpose in life, with upward mobility, and with material wealth. Furthermore, if many individuals act in concert, then Britain (so it is prophesied) shall reverse her decline and become great once more. Obviously, the ideological impact of new small-firm proprietors is very important for unobtrusive capitalist hegemony in times of economic crisis and mass redundancies. New, business-oriented men and women embody the vigour of individualist dynamism and act as models to be emulated. The continuous emergence of new small firms helps the spread of values which not only do not contradict, but actually celebrate capitalism, and *inter alia* exonerate its past misdeeds. Capitalism then appears as an open system, full of opportunities available to every individual willing to grasp them and work his way to the top (see Scase 1992: 44-46).

The men and women setting up new small firms have come to be seen as bearers of the positive quality of entrepreneurship, which concept was previously associated mostly with core capitalist institutions, such as property-ownership and the free market. This means that the continuing proliferation of small firms is regarded as contributing significantly to entrepreneurship and the capitalist ethos. It has been argued that this is why governments have stepped in to bolster new proprietors with certain material assistance (Gerry 1985a, 1985b).

Yet engagement with the enterprise culture does nothing to explain what exactly it is. J. Richie has rhetorically wondered, whether it is

'some handy little slogan? A simple shorthand way for describing developing small business activity? Some proverbial wisdom about such? Small businesses' new guiding spirit? Or just some well-promoted party political trademark? Maybe the latest populist catchphrase? A carefully sanitized euphemism which glosses over something else?' (quoted in Burrows 1991a: 2).

Catchphrases usually have an ideological slant and the purpose and the widespread preoccupation with the enterprise culture, initially propagated by a right-wing political agency, is no exception. Of course, the materiality of an ideology is expressed by its impact, in how far it succeeds in influencing actors to act in a particular way. Yet, it has been claimed (Burrows 1991b: 22), that the concept and practice of enterprise culture cannot have played an ideological role worth mentioning, or be considered as an explanation of the restructuring that took place in Britain in the 1980's, an important facet of which was the small-firms boom.<sup>34</sup>

This denial of ideological impact is supported by the fact that the majority of the new entrepreneurs belonging to the self-employed category without employees.<sup>35</sup> For example, in the service sector, single-person enterprises are the norm, amounting to as much as 75% in some branches (Burrows and Curran 1989: 532). Much of what passes as

self-employment involves in fact disguised workers recently made redundant, who have utilised redundancy funds and government schemes to become 'self-employed' (Gerry 1985a, 1985b; Burrows and Curran 1989; Curran 1990; Hobbs 1992).<sup>36</sup> These can hardly be taken as good examples of entrepreneurship. Besides, in the majority of the small firms that do have employees, these are few (Burrows and Curran 1989: 532) and inherently limited in their activities. This implies that there, too, enterprise is more or less restricted. In fact, studies of small-firm proprietors have shown that they are chiefly preoccupied not with high-minded projects, but with very down-to-earth issues of daily survival. What characterises them is adherence not to an enterprise, but rather to a survival culture (Curran 1990: 135; Dale 1991: 49). When asked what led them into self-employment in the British (Curran 1990: 135) or other contexts, e.g. in the U.S. (Peterson, Schmidman and Elifson 1982), they repeatedly mentioned a strong wish for independence, which confirms Scase and Goffee's findings discussed above. It would seem, therefore, that enterprise culture has not operated much as a push factor in the direction of fostering economic development.

But if the enterprise culture as a whole has not affected the setting-up of genuine businesses, in what sense, if any, has it influenced small business proprietors? It would seem that it has provided them with 'a *meaning system* from which actors can draw different rationalising "vocabularies of motive", to make sense of and define their situation' (Burrows 1991a: 5).

A meaning-system, in the sense of ideology, is not inherently associated with any particular class or stratum. However, refutation of class reductionism need not imply absence of any class influence as it is manifest in the specific articulating principle of an ideology (see Laclau 1979: 160-63). It remains a fact that the enterprise culture was

articulated and propagated by a particular political and social source, and impinges on and has an elective affinity with themes (such as property, individualism, and the free market) that have long been part and parcel of bourgeois values. The right-wing orchestrated meaning-system of enterprise culture predominantly addressed its ideology to the petits bourgeois; neither is its influence insignificant among the working class (see Hobbs 1991; 1992). It consistently highlights themes that are held in common by the petits bourgeois and the bourgeoisie proper, not those that divide them.<sup>37</sup>

It is in this sense that enterprise culture operates as a mechanism of hegemony. Its successful utilisation by right-wing politicians for equating the aspirations of the self-employed with the hegemonic ideals of property and market, shows how strongly such ideological man-handling can affect the petty bourgeoisie at a time of economic crisis and restructuring.<sup>38</sup> By accepting and internalising it, the stratum becomes neutralised as an oppositional force, and some of its members may even be deluded into feeling themselves as capitalist entrepreneurs.

#### 4.3.b Entrepreneurship

If enterprise culture is largely an issue of ideology, this should not lead us to reject entrepreneurship. While, analytical writings, especially in the sociological literature, assume automatically that entrepreneurship is a problematic concept (Curran and Burrows 1986: 269-70; 1987: 165; Burrows and Curran 1989: 528, 525; Curran 1990: 133-36; Dale 1991: 43-5), this need not be so. What then is an entrepreneur, and what is entrepreneurship?<sup>39</sup>

A large number of definitions are available but there is none agreed in sociology. The term is used with a gamut of meanings, from a synonym for business ownership, to something which is 'rare but pivotal to the development of market-based economic systems' (Curran 1990: 134).<sup>40</sup>

Max Weber saw the entrepreneur as an outsider (Weber 1978). His is a perspective that has survived in accounts where the entrepreneur is portrayed in terms of social marginality (see the earlier discussion on Bechhofer; also the survey by Curran 1986), or when entrepreneurship forms a way out from marginality, as in the case of ethnic entrepreneurs (Ward 1987; 1991; Boissevain and Grotenbreg 1987). More pervasive, however, has been the influence of A. Schumpeter's perception, who sees the entrepreneur as the prime economic mover, the non-conformist economic hero who carries out new combinations, i.e. as an innovator. The innovative entrepreneur breaks existing impasses and opens new horizons, which lead directly to economic development and capital accumulation. It is this, his entrepreneurship, which distinguishes the entrepreneur from the functional role of manager or capitalist (Sutcliffe 1971: 109-10; Casson 1989: 256; Dale 1991: 45).

A sociologically more interesting definition of the function of an entrepreneur is found in the work of the economist M. C. Casson. For Casson, the entrepreneur's role inside a business unit specialises 'in taking decisions where, because of unequal access to information, different people would opt for different strategies' (1989: 257). Now the element of inequality in the access to information refers us to multi-person organisations, for example large firms, with hierarchically structured systems. Functions and roles there have undergone at least a measure of differentiation and specialisation, and this applies even to the smallest of multi-person business organisation. In fact, they may

have room for more than one specialist in decision-making, each one being responsible for particular areas. So Schumpeter's entrepreneur is a type of specialist, a promoter and organiser of innovative solutions or projects who specialises in decisions, or whose decisions generally initiate change.<sup>41</sup> Accordingly, the innovative entrepreneur can be included in a typology of the genre as a variant of entrepreneurs/entrepreneurship. Other kinds of decision-making relate to different types of entrepreneur, i.e. the ordinary manager whose decisions concern day to day operations, or the risk-taking capitalist investor.

Another variant of the entrepreneur, one that emerges in very small organisations that have not progressed to the extent that distinct managerial structures have emerged between the owner(s) and the workers, may be someone who undertakes a project in more than one capacity. There too decision-making is an identifiable process, even though the three entrepreneurial roles of innovator, manager, and capitalist, are not differentiated but merge in the same individual. An illustration would be Scase and Goffee's type of small employer who works alongside to his few employees, manages the day-to-day business affairs, and decides on new investments and projects as well as on routine issues. In this instance the small employer stands at the top of a hierarchically structured, though elementarily, two-tier, social system.

By way of contrast, the self-employed person without employees does not *talis qualis* form any particular social system (though s/he may be part of one in the family context). So although such an individual certainly does take decisions, it is not in the context of some particular system of information to which s/he has privileged access. In this sense, s/he cannot be described as an entrepreneur. For all that, as suggested earlier, it may be quite correct to call entrepreneur a self-employed person whose concern is a family business. In such a case



the family, as an effectively overlapping group and business, is a minimal system not immune from divisions of labour and specialisations, nor of structuration according to age, gender, authority, skill or productive function, and the consonant inequality of access to information. Decision-making exists therefore as an identifiable specialist function, in which case it could be said that the self-employed, although not fully an entrepreneur, enacts the role of the entrepreneur, by having an entrepreneurial function, alongside that of the designer, manual labourer, retailer, and so on.

#### 4.4 *Industrial relations and small firms*

Among the 'small is beautiful' ideas, propagated and spread by political parties, state agencies, and the media, stands out the claim that industrial relations in small firms are almost ideal. To the extent that artisans are frequently also employers, an examination of industrial relations in heterogeneous small firms has relevance for the purposes of the present study.

Industrial relations in small firms have been considered by a number of influential authors, such as G. Ingham (1970), J. Bolton,<sup>42</sup> and E. F. Schumacher (1978). They have claimed that small firms have better industrial relations than large ones. For instance, according to Bolton:

'In many respects the small firm provides a better environment for the employee than is possible in most large firms. Although physical working conditions may sometimes be inferior in small firms, most people prefer to work in a small group where communications present fewer problems: the employee in a small firm can more easily see the relation between what he is doing and the objectives and performance of the firm as a whole. Where management is more direct and flexible, working rules can be varied to suit individuals' (Bolton quoted in Curran and Stanworth 1979a: 317).

This quotation is representative of arguments in favour of small firms and may be taken as an illustration of the type of expectations small-firm revival has cultivated.<sup>43</sup>

Questioning the accuracy of the claims made must include the perhaps most important aspect of industrial relations, and one that is consistently played down by the exponents of the view that harmonious relations between employers and employees is the general condition in small firms. This is the subject of pay. As is well known, fair wages are of major importance in industrial relations. The low pay in small firms has been a pervasive characteristic of several advanced industrial societies.<sup>44</sup> This would suggest that, on the whole, industrial relations in small firms cannot be as excellent as claimed. There is in fact ample room for employee dissatisfaction with their employers - in other words, for unsettled industrial relations.

#### 4.4.a Worker selection and self-selection

In the context of the small-firms euphoria it has been claimed, by Ingham in particular, that in conditions of full employment (which for the last twenty years have been entirely hypothetical, anyway) small firms would be preferred by workers exhibiting a *non-economistic-expressive* orientation to work, i.e. by those who on the basis of their work experience have come to value highly the informal, easygoing, variable work and friendly atmosphere supposedly available there.<sup>45</sup> This orientation is contrasted with the *economistic-instrumental* attitude to work which stresses economic remuneration at the exclusion of other rewards (Ingham 1970: 50-51).

This way of looking at the issue of self-selection, and more broadly at industrial relations in small firms, is faulty if not downright absurd. It assumes that workers have a thorough knowledge of the labour market and the options open to them, and that their choice of workplace is free of compulsions and situational influences. This is patently not the case, as shown by relevant empirical material

(Blackburn and Mann 1979; Williams, and also Roberts referred to by Curran and Stanworth 1979b: 429). Self-selection of working environment is largely a myth. In fact, actual conditions and circumstances - for instance, the need to earn some money, to avoid unemployment, availability of assets such as skill credentials, as well as low expectations and the influence exerted by peer and reference groups - drive young workers to enter the labour market and take any job immediately available or recommended to them; in a sense it is existing conditions that channel them into jobs (Curran and Stanworth 1979b: 430).<sup>46</sup>

Since total rejection of the thesis of self-selection would mean that actors have no influence at all over their own future, as well as implying an intolerable structuralism, it is only common sense not to overstate the influence of circumstances. For all that, the involuntary causes of action cannot simply be ignored. Two external factors particularly, personnel selection in small firms and industrial subcultures, must be held greatly responsible for the subsequent formation of an extrinsic or intrinsic proclivity in workers' orientations to work.

First, small employers select workers on the basis of personality rather than skill. The fact that they prefer to hire the young, who are usually unskilled or semi-skilled, not unionised, willing to accept low wages, and are generally more malleable than older workers, largely explains the observed numerical preponderance of young workers in small firms. Their age-related mobility combined with lower pay may help to account for the observed significantly greater job mobility of workers in small firms compared to large firms (Curran and Stanworth 1979a, 1979b; Goss 1991: 156).

Second, Curran and Stanworth (1979b) have discovered that it is not firm-size but differences among industry's specific sub-cultures that explain the type of orientation some workers exhibit.<sup>47</sup> Besides, different industrial subcultures - most prominent among them unionisation rather than firm-size - have also been considered responsible for the type of relationships that develop between worker and supervisors and worker and owner-managers (Curran and Stanworth 1979a).<sup>48</sup>

#### 4.4.b Harmonious relations or sweating?

Another aspect of the working situation in small firms is sweating. This, according to one commentary, 'is the generic response of embattled firms - whether mass or small producers - that cannot innovate' (Piore and Sabel 1984: 264). While such a comment may not be altogether accurate, especially in its implication that there is no sweating in innovative firms,<sup>49</sup> it does convey some truth. While sweating may or may not be linked to the dependent position of the small firm to a subcontracting one, it is always associated with very low wages and a constant pressure to work, often with obsolete machinery, and in conditions which do not safeguard the operators' safety or health. It involves continuous and direct personal control of the workers by their employer, which in small firms is greatly facilitated by the latter working next to them. Controls and intensive work are coupled with a commanding style of management, where the smallest infringement of orders invokes the threat of dismissal (see Rainnie and Scott 1986; Goss 1991).<sup>50</sup>

There is a distinct managerial style among small business owner-managers which has repercussions for industrial relations (Scase and Goffee 1980). This is characterised by an aversion of 'defined procedures, role specification and forward planning' (Stanworth and Curran 1986: 92). Such owner-managers concentrate all decisions in their own

hands, and the firm depends entirely on them for its operation (Curran and Burrows 1986: 270); they are apprehensive that without this obsessive control the entire business will fall apart. Not surprisingly, they also exhibit an aversion to unions, and a marked tendency to perceive any dissenting views coming from workers as challenges to their proprietorial prerogative (Goss 1991: 157). These features - but not the inclination observed among businessmen of craft origins towards independence and autonomy - seem to me to fit in well with the aggressiveness and restlessness associated with the entrepreneurial personality.<sup>51</sup> Perhaps, however, an explanation of this behaviour may lie not in some psychological constant, but in culturally determined variables. Among the working-class entrepreneurs the lack of administrative skill seems to be universal, and may well reflect the dearth of it in their cultural background.

#### **4.4.c Coping with the employment situation: Paternalism, fraternalism, and pragmatism**

The sociological concept of paternalism refers to a system of control which legitimises existing hierarchies between, for example, a business proprietor and 'his' workers, by reference to traditional authority.<sup>52</sup> The legitimacy of the person holding traditional authority is, according to M. Weber, a function of the traditions responsible for the expectations and obligations of proprietors and workers respectively, and form the framework in which these operate. The person in authority is the bearer of personal, traditional, prerogative, which is without any clearly marked limits concerning the obligation of obedience. What stabilises traditional authority is the acceptance by those in subordinate positions of the superordinate's definition of the situation. This definition is their personal prerogative, bestowed on

them by the traditional system which puts them *in loco parentis* over their underlings.

Obviously, paternalistic relations have more potency when they are not contested, when those in subordinate position have little or no access at all to alternative meaning-systems, and therefore to alternative definitions of the situation.<sup>53</sup> In contemporary societies, where such circumstances no longer obtain, there is ongoing tension between the attempt by the paternalistic employer to maintain the hierarchical differentiation so as to maintain his dominant position, and his need to cultivate his employees' loyalty to his person and enterprise, which enables him to define the employment relationship as an organic partnership. Ideally it is in small firms, where contact between proprietor and workers is constant and there is little room for the development of bureaucratic procedures, that paternalism flourishes best. If the personal standing of the proprietor is not sufficient, alternative tactics are required. Fraternalism is invoked to fill the gap, being characterised by more collegial, non-hierarchical, responsible autonomy type of working relations.<sup>54</sup>

A more complex situation arises when businessmen of the small-employer type (see Scase and Goffee's typology), possess economic power superior to that of their employees, but at the same time labour themselves as skilled craftsmen. In such an instance hierarchical differentiation is even less easy to maintain. Background, work and skill are equalising factors, so that such employers, regard other skilled workers as their peers in terms of craft and skills, sometimes even as their superiors. This situation may be the reason for the concentration, so common in small firms, of all decision-making in the person of the proprietor, and the commandeering style of control so often encountered. These may all be seen as responses largely due to the uneasiness

proprietors feel when trying to keep a dividing line between themselves and their workers.

The reported proclivity of small firms towards hiring unskilled labour may in part be explained on the same grounds. To the rather obvious explanation, that the owner-craftsman who knows his trade thoroughly has little need for other skilled workers, we may add that perhaps he deliberately avoids hiring skilled workers because their presence creates problems for the dependency relation entailed by the employer-employee nexus which he is striving to maintain. A similar reason may explain differential treatment of workers in small firms, which exhibit paternalism towards the unskilled, and fraternalism with the skilled.

If industrial relations in small firms are indeed unsatisfactory, then why are there are so few incidents of observable conflict, such as strikes? For one, small-firm proprietors (as already mentioned) are anti-union to the extent that very often a worker's membership in a trade-union brings automatic dismissal; workers cannot unite effectively without at the same time risking their jobs. Whenever differences with employers do surface, they take an individualised form and, given the superior power position of the employer, bargaining between the two sides often means that workers have to make a choice between 'take it or leave it'. They are constantly exhorted to behave themselves, or threatened with the firm having to close down, or that it will go bankrupt. There is enormous pressure on workers who are anxious to keep their jobs, especially in periods of widespread unemployment. In consequence, the workers tend to take a pragmatic view. They avoid expressing their view, raising objections, or making demands, and may show signs of deference, appear acquiescent, and go along with the pater-

nalism or even fraternalism of their employer – but they do not really believe in or agree with any of it.

The relatively high labour turnover of small-firm employees is a revealing index of existing level of friction in these units: it shows that workers do express their dissatisfaction, presumably once they get hold of a new job, even if they do it in a somewhat defensive way, 'with their feet' (see Rainnie and Scott 1986; Rainnie 1989; Goss 1991). All in all, we may say that despite the facade of unity and tranquillity, cleavages between employers and employees are no less in small firms than in large enterprises.

The claim about harmonious relations in small firms is purely wishful thinking. Persisting in the dissemination of this view is something of a service to small-firm employers, since it draws public attention away from their operations. It particularly, draws away the attention of those in authority whose duty it is to rectify inappropriate work conditions. In practical terms, the claim about harmonious relations facilitates small employers to continue cutting costs at the expense of a particularly unprotected work-force.

Therefore, to the extent that artisans with employees constitute an overlapping sub-section of small firms, labour relations there may be similarly inharmonious, and similar mechanism may be used to cope with the employment situation.<sup>55</sup>

### Summary and conclusion

Examining the various approaches to the petty bourgeoisie and more thematic concerns with small firms in advanced countries provides a basis for the study of artisans in the semi-periphery. Although the theoretical, methodological, and more empirical issues involved are of considerable interest, there can be no one-to-one correspondence between



them for the centre and the semi-periphery. After deriving some key notions, the usefulness of the surveyed material is more in terms of contrasts and comparisons.

That the petty bourgeoisie has not simply survived in developed countries but has undergone a resurgence should by now be beyond question. Contrary to Bechhofer and Elliott who limit themselves to the shopkeeper fraction of the petty bourgeoisie, technological advances are directly responsible for a good part of that revival. Their exploitation is not only a key for new small high-technology firms, but they frequently provide the modern technological tools and equipment by means of which the small businesses and artisans may effectively compete and safeguard their position. This reliance on advanced technology means that a stratum that in terms of its basic characteristics is non-capitalist has been brought back to life largely by technological advances developed for explicitly capitalist purposes, and produced in capitalist organisations through the application of capitalist-controlled processes.

Indeed, simple-commodity production in the advanced capitalist societies is embedded in the overall process of capitalist accumulation. This is shown by the fact that, aside from its technological impact, capitalism has brought about the economic restructuring that creates opportunities for the petty bourgeoisie, furthers the curtailment of self-consumption, enhances the commercialisation of the economy, etc. — all of which allow the emergence of new intermediate strata, sometimes replacing older ones. As on the macro, so on the micro level. It is the consequences of capitalist inroads, as illustrated by the case of the small builders researched by Scase and Goffee, which have prompted lower-class actors to set themselves up independently. They thought that this would free them from the aspect of capitalism they most resented.

Once the capitalist forces have provided the conditions that lead to the attitude of 'small is beautiful' and so have given the small actors the opportunity to remain among or cross over and join the petty bourgeoisie, capitalist agents quite deliberately make ideological capital out of that stratum's resurgence. They highlight particularly the prospects of upward mobility, and focus on exaggerated rags-to-riches stories. In this way the values of independence, autonomy, and working-freedom are reaffirmed as values specific to capitalism. They are linked to the notions of free trading and a free market, which appear to guarantee the openness of the capitalist system, the legitimisation of which effectively conceals the monopolisation and exploitation inherent to it.

The small entrepreneur of working-class origin is not the most common representative of the entrepreneur genre in developed countries, but it is the most pertinent for our purposes. As working-class entrepreneurs themselves directly participate in the labour process, they are not completely cut off from their craft and their working-class roots. This may result in their becoming reluctant employers. Often they are not sure where exactly they stand, and their lack of managerial skill aggravates their difficulty in how to handle the workers and how to cope with the employment situation. Small employers may rely upon paternalistic authority to manage employees, though if the work-tasks are highly skilled they may opt for fraternalising tactics - which should not be taken to imply that their fraternalism is hypocrisy.

This image of the small entrepreneur of working class origin somewhat conflicts with the findings concerning the more general category of small-firm proprietors. The latter, who may or may not be capitalists, show a proclivity for hiring young, unskilled, non-unionised workers and paying them low wages. In general, small firms have a very centralised

style of management and, in the absence of trade-union protection of workers, their managerial prerogative extends to all activities involving workers in the work-place. Where work is hard, supervision very close and constant, and the threat of the sack frequent, such small firms are simply sweat-houses. Worker dissent is not tolerated, those dissatisfied with existing conditions are invited to resign, which they do often enough for small firms to exhibit a high labour turnover. The majority of the employed, however, opt to remain and to adapt by taking a pragmatic view. These facts have largely demolished the claim that workers prefer small firms because the intimacy of the environment there is more gratifying and rewarding their strictly monetary considerations.

The discordance in the above accounts has to do with the difficulties of defining 'small' firms. The heading 'small' in fact covers several incongruous categories. While the situation in the SCP units of craftsmen entrepreneurs, whose awkwardness as employers may lead to paternalism/fraternalism and all that implies, sweating the labourers occurs in the larger small businesses, where the work-force does not consist primarily of family members and/or partners but of wage-workers. In other words sweating, which requires wage-labour, is primarily a variant of capitalist small businesses.

Unlike the craftsman or artisan and SCP, which are structurally related, the small entrepreneur and the small firm are adulterated capitalist categories, constituted and ideologically defined by outside agents. These agents may be various administrative state apparatuses or outright capitalist forces, who make use of the category they have created in accordance with their own priorities. Their legislative power enables them to interpolate small-firm proprietors among capitalist owner-employers proper, or to use them to reinforce already established ideological categories. Herding all the varieties of small-firm

proprietors into the deceitfully neutral but in fact ideologically loaded category of owner-employers is meant to impose some measure of control over them. This, however, disregards the fact that the kind of ownership we are here concerned with is too often volatile and uncertain to be taken as the determining criterion; skill level or labour might be more appropriate. As I see it, the use here made of the categories of ownership /employment is a prime example of how ideology may provide a framework for making it possible to organise predominantly non-capitalist actors for the purposes of capitalism.

The inter-relationship in the economies of the advanced countries between the informal secondary and formal primary sectors - i.e. between SCP and CMP - has usually been considered as positive, in the sense that there are numerous functional links between the two to facilitate co-operation and so redound to both of them flourishing. Their relationship has been described as one of positive complementarity (Mouzelis 1978). I think this concept should be modified by taking into consideration the ideological arrangements that assign SCP and its agents particular positions within advanced societies. That small-commodity producers allow themselves to be channelled in this way is due not to their being manipulated by some devious planning authority, though the role of these should not be ignored. It is primarily because they have come to accept the legitimacy of the hierarchies imposed by the market (Williamson 1983) which, however, does not in fact give priority to the nowadays resurgent sector of small business.

## Notes to Chapter II

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1. Gender and the nexus of relationships of women to the petty bourgeoisie, although it occupies an increasingly significant position in the literature, will not be discussed here.

2. Relevant data are cited in Clegg, Boreham and Dow (1986: 70-76).

3. As in small firms the number of employees is very low, a drop (or rise) in employment figures indicates a respective drop (or rise) in the number of independent business concerns.

4. However, there has not been an *absolute* drop of employment in small production; drops in both relative and absolute terms are rare. This becomes plausible when considering that the displacement of small concerns by large ones did not necessarily involved the ruin of those already existing. It would rather seem that the intensification of competition made entry into the craft trades more risky, so effectively keeping a good part of prospective entrants away. On the other hand, there were surely some new independent small producers, while the gradual pace of the competition being built up allowed established masters to remain in business by adapting and/or transferring their business concerns to their offspring. The drop has, therefore, been mostly relative.

5. The proportion of firms with fewer than 20 employees (in retailing, wholesale, and services) has also undergone some, though much less, reduction during the twentieth century (data cited in Granovetter 1984: 326).

6. In the literature, traditional (urban) petty bourgeoisie, has been the term for collectively designating small shopkeepers, merchants and artisans. The adjective 'traditional' refers to the existence of these groupings in earlier times, and is contrasted with the new petty bourgeoisie which is held to have come into being during this century. As already noted, today's existence of a traditional petty bourgeoisie is usually seen as a residue from the past. Increasingly, however, they are also considered in terms of resurgence, and this has provoked a revival of interest in them.

7. Not only did established journals print articles pertaining to the petty bourgeoisie, but new specialist journals launched in the late 1970s and 1980s (like the American Journal of Small Business, or the European Small Business Journal later renamed as the International Small Business Journal), also published some articles by sociological authors. The revival of interest was widespread. Specialist studies were under-

taken, and governments announced support for small businesses, initially perhaps as merely a token gesture. In the end, government-sponsored agencies for small businesses or small and medium-sized enterprises (SME) were established or revitalised in the Western European countries.

8. 'Self-employed' is not an unadulterated category. While it includes the petty bourgeoisie, it should not be equated with it (A. Dale 1986).

9. N. Meager (1992) scrutinised Bogenhold and Staber's (1991) methodology, and noted that it is flawed, in which case support for their counter-cyclical point is weakened.

10. Following official classifications, small shopkeepers were operationally defined as owners of a single establishment with no more than three full-time, or six part-time employees (Bechhofer and Elliott 1968: 182; Bechhofer, Elliott and Rushforth 1971: 162; Bechhofer *et al* 1974b: 104).

11. The social-mobility pattern of shopkeepers should not be rashly generalised. It differs rather markedly from that for Athenian artisans (discussed in latter chapters). Presented for comparison, the shopkeepers' mobility pattern indicates that:

(i) Shopkeepers are highly successful in promoting their children into the professional ranks. Their position serves as a springboard for intergenerational mobility into professional occupations. The rate of occupational inheritance is low; there is no parallel in this respect with small farmers or peasants.

(ii) Shopkeeping is not a refuge for the ill-educated and those with little capital who aspire to the middle class. Recruitment comes from roughly similar-status occupations (by 56%), but also from higher-status occupations, all of them part of the middle class. About half of those recruited had some previous experience (53%), but many enter the job without any; for about a third shopkeeping is a new venture (Bland, Elliott and Bechhofer 1978).

12. I shall not examine here the approach which sees the stratum's renewal in terms of an overall societal shift towards a post-industrial tertiarisation of economy and society.

13. By market and work situation they mean 'to distinguish a specific set of occupations with broadly common market and work situations and essentially similar interests' (Bechhofer and Elliott 1968: 183-90; 1976: 78-79). This approach, useful as it is, is predisposed towards particularistic analyses.

14. The authors totally by-pass the thorny question of which technology is 'high' and which 'low'. We must assume that their high/low technology corresponds to modern/antiquated.

15. The following excerpt from a British union rule book of 1869, cited by A. Briggs, illustrates the inter-relationship between belonging to a trade, hence knowing the skills, etc., and the rights stemming from this fact.

'The trade by which we live is our property, bought by certain years of servitude, which gives us a vested right, and we have an exclusive claim on it, as all will have hereafter who purchase it by the same means' (mentioned in Hollowell 1982: 183).

16. Of course, comparing self-employed high-technology experts with artisans implies a comparison of knowledge in high technology with the seemingly less complex and empirical artisanal technologies. This is a very complex exercise, which I shall not concern myself with here, although some relevant discussion follows later in this chapter.

17. Bechhofer and his associates have somewhat contradicted their emphasis on technology being included in/excluded from the petty bourgeoisie. So, they admit that the petit-bourgeois 'stratum survives because technological change, urban development and many other factors produce new opportunities for small business' (Bechhofer and Elliott 1976: 91). Concerning dependence/independence, they have claimed that the petite bourgeoisie 'is a dependent stratum; depending first and foremost on the dominant groups and institutions' (Bechhofer and Elliott 1981: 187).

18. Such a stance would re-affirm that the dichotomy of traditional versus new refers only to the timing of the emergence of the various petits-bourgeois groupings.

19. The concept of ideology is not only a complex one with a number of established meanings, it is also multifarious (Larrain 1980). Here, I shall merely note that by ideology I do not simply mean some form of shared false consciousness, or imaginary miscognition, or legitimation, which is a reflection of logically pre-existing social conditions (Friedman 1989: 376), but *also* 'a manifestation of a particular being-in-the-world of conscious actors, of human subjects', the way a subject or an item operates in the 'formation and transformation of human subjectivity' (Therborn 1982: 2).

However, ideology should not be seen as limited to operating at the level of ideas, for this does not suffice to explain the tremendous grip of its hold on actors. The reason ideology can become pervasively determining is because it possesses materiality. It operates the way a pair of spectacles do. Wearing spectacles makes it possible for the eye to bring into focus objects which previously were blurred or not seen at all. This is done even though the spectacles lenses themselves invariably distort the objects of observation. The individual responds to what the eye sees. By extension, ideology provides a system of meaning through which actors see the world. By providing a way of perceiving and

defining reality, it triggers an actor's hidden dynamic to embark on some form of (binding) social action, which may well reinforce or qualify the particular ideology (see Centre for Contemporary Cultural Studies 1978; Huaco 1981; Laclau 1979).

20. Scase and Goffee argue that although they acknowledge the distinction between actor and position as helpful in the study of careers within large bureaucratic organisations, it is of little use in the study of the entrepreneurial middle class' business careers. They explain:

'As we found in our research, it is difficult to distinguish between *actor* and *position* if only because proprietorship is "carved" out of a process of capital accumulation. An *actor* acquires capital which, in turn, determines *position* within the entrepreneurial middle class; they are, in other words, virtually indistinguishable. Although, therefore, it is possible to differentiate conceptually the *category* of self-employed from the *actors* within it, to overstate the distinction is to detract from an understanding of the processes whereby the *actors* themselves contribute to the reproduction of the *positions* which they occupy' (Scase and Goffee 1984: 193).

21. Work role is taken as an

'index of the nature of [the business owner's] enterprise as it will tend to *reflect*, for example, size of labour force and level of trading. It has a general applicability which any simple qualitative measure, such as number of employees lacks' (Scase and Goffee 1980: 23; emphasis original).

22. The authors developed their views on the basis of a sample of 25 self-employed craftsmen working in building construction (Scase and Goffee 1981; 1984: 70-97), a sample of 25 small employers who themselves did manual work in building construction, (Scase and Goffee 1984: 98-125); a similar-sized sample of same-trade owner-controllers, as well as 15 owner-directors, were also investigated (*ibid.*: 126-84).

23. Erosion of worker's occupational autonomy has been observed also among skilled American construction workers (Riemer 1982).

24. A structural factor that may decide a man to become a small employer in the building industry is the following. The work role of carpenters (studied by Scase and Goffee 1984: 99) articulates with other building jobs in such a way as to make them co-ordinators. This co-ordinating role obliges them to learn a number of work tasks other than their own, so as to be able to decide when one specialist work gang should be replaced by another. At the same time they informally pick-up skills of personnel management. It would appear that these carpenters' work situation needs only a minimum of effort to make them small employers themselves.



25. 'Firm' is employed in the literature interchangeably with enterprise or business; 'industry'/'manufacturing industry' is reserved for firms engaged with transformative activities.

26. It has been reported that in Britain big business and establishment organisations, such as the Confederation of British Industries (CBI) and the National Chamber of Trade (NCT), have as their members small firms whose interests they represent. They may, for example, obtain tax relief on their behalf, while at the same time controlling them organisationally. Roughly one third of CBI's members in the late 1970s were small firms (see McHugh 1979).

27. Poulantzas' critique of SMEs in France, which also applies to the category of small firms (see ch. I), seems to be equally pertinent to other developed countries.

28. Various national and transnational organisations have adopted different definition of what constitutes a small, or small and medium-sized enterprise or business. One particular study records over 50 different statistical definitions in 75 countries for distinguishing small from large units (mentioned in Storey 1986: 82).

In Europe, despite EU attempts to implement a comparable nomenclature among member countries, wide variations still exist, reflecting different national conditions and priorities. The most prevalent criterion distinguishing the small from other categories is size of the workforce, which has the advantage of being easy to apply. In the EU the upper limit mark for SMEs is set at 'up to 499 employees', though each individual member-country sets its own; in the U.S. the plateau is raised further to 1000 personnel. As no legal definition exists different agencies in most member-country may each define SMEs on the basis of their own criterion of employment provided the upper limit established for the whole EU is not transgressed (KEPE 1989: 31, 58).

Ancillary criteria, particularly annual sales turnover, which is more readily available, but also the volume of capital employed, market share, horse-power capacity (all three of which must be 'small'), owners' working relationship to the business, style of management, formal independence, etc., might also be employed (Curran and Stanworth 1979b), but here too there is no unanimity.

29. E. F. Schumacher's Small is Beautiful (1978), initially published in 1973, was a partial reaction to capitalist modernity. He sees the existing world as largely productivist, hence irrational and inefficient, and also incorporated an ecological critique well before the concept became fashionable. Schumacher argued that existing problems were attributable to gigantism and automation, not to capitalism as a social and economic system. Yet, this is the feature which has made the book so acceptable to decision makers and the wider public in the West.

The author's attitude, though emotive, was non-escapist. He declared

that it was possible for both advanced and developing countries to adopt a path to development that would take small units into full consideration (depending on circumstances, smallness would include anything from villages/small communities to small countries), in the context of which people would matter, and which would allow them to proceed by utilising intermediate and environment-friendly technologies.

The appeal of 'small is beautiful', the so-called post-materialist type of critique and perspective, and other widely-read texts of a similar nature (e.g. those by I. Illich or Reich), can be explained in terms of their timing (Gerry 1985: 298-99). They have certainly played an important role in influencing the shape of the contemporary world by preparing public opinion for perceiving change as something not necessarily negative, perhaps even as desirable. The influence of these texts is seen in the more widespread acceptance by the educated middle classes (their main readers) of a pro-small perspective. Alternative forms of organisation, alternative life-styles and goods, the promotion of organic methods of cultivation, of appropriate/intermediate technologies, and other ideas and practices consonant with smallness have proliferated. In particular, their influence has been pivotal in attempts to supplement large-scale projects in developing countries with smaller and more user-friendly ones. (A compendium of pro-small applications and projects is found in McRobie 1985). It is interesting I think, that the emphasis of these libertarian and rather populist critiques on education as the greatest productive resource (i.e. that knowing about something allows the people to decide and act), on opposition to nuclear power, on energy conservation, the pro-agriculture stance, the adoption of ethical-religious tenets (Christian, Buddhist, and others), and issues already mentioned, all have a relative affinity with some aspects of the moral critique of capitalism to be found especially in the various petty-bourgeois strata (see ch. I).

30. The interest in small firms came after the oil crisis, and the end of the long post-war boom.

31. For a bird's-eye view of areas of support for small businesses in the various West-European countries see Haskins and Gibb (1987).

32. This is not the place to discuss the issue of the nature of the state and state intervention. Generally speaking, however, it can surely be agreed that the state is not a neutral apparatus. Bentham's liberal state is in fact the foremost guardian and sponsor of private property, and of the free-market and other relevant socio-economic values and institutions associated with the bourgeoisie, whose adoption by the state renders them hegemonic. Neither does the state stand above politics. Changes in the political sphere are reflected in the state's executive apparatus, which certainly affects the policies pursued. But the state is also a bureaucracy and like all bureaucracies, has interests of its own and a largely independent view of its own role (on the relationship

of small businesses and various autonomous Western states see Weiss 1988). The state and its policies certainly cannot be identified once and for all with those of a particular class or class faction, not even in the now infamous 'last instance'.

33. The enterprise culture promotes individualism, privatism, so-called flexibility and self-help, and is opposed to trade unions and other collectivist institutions (Burrows 1991a, 1991b: 27; Hobbs 1992).

Interestingly enough, the Left has also had to admit that small firms provide much-needed employment, alternative life-styles, etc. The direct impact of this new left-wing perspective has been rather limited so far, but indirectly, by putting up no ideological resistance to the idea of small private businesses, it has allowed the enterprise culture of the Right to spread freely.

34. This is not to say that the enterprise culture has not been seen by some as a causal factor of economic restructuring (for example Brown 1992: 17).

35. Bogenhold and Staber propose that Scase and Goffee's self-employed can be sub-divided. The first sub-type does not differ from Scase and Goffee's, but the second includes those who have no autonomy in the labour process, and may not even own the implements they work with. In other words these are self-employed only in a formal/statistical sense. In reality, they are thinly disguised wage-workers without the benefits associated with either wage-working or self-employment. The authors emphasise that the second sub-type of the self-employed makes up the largest segment of the species in Britain, West Germany and in the U.S. (1991: 225, 227).

36. Bogenhold and Staber note that such trajectories into so-called business independence are not limited to Britain, but are found in other industrial countries too (1991: 229).

37. By way of contrast, survival-related themes might provide an alternative collective meaning-system, and would promote identification of the interests of the self-employed without employees with those of wage-labourers.

38. This is especially remarkable since the petits bourgeois as a group fall largely outside the category of those who benefit from restructuring. In fact, sections of the self-employed are simply pathetic examples of proletarians in disguise, pushed into becoming 'independent' for the benefit of their employers who in this way obtain a so-called flexible, i.e. unprotected work-force (see Curran 1990: 136, 142).

39. The question is here being pursued because an answer to the issue of entrepreneurship will provide an analogy and so be relevant to seeing

artisans as businessmen.

40. In the work of R. Scase and R. Goffee (1982) entrepreneurship is a synonym for proprietorship; an identical meaning is implied in Giddens after his definition of the entrepreneur: 'the owner of a business firm' (1990: 739). By contrast, A. Dale (1991: 44) adopts the Schumpeter perspective which emphasises innovativeness. In between stand J. Curran and R. Burrows who, although they express a preference for the Schumpeter view of entrepreneurship and the entrepreneur as breaking new ground and leading towards a new equilibrium when the previous one has stagnated, then go on to refer to all small business proprietors as entrepreneurs (1987: 165).

41. According to J. Burch, initiation of change distinguishes entrepreneurship from management (mentioned in Dale 1991: 45). I think that this approximates the notion of entrepreneur (and the function of entrepreneurship) to that of the innovator (and innovation).

42. Bolton headed Britain's Committee of Inquiry on Small Firms which, relying heavily on Ingham's work, with its report of 1971 established the official renewal of interest in small firms (Curran and Stanworth 1979a, 1979b).

43. To the cultural and media interest in small firms evident since the 1970s; and to the small businessmen's protests against unfavourable laws concerning employers welfare contributions, unfair dismissals, trade union interference, high taxation, need for financial assistance, etc. was added an explicitly political-ideological dimension when the British Conservative Party wholeheartedly took up the subject of small businesses and, as discussed earlier, it gave its own imprint of 'enterprise culture' (Curran and Blackburn 1991: 179-82). The party claimed in the 1980s that

'working conditions are easier and happier in small companies. Many of the problems that arise in large enterprises are unknown in firms where the owner is known to all his employees' (quoted in Goss 1991: 152).

Or, even more directly:

'One of the advantages that small businesses do, in fact, enjoy is the generally good state of relations between the owners and managers and their employees. There is a sense of partnership based on the willingness to work for a clearly perceived common purpose from which everyone benefits' (*ibid.*: 154).

It should be noted that when the Conservatives took office in 1979, they largely satisfied the demands of small businessmen in the context of restructuring the British economy (Stanworth and Curran 1986).

44. Concerning Britain, see Ingham (1970: 49, 87), and Cleland mentioned in Ingham 1970: 49); Rainnie (1989: 3-4, 172-77). D. Goss has reported

that (young and unskilled) workers in small printing shops earned about a quarter (25 pounds sterling a week) of the wages of their skilled counterparts in larger firms (155 pounds sterling per week), and worked longer hours: the former a 42-hour week, the latter a 37-hour week (1991: 173). On Japan, see Hoselitz (1968: xv); Shinohara (1968: 39-41). On Italy, see Berger (1981: 78), but it should be mentioned that Italy is supposed to deviate from the norm - see next chapter.

45. Informal and good inter-personal horizontal and hierarchical relationships have been propagated by the human-relations approach to management. Such an approach seeks to depoliticise relationships in the workplace (according to Rainnie and Scott 1986:45); in vertical hierarchical relationships its implementation would invariably benefit management.

46. A different approach - one that considers remuneration and working conditions in small firms as less acceptable than in large ones, (e.g. Berger 1980a) - blames workers just the same for being docile and for agreeing to work there without any guarantees. Obviously the same assumptions obtain as in the self-selection thesis, and the same critique must be applied.

47. The authors note that,  
'by industrial subculture is meant the distinctive meaning and institutions shared by those who work in a particular industry which concern work and social relations connected with work' Curran and Stanworth 1979b: 439).

48. In particular, Curran and Stanworth report that in their empirical research they questioned respondents on whether they had asked the help of supervisors or bosses when faced with a personal problem. Most answered negatively (71.2% among the small-firm worker respondents), and a large percentage (43.25%) of the total rejected the suggestion vehemently. They thought that to do so would be an infringement of their autonomy and self-respect. These responses run counter the established view that precisely at that level small firms have the advantages of a more intimate and indeed friendly working environment and relations between employers and employees (1979a: 336-37).

The relationships of employers and employees in small firms are reflected in workers' job satisfaction. Curran and Stanworth formulated this in a set of items either intrinsic or extrinsic to the job. The responding workers had to select what seemed to them to be most important about their job. Answers in terms of intrinsic rewards were clearly in the lead among small-firm workers (63.5% compared to 50.5% among large firm workers). But when age was taken into account (small firms had a work-force younger by 9 years than larger firms), marital status (far fewer were married in the younger work-force of small firms), and the expectations concomitant to these factors, the responses concerning

job satisfaction were the same in small and in large firms (Curran and Stanworth 1986).

49. According to G. Thompson, sweating is the technologically backward aspect of craft production. As a production technology it may be found among both mass-producing and flexibly specialised firms (1989: 531).

50. Sweating may be absent among more service-oriented small high-technology firms whose work-force consists of highly trained professionals, as these are often allowed discretionary responsible autonomy.

51. I have in mind the psycho-dynamic entrepreneurial personality expounded by Kets de Vries, which model is not, of course, immune from criticism (see Chell 1986).

52. In this discussion of paternalism I rely on Newby's (1977) article on paternalism and capitalism.

53. E. P. Thompson (1978) has pointed out that exclusive dependence on elite meaning-systems did not exist historically, not even during traditional eighteenth-century English society. The lower strata always had access to some alternative cultural-meaning systems.

54. As mentioned earlier, small employers of working-class origin use fraternalising tactics to handle their relations with skilled-worker employees when they depend upon the latter and cannot replace them (Goffee and Scase 1982; Goss 1991).

55. It is telling that authors taking a critical stand on industrial relations in small firms do not fail to refer to the capitalist nature of the employer-employee relationship (Curran and Stanworth 1979a, 1979b, 1986; Rainnie and Scott 1986; Stanworth and Curran 1986; Rainnie 1989; Goss 1991). Although artisans can easily be differentiated from capitalists (see previous chapter), their hiring of wage labour tars them with the capitalist brush.

CHAPTER III — THE "THIRD ITALY" — A SUCCESS STORY. FACTORS EXPLAINING  
ARTISANS' RESURGENCE

Introduction: The 'Third Italy'

In this chapter I shall examine the circumstances and conditions in which the phenomenon of the 'Third Italy' came into being. The Third Italy is widely considered as the most successful instance of the participation by contemporary artisans in economic development. The Italian artisans did not merely exist or survive 'out there' but have undergone a veritable renaissance, and present a very useful case for purposes of comparative study. They expanded numerically, built up their businesses, and have become affluent. In good measure their prosperity set the tone for the rest of Italy, an advanced industrial country that in the 1980s had the fastest-growing economy in Europe, challenging Britain and Canada as the fifth or sixth largest economy in the world as measured by GDP (see Goodman 1989: 1; Thompson 1989: 540). Studying them will help us think about artisan potential and dynamism in a more informed way, especially since it has been suggested that from this particular phenomenon an exportable development model may be extrapolated for other countries.

Italy has generally been divided into an industrialised, advanced and affluent North, and an agrarian, backward, and poor South. But since 1977 a Third Italy has come into being, which includes the central and north-eastern regions of the country, i.e. those between Rome and Veneto, but excludes the north-western areas, i.e. the older core industrialised regions (according to Bagnasco, mentioned in Weiss 1988: 20). The distinguishing feature of this Third Italy is a strong concentration of artisanal and small manufacturing firms. These have

largely effectuated a type of industrialisation which is a post-1945 phenomenon.<sup>1</sup>

Italy's artisanal as well as other small manufacturing units have increased in both absolute and relative terms between 1951 and 1971. By 1976, the artisan sector comprised 1.5 million units, employing approximately 3 million persons, or 15% of the entire working population (Germozzi, cited in Weiss 1988: 14). Actually, the number of artisanal workshops should be increased by at least 30%, to include those evading registration (according to Barberis, mentioned in Weiss 1988: 15). Evidence shows that the proliferation of small manufacturing concerns has been maintained since, at least in absolute terms. The bulk of them are to be found in the regions of the Third Italy (see Bamford 1987).

Small manufacturing firms, using both craft methods and modern automated equipment, have provided employment and invigorated the area's economy. The wide range of products manufactured there sell well, not only in local markets or nationally, but even abroad; they have secured market niches in world markets, to which they themselves directly export large quantities of goods. As a result, the regions of the Third Italy have, according to several different standards, become affluent (Sabel 1982: 221-22; Bamford 1987), and may be seen as a prime example of a new socio-economic paradigm (Brusco and Sabel 1981; Brusco 1982; Piore and Sabel 1984).

Two types of artisans, outworkers and innovative artisans as well as the traditional kind, have been the centre of discussions on the resurgence of Italian artisans' firms. Putting out, or outworking,<sup>2</sup> has been regarded as a form of decentralised production, and the innovative artisan as given to with flexible specialisation. Outwork takes three basic forms: subcontracting with artisans (or other small firms), homeworking (on domestic premises), and on-site labour - only-



subcontracting. I shall elaborate on the first two forms, as they directly concern our subject matter of artisans.

Outworkers/homeworkers are frequently distinguished from artisans by one of two criteria: (i) use of dependent labour (i.e. wage-labour), and (ii) employment of sophisticated types of machinery. In the presence of either of these we are supposedly dealing with artisans, otherwise with homeworkers (Solinas 1982: 331). These criteria are not, however, sufficient for establishing meaningful distinctions.<sup>3</sup> It would seem that a mere spatial difference has unduly been elevated into a more comprehensive one. For our own purposes, when very small outworkers and homeworkers meet the criteria set forth in earlier in this work, they are artisans; in other instances they approximate wage-labourers.

#### 1. Decentralisation of production

Outwork has become almost a by-word for what in Italy has been termed decentralisation of production. This decentralisation was the employers' response to the massive labour unrest of the 'hot autumn of 1969' in the industrialised North. The unrest resulted in an effective challenge of managerial prerogatives and increased labour control over the labour process, substantially raised wages, put a virtual ban on lay-offs, and initiated a new set of pro-labour legislation. It has been argued convincingly that by 1970, for giant corporations such as Fiat for example, 'it was no longer profitable ... to expand its productive apparatus in Turin' (Amin 1985: 159, 171-73). In consequence, large employers had to find other ways of overcoming their difficulties, and this involved a comprehensive restructuring of the productive apparatus. The three main solutions were splitting up production between factories of the same firm, subcontracting work to 'detached workshops' newly es-

established by the company, and putting out work to artisans and other small firms.

Splitting-up was intended to avoid the dangers of 'concentrating large numbers of workers in large factories located in large industrial towns' (Murray 1983: 84). It involved the mother company setting up new small factories in the economically depressed regions of southern Italy. An alternative to this strategy was to assist middle managers and skilled craftsmen/foremen to establish themselves as independent entrepreneurs. Under the direction, financing, and technical assistance and specifications of the old company, these established small plants known as 'detached workshops' that undertook subcontracted work; most of their output was guaranteed to be absorbed by the chief company. Such new small businesses, employing 30 to 80 workers, had the benefit of a willing and flexible, semi-skilled workforce, which at the same time could continue to till its land (Murray 1983: 84).

The third way to effect decentralisation was, of course, putting out work to older established artisans and to other small firms. Such decentralisation was the means of restoring profitability and regaining control at shop-floor level. Apart from monopsonistic situations, which mostly profit large enterprises, decentralisation (particularly in the form of subcontracting/putting-out) offers them an additional safeguard against economic recession. It means that a large enterprise will produce well below the average demand in its own factory, so employing as few workers as possible. At the same time it puts out work to redress the difference between what it produces itself and what is demanded by the market. In periods of recession, the larger enterprise can continue its normal production, while shedding the subcontracting smaller firms that are then cut off from the market (Murray 1983).

## 2. Technological development

Decentralisation in the sense of putting-out to artisans and homeworkers depended for its success on a number of structural factors. One of these is technological progress as manifested in the work tools and equipment for making a number of goods that in earlier times could be manufactured only in large factories.

The tendency towards miniaturisation of tools and appliances based on a small electric motor and/or a small internal combustion engine, is continuing unabated, as the great variety of technological applications makes abundantly clear. A large and still-growing range of equipment now exists, deployed in a number of industrial sectors, that makes possible the production, wholly or in part, of technically sophisticated products in small workshops just as in large factories, and sometimes even in private homes.

'This use of similar technology in large and small plants underlies an important precondition for the success of extensive subcontracting: economies of scale are realised at the level of machines, not whole factories. Ten lathes in ten different rooms can be operated as efficiently as ten lathes in one room.' (Brusco and Sabel 1981: 106, 113; Brusco 1986: 191-92).

This applies particularly to multipurpose machinery, and is especially advantageous for very small manufacturers. Multipurpose machinery represents a lower capital investment, and may allow the additional deployment of craft skills. With special attachments or minor modifications it can be easily converted to perform a wide range of, for example, machining operations, and so is suitable for both long and short production rounds. The technological prerequisites for both large - and small-scale production do, therefore, exist in artisanal workshops - which I consider a factor of critical importance.

Outworkers in Italy do not restrict themselves to what C. Solinas has very reluctantly described as 'traditional' kinds of machines. They

also have access to the technologically mature, but 'modern', numerically controlled (NC) machine-tools and various programmable automation tools.<sup>4</sup> For example, sewing is not done by hand but by electrically operated machines that may incorporate such recent technological advances as the microchip. Besides, some artisans have begun to employ computer-numerically controlled machine-tools (CNC) and industrial robots (see Bamford 1987: 21).<sup>5</sup> Of course, beyond state-of-the-art technology, established artisans as well as homeworkers commonly use the traditional but by no means superseded screwdriver.

Another important dimension of technology is the process of modularization which involves the standardisation of the major sub-assembled parts of a product. Although there has been an increase in the number of models in a given product line, say television sets, the basic component-modules remain the same for all models. In conjunction with the newer and more precise productive capacity increasingly being installed in small manufacturing units, this means that subcontracts for components/modules can be given to small firms or artisanal workshops, even to homeworkers in certain lines, with the final assembly taking place in some central factory (Murray 1983: 77-78; Piore and Sabel 1984: 198-89; Dicken 1986).

### 3. Availability of Artisans

Another key factor in the decentralisation project was the fact that the artisans (and homeworkers), who were to be responsible for a substantial share in the production output, already existed as such and had the necessary skills for the outwork. These were the traditional artisans, who employed multipurpose tools and/or machinery and catered for local needs as well as specialist markets. Italy came into the post-war period with a larger sector of small manufacturers than did other west-

ern countries. In particular, her endowment with highly skilled artisans has been outstanding (according to M. Paci and J. Bamford, mentioned in Weiss 1988: 198-99). At a time of her entry into the modern age, Italy was plentifully supplied with master craftsmen, the *artigiani*, whose origins can be traced back to the Middle Ages. Their exceptionally skilled craftsmanship and superior artistic flair has gone hand in hand with a ready adaptation to new technical developments that has greatly assisted their use of flexible tools and work methods (Goodman 1989: 1-16).<sup>6</sup>

Since the end of the war, many more artisans have come into existence, and managed to survive - even flourish - by utilising the opportunities offered by the existing structure of manufacturing. During the 1940s, 1950s, and 1960s, before becoming independent artisans, these people were usually employed in large factories as skilled craftsmen, but then laid off in the aftermath of labour protests; they were also employed in craft trades as workers.<sup>7</sup> They established their own businesses by using as capital the redundancy money they received when being laid off. Oddly enough, after 1969, scores of them found themselves working as outworkers for the same firms that years earlier had laid them off.

Of course, there is no evolutionary process whereby traditional artisans become outworkers, but some of them adapted to industrialisation in this way. Still others, who were already outworking, continued to do so while mechanising and modernising their workshops (Brusco and Sabel 1981: 104; Piore and Sabel 1984: 154).<sup>8</sup> In parallel to the decentralising of production under the direction of large companies, the artisans intensified sub-contracting and putting out arrangements within their own ranks. Some of them became specialist in very particular types of processes or products and, by using flexible tools and production

methods, developed the innovativeness for which they have become renowned.

#### 4. Industrial districts

Innovativeness, of course, depends on individuals or social groups coming up with ideas that can profitably be developed into a new design, production method, service, or product. Innovative artisanal firms in Italy are largely excrescences of decentralisation, as well as of out-working linked to the more traditional artisans. These processes provided the framework which instigated the conglomerations of small workshops and factories, otherwise known as industrial districts.

An industrial district is a system of small and medium-sized firms, all situated in the same geographical area, and producing a range of commodities. The inhabitants of an industrial district live and work inside or very near the district, which is characterised by considerable divisions of labour. Each of the constituent firms specialises in one particular type of operation – be that design, the making of prototypes, production process, or whatever. This is the key that allows the unfolding of synergies, by realising economies of scale internal to the district but external to each constituent individual firm. Hence the competitive production of a large range of products by very small firms is possible via extensive subcontracting (Goodman 1989: 20-23).

Two further points on industrial districts in Italy. First, they emerged in areas of some earlier industrialisation, where a number of medium and large factories existed already, producing goods similar to those produced later by artisans. The innovative type of artisan emerged only in areas where it was possible to manufacture the bulk of the necessary means of production locally,<sup>9</sup> and in which the craft traditions of the *artigiani* had survived. Second, industrial districts are

complemented and serviced by specialised agencies set up for that purpose that assist with issues ranging from design to accounting. These agencies operate under the auspices of local authorities and various associations of artisans and small firms.

Industrial districts are composed of 'a core of more or less equal enterprises bound in a complex web of competition' (Piore and Sable 1984: 265). Enterprises both compete with one another for contracts, and co-operate once these have been awarded. They form in a sense a community, in which co-operative institutions flourish among artisan producers, for instance for the purchase of materials, for marketing products, and for obtaining credit. Of course, the community concept involves living in the same territory, holding common values, sharing common beliefs, having the same interests and sense of identity, orientation and/or objective.<sup>10</sup> The sense of community may be expanded to include arrangements with trade unions and local authorities (*comuni*) - (Goodman 1989: 10-15; Trigilia 1986).

These arrangements tend to ensure industrial peace, as well as providing cheap land, and infrastructure and other facilities, such as communally-run nurseries for the workers' children, facilities for craft training, etc. They also include some form of social regulation against excessive informal practices in the district. In return, notwithstanding the internal fragmentation of the labour market within the industrial districts, almost full employment is ensured even in periods of recession. This may be attributed to the success of the products of the industrial districts in the Italian and international markets (Solinas 1982; Trigilia 1986).

The blooming of the artisans' communities and industrial districts coincided with the large companies being preoccupied with labour unrest and attempts at decentralisation (Sabel 1982: 227). This meant that the

latter did not compete with the small firms, thus giving them precious time to strengthen their organisation, skills, equipment, finances, and market position. As already noted, subcontracting within the industrial districts is extensive.<sup>11</sup> Work done is usually of high quality and this, in conjunction with market success means, on the one hand, high wages for the skilled workers, and on the other, a mutuality of interests between all those involved in subcontracting (Piore and Sabel 1984; for a critique see Wood 1989: 14, 18).

Lower-quality parts and modules, however, are subcontracted to firms outside the industrial district, in the depressed agricultural regions. There the skills are less, but suitable for the lower-quality, mass-produced products; wages are lower too. During recessions, firms in industrial districts always have the option of re-centralising these activities which, though less profitable, are nevertheless necessary. In this way, near to full employment is maintained within the industrial district, but the periphery suffers (Solinas 1982).

##### 5. Flexible specialisation and the innovative artisan

The small innovative artisanal firm has been seen as an essentially new element brought to the surface by the resurgence of artisanal activity and the decentralisation of production in Italy. Some writers even see it as an alternative paradigm of production, i.e. 'flexible specialisation'.<sup>12</sup>

Flexible specialisation is regarded as the opposite of mass production, Fordism particularly, and an alternative to it. The flexible-specialisation thesis holds that firms today, instead of producing mass-production goods in large quantities, can profitably produce specialised goods for particular market niches. The production becomes flexible when it can be geared to produce a small batch of one



specialised product, and then of another and another, and so on. This can be done with modern technology, which allows a continual reshaping of the productive process through re-arranging/re-programming machine components/software (Piore and Sabel 1984, chapter 10).<sup>13</sup> The workforce needs to be highly skilled, well trained in both theory and on-the-job, and there is built-in co-operation at shop-floor level between workers-technicians and managers, which makes the work psychologically more rewarding. In fact, flexible specialisation is a return to the multi-faceted craftsman, to craft practices on the basis of high technology. At the same time, there is still room for workers doing unskilled jobs, e.g. packing.

The technological foundation of flexible specialisation is the computer and computer-mediated control, with computer-controlled machines adaptable to particular purposes and personal habits. In the words of Piore and Sabel:

'The computer is thus a machine that meets Marx's definition of an artisan's tool: it is an instrument that responds to and extends the productive capacities of the user. ... The advent of the computer restores human control over the production process; machinery again is subordinate to the operator' (1984: 261).

Accordingly, it has been argued that this particular technological development bridges conception and execution in the same person. It has made feasible the elimination of hierarchical structures in production, so that in theory at least it becomes conceivable that worker subsumption may become structurally impossible.<sup>14</sup> However, the social peace the computer was expected to help bring about is still an ideal only and this form of technological determinism has proved to be rather superfluous.<sup>15</sup>

Disagreeing, Williams *et al.* (1987) have objected that, notwithstanding some degree of plausibility, several of the postulates of flexible specialisation, as well as the differences between this form

and mass production, are lacking in specificity. Since the thesis can give no clear-cut criteria for dominance of the one or the other form of production, it is conceptually flawed and inadequate. On his part, S. Wood (1989), investigating whether work has been transformed in the 1980s, focuses on the distinction between numerical or external flexibility 'which is concerned with enhancing the firm's ability to adjust labour inputs to fluctuations in output' (*ibid.*), and functional or internal flexibility 'which is about what workers "do, and consists of a firm's ability to adjust and deploy the skills of its employees to match the tasks required by its changing workload, production methods and/or technology"' (NEDO quoted in *ibid.*: 1). He is careful to highlight some of the difficulties that bedevil the issue of flexible specialisation. It is particularly interesting to note that sectors such as engineering, in which small-and medium-batch production dominated, already had a flexible element long before any idea about flexible specialisation had surfaced (see *ibid.*: 29); interestingly enough in the Emilia-Romagna region in Italy, the show-case of Third Italy, one of the artisans' main areas of specialisation was/is mechanical engineering. Wood, observes that though we need not discard the notion of flexibility, we do need to define it more precisely. This can be done by studying it not in isolation, but by integrating it into more sober accounts of the contradictory character of the various forms of work organisation.

However, despite these criticisms and admonitions the post-Fordist argument provides an interesting interpretation of the small firm resurgence in advanced countries. The claim is that competitive pressure leads firms to aim for greater efficiency to reduce their costs and that this in part is achieved by means of numerical flexibility. Thus, a firm employs only the minimum of workers required at any point in time with the irregular parts of its work being carried out by usually small

specialist firms to which they are subcontracted out. In this sense the post-Fordist regime of accumulation encourages the growth of small firms and even of self employment (Warde 1993). This in part explains why there has been a resurgence of small firms in a number of advanced countries in recent years, especially in the Third Italy in which small units are often artisanal.

The range of new products put out by innovating artisans in their industrial districts is limited only by the particular branches of production available in a locality, which may include both mature and newer branches of manufacturing.<sup>16</sup> New products are not limited by monopsony. Instead, producers themselves, or through their marketing and other associations, sell to national and international markets. The availability of small subcontracting firms within the industrial districts means that parts and components for the new products can be subcontracted at competitive prices. The innovative ability, therefore, is actually linked up with the way the industrial district operates (Brusco 1986).

In the Italian context, therefore, flexible specialisation can be seen as an offshoot of decentralisation, or as an outcome of development of independent artisans coinciding with new technologies, or as a result of both of these two sets of circumstances together, and a facet of post-Fordism. This, of course, does not mean that artisans who are dependent subcontractors will necessarily evolve into becoming innovative; most of them will not. Nor that artisans who have not been involved with subcontracting, and/or have developed in the context of a circuit of small and very small firms operating in parallel or symbiotically with or in antagonism to the economy of large-scale enterprises, would be led into becoming innovators; again, most of them will not. Nevertheless, one may confidently assume that the numerical preponderance of very

small units playing a complimentary or independent role in an advance economy, greatly conduces to the development in their ranks of flexibly specialised firms.

## 6. Labour relations

The subcontracting small firms have often been subjected to sweated labour. Sweating, according to one commentary, 'is the generic response of embattled firms [whether mass or small producers] that cannot innovate' (Piore and Sabel 1984: 264). While such a comment may not be entirely accurate, especially in its implication that innovative firms dispense with sweating,<sup>17</sup> it does convey some truth. Subcontracting small firms, whether within the industrial districts or more peripheral, do face cut-throat competition. This is a matter of the often monopsonistic situation between the commissioning firm and the subcontracted small firm, which routinely results in unequal exchange between them. Consequently, the simple-reproduction squeeze operates upon the latter, which means low wages and sweating for the employees of small firms and even for their artisan-entrepreneurs.<sup>18</sup> Intense competition is also conducive to a host of underground activities in which artisans and other small firms excel (Contini 1982; Del Boca 1982; Brusco 1986: 186;).

In the literature on the Third Italy there is a tendency to exonerate the small artisan firms from charges of sweating. The usually close contact of working side by side and collaboratively is invoked to point out that relations between wage-labourers and artisans are informal, fraternal and relaxed, and that skilled workers are treated by their artisan employers as expert colleagues. This seems to be something of an exaggeration, but however ideal the situation, it remains a fact that the workers are under the constant control of their employers and

the employers' families. In the case of firms with a work-force of five to ten or even fifteen persons, owner-family members' surveillance, which does exist, often becomes intolerable. Therefore, the celebrated social peace found in the artisans' sector of the economy is more an indication of effective employer control than of arrangements with trade unions, as is claimed.<sup>19</sup>

Sweating certainly indicates that there are strata of employees in artisans workshops, mostly young people, women and the old and retired, that perform unskilled and semi-skilled labour and are low paid. Next to them one finds the skilled core workers who receive high wages, and on top are the various types of artisans and their families who reap the profits and are well off. Therefore, the labour market is segmented at the micro-level (Ruggiero 1987). Accordingly, the celebrated 'amoeba-like ability of the Italian small firm to respond to changing demand' (G. Becattini, quoted in Goodman 1989: 2), is founded upon utterly exploitative labour relations that no measure of economic success of the artisan firms should be allowed to conceal.

Another objectionable facet of the Third Italy concerns the role of women in the artisan sector. As wives or daughters of artisans they may enjoy the fruits of the newly discovered prosperity of their menfolk. As labourers (no available information indicating otherwise) they are restricted to their stereotyped role: that of performing rather unskilled types of work in a patriarchal context. In either case the established patterns do not seem to have changed. Obviously, compared to Piore and Sabel's pronouncements on the improved 'quality of work life', or the 'convergence between conception and execution', supposedly brought about by flexible specialisation, the actual situation shows a gap that borders on mockery.

## 7. The role of the state

The role of the central state is a key factor in artisan resurgence. Artisans in Italy are not a professional but a legal category (see the first footnote of the present chapter). L. Weiss has pointed out that the legal definition, which makes it possible to distinguish the artisans from other businessmen, has been instrumental in the Italian state's pursuance of a series of important pro-artisan measures (1988: 57, 204).

Thus, they have been accorded the benefit of special legal protection, lower taxes and employers' social-security contributions, reduced premiums for welfare benefits, exemption from keeping accounts and from bankruptcy proceedings, access to loans and loan guarantees, and financing at especially low interest rates. The state also assisted the collaboration of artisans and small firms by sponsoring various schemes; those participating enjoyed additional subsidies, infrastructure development and preferential tax treatment (Weiss 1988: 57-58). Additionally, important clauses of the Workers' Statute do not apply to small concerns, e.g. provisions against unfair dismissals (Brusco 1982: 174; Solinas 1982: 331; Murray 1983: 80; Weiss 1984: 225; Artioli, Ianno and Barberis 1986). In effect, state support was so great as to effectively persuade most artisans not to transgress the legal limits for fear of losing it.

The importance of financing for artisan regeneration deserves to be highlighted. The *Artigiancassa* was the most important vehicle of government-led artisan financing. Between the years 1952 and 1976 it financed about one-third of all registered artisans, with two-thirds of the loans going to new firms. These loans were mostly for ten years with a nominal 3 to 5% interest, at a time when normal loan-interest rates stood at around 15% (Allen and Stevenson, mentioned in Weiss 1988: 66).

Well over half of these loans went to the Third Italy, which indicates the importance of state-sponsored financing in the region's development.<sup>20</sup> Additionally, Italian artisans have been given financing by various local banks, usually called savings or artisans' banks, which derive their funds locally, and whose managers personally know new entrants into the sector and their situation, and can decide on granting loans on the basis of local conditions.<sup>21</sup> Local banks also sponsor centres providing specialist services to artisans. Similarly the *Institutione Intermediatore con l'Estero* assists artisans with their export-import business (see Goodman 1989: 24-25). Clearly, in the Italian case we can establish a tradition of industrial banking (close to that of Germany or Japan) and a willingness to assist industrialisation 'from below'.<sup>22</sup> The state's role has been paramount, but private financial institutions have also adopted industrial-banking attitudes and practices towards artisans. Undoubtedly, this is a factor which has greatly enhanced the artisans' resurgence.<sup>23</sup>

Although most authors are persuaded that the state has played the paramount role in supporting the artisans' proliferation and development, this view is not unanimous. J. Bamford considers that actually the state has done very little to foster the artisans growth, and that their proliferation has been largely a result of their independence and self-reliance.<sup>24</sup> Bamford does, however, acknowledge the absence of government interference with artisans, and state-apparatus laxness in enforcing certain legal statutes applying to them (Bamford 1977: 14-15). Of course, non-action can also be effective, and such non-interference could be seen as a complementary means by which the state encouraged the establishment of small businesses.

This distinctly favourable treatment of artisans was part and parcel of the Italian state's project to sustain the stratum as part of the

middle classes. The aim was to enlarge the ranks of the property owners. This implied a diffusion of entrepreneurship to wider strata of the population, as well as manufacturing being spread among many newly-created small artisanal firms. These were encouraged to modernise, but not to expand beyond the confines of the legal definition of artisans. Once created, the new propertied class had a stake in upholding the socio-economic system, so they had to be maintained intact. The idea was to create a force which would act as a bulwark against the working class post-war challenge, real or imaginary (Weiss 1988: 153-55). Thus, those controlling the state, i.e. the Christian Democrat (DC) coalitions that dominated it in the post-war period, pursued, as part of a political and social strategy, policies that to varying degrees encouraged and supported artisans. Moreover, it has been suggested that the DC also pursued its pro-artisan policies because it became a captive of its own ideological pronouncements (Weiss 1988: 158).

The Italian state's early pursuit and administration of a pro-artisan and pro small-business industrial policy, was at the time (in the 1950s) not only a departure from the orthodoxy of gigantism, but also meant heavy state intervention while paying lip service to the free-market principles. That intervention did not subside in more recent years, but continued relentlessly into the 1980s, even though this has at times, required deficit financing (Thompson 1989: 541). The pay-off has been the establishment of a diffuse, small-scale industrial base.

DC-controlled central-state assistance to artisans was not the only politically inspired intervention for their benefit. The wooing of artisans was continued at local level, seeing that much of the implementation of pro-artisan measures had to be organised and administered, on the spot. Since many artisans were communists or left-wing sympathisers,



in areas of the Third Italy where local government was controlled by the communists, as well as where it was not,<sup>25</sup> the DC's above-mentioned perception on the state's role in strengthening private-property institutions was enhanced (Weiss 1984, 1988: 48). Yet obviously, state measures in support of artisans were not in themselves sufficient to lure them away from communist influence and towards DC values. The intense party-political struggle over the middle classes at national level was reflected regionally and locally too.

But regional and local governments (both provincial and municipal) were not simply the mouthpiece of central party directives. The Italian local authorities enjoy a significant degree of autonomy, and accordingly take their own stand on a number of issues in their area of jurisdiction. Local authorities draw their power from long traditions of local community self-government (Bamford 1987: 23) and from the relevant stipulations of the liberal 1948 constitution. The latter empower them with extensive administrative authority and some financial resources. Therefore, notwithstanding overall political affiliations, local authorities were well placed to extending their own support towards artisans. They knew that by doing so they would raise living conditions, secure employment, and control urban development (Sabel and Righi 1989) – in a word, improve their locality.

So, on the one hand, in regions in which the communists controlled local government (such as Emilia-Romagna), the PCI strategy of neutralising the petty bourgeoisie, or even winning it over, was an important consideration in the mobilisation of local authorities to serve the artisanat. The PCI aimed to mediate the representation of local interests and to promote the areas it controlled as models, which the central DC-dominated government could not emulate (Hellman 1975; Brusco 1982; Trigilia 1986; Brusco and Righi 1989). To this purpose it fostered

agreements at local level between trade unions and artisans, in a situation where the three factors involved were politically homogeneous, i.e. when it was a controlled process. For example, by watering down labour demands and alleviating the more extreme forms of exploitation, agreement was reached on wages or lay-offs, forging in the process a measure of social peace and understanding. To the extent that such agreements were respected and considered as equitable, the local authorities became more credible.

Among other pro-artisan measures taken in the 'red' areas (e.g. in Modena), were the establishment of a number of artisan parks (industrial districts) at a fraction of current costs,<sup>26</sup> a loan-guarantee artisans' co-operative giving low-interest loans on the basis of the artisan's reputation and skill, and 'real' service centres<sup>27</sup>. It should be noted that integral to the policy pursued by local authorities was the active involvement of artisans in both the making and implementing of decisions. In fact, the above projects were operated largely by artisans themselves, usually well known and respected by the others, who did not receive any payment for participating in meetings on who would get a loan or who was to be allocated a workshop in the new industrial park; in this respect they are reminiscent of medieval guilds (Brusco and Righi 1989: 411-13). Obviously such measures helped build up the requisite consensus, presented local government as credible, and elevated the self-image of the citizens in that they perceived themselves as members of a collaborative community.

On the other hand, in DC-dominated areas (such as Veneto), trade-union demands were softened at the instigation of pro-Catholic and DC unionists. This was the result of a compromise between local community traditions and the DC's ideology of small ownership (Weiss 1984), and mediated by both the Catholic Church and the DC in an effort to

safeguard the areas under their control, and to prevent the infiltration of communist influence. Projects for assisting artisans similar to those described above, and urging them to participate in running their own affairs, were put forward also in 'white' areas.

In both 'red' and 'white' regions, the primary unit of reference is the locality in which the industrial districts are situated. The policies that were pursued by the municipalities were not directed at single firms but, as Brusco and Righi point out, 'to the system of firms, and tend to equip the sector with those capacities which it cannot supply through its own means' (1989: 419-20). This phenomenon of co-operation among artisans themselves and with the local authorities, in the context of industrial districts and/or localities, has been described as neo-localism (Trigilia 1986). It should be noted, however, that although the standing and backing of local authorities helped to bring about the change, it could not have been effectively pursued and sustained if it had met with opposition from central government. The success of the local initiatives was possible only because a central-government industrial policy already existed that addressed itself to the problem of artisans and small businessmen - as Brusco and Righi maintain (1989: 421-22), themselves actively participating in local authority initiatives.

Overall, therefore, the political element, at both national and local level has provided widespread support for artisans. The Third Italy seems to have benefited from a rare instance where party-political antagonism has led the political parties to compete in pro-artisan measures and policies. More recently the artisans, having greatly profited from the massive help they were given during this struggle over their hearts and votes, have begun to depart from the tutelage of the country's mainstream political parties. It appears that large numbers of

artisans and the so-called small and medium entrepreneurs participate in and/or follow the various 'leagues' by means of which they claim their own independent political representation. These political formations have been at the very heart of the significant changes that are restructuring Italy's political system (Solaro 1992: 29-30).

#### 8. The family

It has been stated that artisanal firms can cope with the recession much better than larger ones. This is often attributed to the long hours of work, the high intensity of labour, the various underground activities, and the role of the family. Indeed, the family does appear to play a vital part with regard to outwork, and without it this productive arrangement would not be possible. The general scheme is that artisans and homeworkers, by being able to draw on family labour which is paid poorly or not at all,<sup>2\*</sup> can survive periods of crisis by lowering their consumption requirements, laying off any employees they may have, intensify their own labour contribution, and still sell cheaply. Their renowned resilience and tolerance of high degrees of self-exploitation' is an important element in their continuance in action.

The type of family is of course very important: in this case it is a more or less extended family. The Third Italy includes rural regions where, in contrast to the rest of the country, productive relationships on *métayage* (*mezzadria*, i.e. a form of share-cropping) predominated until the 1960s, alongside some tenant farming (*boaro*). The *métayage* system involved the whole of a family; in the course of its development cycle this was at first nuclear and then, increasingly after the 40th birthday of the head-of-family it became extended (Bamford 1987: 17). Co-ordination and co-operative practices of family labour for agricultural work were absolutely necessary since, notwithstanding the formally

individual character of the share-cropping contract, in fact the landlord entered into an agreement with the entire share-cropper's family, over which he exercised strict controls and from whom he demanded hard work. In response, the share-cropping family had to organise intra-familial divisions of labour, and some of its members had to assume new responsibilities. The family also needed to be led, and the head-of-family had to devise means of persuading his people to work harder, to save, and to evade the landlord's demands. Among other things this meant learning how to calculate, maximise profits and acquire an acquisitive mentality (see *ibid.*: 19-20). Of course, these new tasks and abilities form a good part of what we associate with entrepreneurship.

The argument is not only that there is a high correlation between artisans and direct experience in *métayage*, but that entrepreneurial skills have passed 'through a slow sedimentation of managerial competence within the whole social texture' of the regions concerned (Brusco 1982: 180; 1986: 197-98). The gradual mechanisation of agriculture in the 'third Italy' was accompanied by migration to the cities. Although there the migrants laboured in factories, they did not lose their mutually supportive relationships with their rural families. When the time was right, or when they were laid off, they left the factory, to set up a business of their own, having the benefit of family backing and some entrepreneurial experience, to which they added their own, newly-acquired technical skills.

In the urban setting, the family not only plays an important role as the source of unpaid or cheap labour, it is also a major provider of starting capital (in about 25% of the cases, according to Bamford 1987: 21). Moreover, it is the unit which one can fall back on when a small business has failed, or when support for expansion is required. Often one or more members of the family work full-time in a formal, and part-

time in a secondary job. The income from these jobs allows the family to meet its basic consumption requirements. Business problems are tackled by all of them together as a unit, not by individuals (Del Boca and Forte 1982; Goddard 1981). It has been argued that kinship relations are actually the structuring principle of industrial organisation in artisanal firms, and greatly facilitate the accumulation of capital, especially in the earlier stages of the productive decentralisation and of the emergence of small firms (Piore and Sabel 1984: 228). Obviously, the unbroken familial entrepreneurial traditions, maintained due to rural-urban interpenetration, and the cohesion of the family unit is a crucial factor in artisan resurgence.

#### Concluding remarks

What are the artisans of the Third Italy – instances of SCP, or budding capitalist? This question is not usually asked in the relevant literature. However, implicitly, the particular strand of artisans is seen as more akin to capitalism – see for instance Weiss' (1988) employment of the ambiguous terms 'micro-capitalists' and 'micro-capitalism'. I think that ambiguity of class is a built-in element of artisans in the Italian context; these are defined in such a way that pure small capitalists are included in their ranks. In general, writers use the official category without purging it of foreign matter.

Artisans in the Third Italy have unquestionably exhibited dynamism, but this was not endogenous. It stemmed largely from external sources – organisation and technologies of production, to mention only two. Various social and political forces (be they intellectuals, political parties, or the state both local or central), have addressed them for their own purposes, and indeed constituted them as a distinct social group. To this end they have provided the artisans with the relevant or-

organisational technologies and framework, and have played a key role in the artisans' collective organisational upgrading. The artisans' tools, machinery, and industrial work methods were not developed or produced by themselves, but became available once they were externally subsidised. On their own, artisans were not able to emerge as collective actors. What in earlier chapters was recognised as their individual basic circumstances and structure isolates rather than unites them, leading them away from intensive horizontal (social) and vertical (productive) relationships. Artisans re-emerged as such in the context of an economy dominated by capitalism, only when consciousness and the necessary co-operative organisation and technologies came from the outside, from the 'window'. Their development and success, which are critically dependent on their co-operation and collaboration, has largely been the result of externally determined processes.

Most probably, artisans left on their own would undergo processes of differentiation, although one should not be hastily in forecasting their imminent doom. However, given the particular context, such differentiation is rather unlikely. The initial political imperatives that helped so many artisans to become established may no longer be in operative, but their political, economic, and social importance is not negligible - it is actually on the rise. Nowadays, artisans as collective actors form particular constituencies which may well put sufficient pressure on political elites to continue providing them with assistance and privileges and thus maintaining them *collectively*. In this sense the future of the stratum does seem to be assured.

Although Italy was a late-comer to industrial society, as E. Goodman (1989) points out, artisan resurgence took place in a context which must be considered industrially advanced. The dislocations brought about by the process of industrialisation did not produce massive destruction

of family and small-community systems in the Third Italy. Instead, they conduced to providing the framework and opportunities (including the large-scale capitalist establishments that faced with a crisis of the Fordist model of accumulation needed complementary smaller units to transcend it) to which the artisans' response led to their 'take-off'. Italy's position in the international division of labour has brought about a specialisation, compatible with and conducive to small-sized firm development. The emphasis on the political involvement in artisan development must not obscure the fact that the artisans' success was the result not merely of state intervention. Artisan producers themselves played an active part in the further specialisation of their nation's manufacturing industry. As M. Paci has pointed out (1986: 157), within this overall specialisation, and drawing on traditions of craftsmanship, entrepreneurship, family support, and communal collaborative practices of mutual dependence which they further enhanced, Italy's artisans utilised or became receptors of politically motivated infrastructure developments and multifarious local/central state help, and relied upon flexible tools and a compression of labour cost to pursue a distinct and dynamic course of their own.

Finally, the experience of the Third Italy has often been recommended as a model to be emulated elsewhere. However, it would seem from the not very successful attempts to do so in the Italian South, that to achieve the synergies required for diffused industrialisation is not simply a matter of pouring more money into a subsidising artisanat (Amin 1985). Furthermore, attempts to isolate this or that feature of the Italian artisans with a view to duplicate it in social environments of quite different cultural, socio-economic and political structures, would prove very difficult. In the industrial districts of central and north-eastern Italy, a set of factors operating at various levels (grass-root,



medium and macro), *converged and entwined* at particular points in time to produce the resurgence of artisanal activities.<sup>29</sup> I think that it is important to realise that artisan resurgence has been a *total* social phenomenon. While the relative weight of the various factors on artisan resurgence is not the same throughout, all of them were indispensable for its unfolding. The way to verify this is, of course, to ask hypothetically what would have been the most likely course of events, had each single entailing factor been missing. Therefore, a study of the Third Italy can be helpful to those who consider it the most successful case of small-scale industrial development and accord it the standing of a paradigm, only if they survey the phenomenon in its totality.

## Notes to Chapter III

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1. The official Italian definition of units and small industrial firms is as follows. Artisans' workshops have a maximum workforce of ten; depending on their product, this may include from five to ten apprentices, raising the workforce to a maximum of twenty. Small firms have no more than one hundred employees (Brusco and Sabel 1981: 105; Weiss 1988: 14-15; Goodman 1989: 8, 18).

2. Outwork, as the term indicates, involves the placement of work outside the firm, i.e. formal or informal subcontracting. It implies that work currently placed outside the firm was earlier produced within it, a condition which may be reversed again in the future. The outworker may or may not be provided with materials, credits, blueprints, and machinery. The main characteristic of outwork is that

'... labour can be purchased in discrete and variable amounts, payment is directly related to output [there are no fixed costs], and the labour process is unsupervised' (see Rubery and Wilkinson 1981: 116; also Goddard 1981, where there is a description of flexibility from the perspective of the outworkers).

Outwork is therefore an extremely flexible form of work organisation, certainly from the perspective of the firm doing so, but often from the outworkers' point of view too.

3. On the one hand, 'dependent' labour is not necessarily typical of artisans; it can be found in homeworkers too (Goddard 1981: 32; Rubery and Wilkinson 1981: 130). On the other, the criterion of sophisticated machinery is meaningless unless the level of sophistication is specified, which it is not.

4. The ancestor of the modern NC machine tools is the Jacquard loom. It was developed between 1800 and 1820 by artisans in the Lyon silk trade, and allowed some measure of programming and correction. M. Piore and C. Sabel have given the following description of its mode of operation:

'The loom wove complex *façonnés* or brocaded patterns according to instructions on perforated cards which automatically raised and lowered the threads of the warp in the appropriate sequence' (1984: 30).

In a study of work processes involving machining equipment, H. Shaiken, S. Herzenberg and S. Kuhn explain some of the different functions of NC and CNC machine tools.

'The earliest NC machinery used a punched tape to guide the cutting tool. The micro-computer inside CNC machines facilitates the integration of machinists into product in planning by creating the possibility of programming or editing right at the machine' (1986:

171).

See also R. Walkers' exposé of the principles of programmable automated machinery (1989: 60-71).

5. By comparison, very small firms in some other developed countries have been known to operate CNC and other high-tech industrial equipment with a greater frequency than in Italy. In Japan, for instance, it has been reported that a father-and-son firm operates with 'a leased, second-hand robot system that hammers out components in a "backshed" workshop' (reported by Macrae, mentioned in Murray 1983: 97). In the U.S., firms of only six employees have been reported to operate CNC millers and lathes (see Shaiken, Herzenberg and Kuhn 1986: 170).

6. Traditional artisans are master craftsmen, very highly skilled - 'it is for [them] to use the machine and not for the machine to use [them]' - and independent (Goodman 1989: 6). Their products are characterised by good design and a sense of form. In considering the object to be made, the artisan has to take into account what his customer could afford, as well as the use to which the product is to be put. If the two seem incompatible, it is up to him to find new solutions, innovating in the process. S. Brusco says:

'The tools used by the traditional artisans are in general simple and multi-purpose. The skill of the artisan lies here: in being able to cope in complex situations, working with few tools, often with unsuitable material.' (quoted in *ibid.*: 4).

Smaller artisans concentrated more on commissioned craftwork, while the larger produced goods for wider sale in retail markets; they might sub-contract work to other artisans or practice putting-out to homeworkers (*ibid.*: 6-9).

7. The proletarian origins of most artisans in the 1970s has been well established. For instance, it was 80% in Lombardy (mentioned in Weiss 1988: 199).

8. Other groups of people utilised for the purposes of decentralised production included those with a commercial background who then switched into production (Brusco 1986: 186).

9. This indicates, or rather reconfirms, the importance of the machine-building industry in prompting innovation and growth.

10. It is no accident that in a number of countries various types of small businesses are the domain of entrepreneurs who share a common ethnic background and belong to a particular community; on the ethnic aspect of small entrepreneurs see Boissevain 1981; Boissevain and Grotenberg 1987; Ward 1987, 1991.

11. Twenty to thirty subcontracting arrangements per year are considered normal for each contract awarded; whole subcontracting chains are involved (Goodman 1989: 23).

12. Flexible specialisation is a notion developed largely in M. Piore and C. Sabel's The Second Industrial Divide (1984). Other works had prepared the ground for it or support its main thesis (for instance Doeringer and Piore 1971; Piore 1969; 1975; Sabel 1982; Sabel and Zeitlin 1985; Sabel, Herrigel, Deeg and Kazis 1989). A useful review of the economic premises of flexible specialisation and an introduction to the pertinent discussion is found in Lyberaki 1991: 31-47).

13. Flexibility, however, should not be considered incompatible with the development of standardisation (Wood 1989: 43). Actually, for Third Italy's artisans and small-firm industrial districts, flexibility operates at the level of the district, on the basis of a well-organised specialisation and standardisation of production in the individual firms.

14. According to G. F. Thompson, flexible specialisation is not unitary, but assumes various forms, some of them more 'dynamic progressive' others more 'stagnating backward'. He considers the former as building blocks for a future socialism (see Thompson 1989: 527-30).

15. Somewhat ironically, only two years after the major pronouncements on flexible specialisation were made, M. Piore (1986) was appealing to employers not to lay off workers made redundant by the introduction of new technologies, and asked employees to accept alternative employment schemes. It so happened that the next article of the same issue of the journal that had published Piore's admonitions to management and workers presented solid evidence that the burgeoning small innovative firms utilising flexible technology were sweating their workers (Shaiken, Herzberg and Kuhn 1986). In his study of instant print workshops in England, D. Goss (1987) reached similar conclusions.

16. As Sabel, Herrigel, Deeg and Kazis point out, 'there are, strictly speaking, no "mature" industries' (1989: 374) in terms of innovative potential. An example is the textiles industry which due to new fibres, dyes, and designs has undergone a resurgence, especially so in Italy.

17. According to G. Thompson, sweating is the technological backward aspect of craft production. As a production technology it may be found among both mass-producing and flexible-specialisation firms (1989: 531).

18. A good criterion of the artisanal firm's degree of dependence/ independence is the number of clients it has (Brusco 1986: 190) and their relevant share of orders.

19. Trade unions, on the one hand, organise and guide only a very small fraction of workers in the artisanal sector; workers there are notoriously difficult to organise. On the other, trade unions are invariably a function of party-political evaluation and strategy and so, while claiming to represent the workers, they will enter into agreement with artisans as part of a wider strategy to co-opt them (Trigilia 1986).

20. Statistical data and other information on *Artigiancassa* loans taken are presented in Weiss 1988: 58-80, 212-22.

21. These banks have counterparts in Germany, the *Handwerk* savings or co-operative banks, notes Goodman (1989: 24).

22. On industrial banking see the definition of Yao-Su Hu, quoted in M. Binks (1991: 152).

23. The character of the Italian banking and financing differs sharply from that in Britain. The latter, it is claimed, lacks all industrial-banking tradition, and this has led to a hands-off policy vis-à-vis industrial firms, a situation that cannot be changed overnight. In Britain and other countries with similar banking traditions, artisans and small firms could not expect financing in the foreseeable future, hence a replication of the Italian experience would face severe difficulties (Binks 1991).

24. Bamford's premise is that the Italian state did very little for small manufacturing when compared to other European governments/states, fostering instead an industrialisation that relied on co-operation with banks and large firms (Bamford 1987: 13). This position is contrary to Weiss' well documented and persuasive thesis that Italian state support was decisive in the unfolding of the diffused small-scale industrialisation (Weiss 1988: chapters 6 and 7). However, Weiss does point out that the Christian-Democratic strategy was not unilinear; indeed at times a big business strategy was pursued (*ibid.*: 130). Overall, however, a policy of 'walking on two legs' was implemented, aiming to preserve and modernise small firms. At the time of the policy's initial implementation in the late 1950s and 1960s, it involved a partial brake-away from the 'gigantism' which then dominated economic thinking (*ibid.*: 154).

25. As part of the partisan movement and the political struggles of the post-war period, the Italian Communist Party (PCI) had forged ties with the workers and peasants during the last years of fascist rule in Italy. As artisans usually come from the working class, they have retained their identification with the PCI (Hellman 1975; Sabel 1982: 229).

26. Artisans purchased municipal plots at 25% of current prices with the help of a low-interest loan directly guaranteed for the mortgage by the

municipality. Likewise they purchased municipality-built workshop sheds at prices down by 50% of privately-built ones. Priority in shed allocation went to consortia of artisans as part of a general policy of encouraging producers associations. Priority was also given to artisans already established in town but whose workshop emitted pollutants; they were relocated in the workshop park. (Brusco and Righi 1989: 409).

27. The agency behind these 'real' service centres, set up with public funds, were: regional government, the municipality, artisans' associations, *Cofindustria* (the association of Italian industrialists), and other producers' associations. As an example, a 'real' service centre specialising in knitwear provided the following services: a periodic market-trends report, precise information on raw materials and their prices, literature on equipment and notes comparing the technical characteristics of machinery, and well-timed fashion reports (Brusco and Righi 1989: 417-18).

28. According to one report in the Val d'Elsa, 40% of artisan units used family labour and that of other kin (mentioned in Bamford 1987: 21).

29. Similar, Japan's extraordinary success in economic development may most fruitfully be explained in terms of a convergence of factors (Thompson 1989: 541-42).

## Part Two: Artisans in Greek Society and Economy

### CHAPTER IV – HISTORICAL LEGACY

#### Introduction

This chapter will provide some of the macro-sociological and historical background for the emergence, development, and character of the numerous artisanal strata in contemporary Greece. In particular, the aim is to identify the 'the structure of the situation, the structure of opportunities' (Boudon 1987: 59), that impelled artisans to become what they are. I propose to do so by delving into the repercussions of World War II, foreign occupation and the civil war in Greece, and by discussing the early post-war attempts at reconstruction and development, which are given in some detail.

#### 1 Post-war Developments

##### *1.1 Early post-war developments*

This section presents an overview of the country's crucial early post-war situation. I shall then attempt to ascertain whether there is a relationship between Greece's particular type of industrialisation and the increase in the number of artisans and artisanal manufacturing units, what it consists of, and in what ways it affects the continuing revival of the artisanate – the idea being that it both imposes structural constraints and creates openings for possible alternative forms of action in the pursuit of a work career and earning a living.

A first question which must be answered is, why is it necessary to delve into the 1940s for understanding artisans at the end of the twentieth century? As I see it, it was during that period, in the 1940s,

that the artisans' stratum was given a new lease of life, due to processes that marked the country's post-war trajectory. These processes were directly related to the severe and violent structural discontinuities and the serious challenges to ordained hierarchies brought about by a decade of war, foreign occupation, and civil war. In such a context, decisions taken on the course of the country obtained constitutive importance. They initiated new developments and gave a new twist to older societal features. In this sense, the 1940s stamped the course of Greece's economic, political, and societal developments, including those pertaining to artisans; they defined the limits of what was possible.

#### 1.1.a An index of industrialisation

When judged by today's standards, Greece's overall industrialisation has not fared well in the last seventy or so years when compared with the levels achieved by other European countries (see Table 4.1). In terms of the country's own very low post-war position, which in 1953 still had a value of only 3 out of a possible 100 in terms of total industrialisation, and of 17, on the per-capita level, the growth is very impressive, however. By 1980, the total level of industrialisation had risen to 26, a ninefold increase, and the per-capita level to 114, an increase of 6.7 times over that of 1953 (Bairoch 1982).

Per-capita levels are more accurate and of particular interest for present purposes, since they refer to the manufacturing industry only. With the exception of Finland, which achieved a post-war per-capita increase slightly higher than Greece's, but which after the war had started from a much higher position, Greece had the highest European increase ratio in per-capita levels of industrialisation. In terms of its increase ratio in total levels, only Yugoslavia, an until recently qualified centrally planned economy, has ranked above her.<sup>1</sup>



**Table 4.1**  
**Levels of Industrialisation (1913-1980) for Selected**  
**European Countries (U.K. in 1900=100)**

<i>Total Levels</i>								Rate of Change
	1913	1928	1938	1953	1963	1973	1980	1953-80
Greece	1	3	4	3	7	20	26	8.6
Bulgaria	1	2	3	6	11	21	28	4.6
Yugoslavia	1	5	7	11	32	70	103	9.3
Romania	2	4	5	15	37	85	118	7.8
Italy	23	37	46	71	150	258	319	4.5
Spain	11	16	14	22	43	122	156	7.0
Portugal	2	3	4	5	10	23	31	6.2

<i>Per-Capita Levels</i>								Rate of Change
	1913	1928	1938	1953	1963	1973	1980	1953-80
Greece	10	19	24	17	26	93	114	6.7
Bulgaria	10	11	19	32	54	102	139	4.3
Yugoslavia	12	15	18	28	69	137	174	6.2
Romania	13	11	11	36	81	169	218	6.0
Italy	26	39	44	61	121	194	231	3.7
Spain	22	28	23	31	56	114	159	5.1
Portugal	14	18	19	26	45	105	130	5.0

Source: Paul Bairoch (1982). Countries were selected on the basis of similar initial levels, and/or upon belonging to the European periphery. Balkan countries, other than Greece, were until recently planned economies, and therefore functioned differently from, and are not easily comparable to, Greece which has a market economy. Nevertheless, it is of interest to see their recent industrial advancement, as these were countries that in the past, i.e. in 1938, lagged well behind Greece in terms of industrial development. On this issue see also Mouzelis (1978: 120).

Figures for Change 1953-1980 are my own computations.

The figures in Table 4.1 also indicate that as a consequence of the war, occupation, and civil war, Greece suffered a serious retardation in her attempt to industrialise. After the occupation, not only industry but the whole of the economy was dislocated, stagnant, and in

disarray. Famine was lurking due to very low agricultural production that amounted to only one-third of the pre-war level, and the war blockage of staple imports upon which Greece traditionally depended for feeding her population.<sup>2</sup> Furthermore, homes, the infrastructure and communications, were almost totally destroyed, and losses in human life were very heavy indeed. Therefore, as the then Governor of the National Bank of Greece pointed out, '... in Greece, in addition [to repairing the damage caused by the war] we have to build an non-existent economy anew'.<sup>3</sup>

#### 1.1.b The bequest of Occupation, and conditions after Liberation

Looking at Greece's currency difficulties will give some idea of the country's economic post-war problems. The hyperinflation that erupted during the occupation in 1943 and was to reach almost world-record levels, was halted only in 1946 (Makinen 1986: 799). Stabilisation of the currency was a difficult and indeed a tortuous process, as it was hampered by political instability, social unrest, the civil war, speculation and hoarding, and by the widespread mistrust in the drachma. It took three reforms and recourse to foreign (British) funding (via the Anglo-Greek agreement) to effect some measure of control. In a certain sense the currency was effectively stabilised only in 1953, when the drachma was devalued and a new rate was set for the U.S. dollar, at 30 drachmas per dollar, to last for about 20 years (see Freris 1986: 124-25, 138-42).

The cost of stabilisation involved the institutionalisation of foreign intervention in Greek currency matters, with the participation of one Briton and one American as full members in the newly created Currency Commission. The foreign members of this supra-governmental body

were invested with the veto, and so with considerable power, since unanimity was required in the Commission's decisions.<sup>4</sup>

When the occupation forces left, industry as a whole was stagnant. A number of industrial plants had been damaged or completely destroyed, much of the machinery had been sold in order to meet the skyrocketing daily increases in general expenses and the unobtainability of credits. An exception to the rule were certain food-processing plants, which actually made a profit during the occupation. The bulk, however, of the country's feeble industrial equipment was saved (National Bank of Greece 1946a: 29-30), if no major new companies came into being during the occupation,<sup>5</sup> although this was indeed the case in other European countries occupied by the Axis-powers.<sup>6</sup> This is not to say that no new industrial enterprises emerged at all in the course of the occupation: they did, at a rate of 1,592 per year (Vergopoulos 1984: 534), but these were exclusively artisanal and moreover employed hand-tools.

The post-war recovery of industry was faced with a great many problems and was slow to come about. For instance, domestic demand had plunged as the population, including the middle class, had become impoverished; the home market had to be built up again almost from scratch. Industrialisation could not proceed on the basis of providing inputs for agriculture, as the rural areas were largely beyond effective state control; nor could it proceed on the basis of meeting the needs of the rich. While the latter's needs could not be satisfied by imports, which were restricted to staple commodities, the rich were not numerous enough to instigate the creation of domestic industries for their needs specifically.

Another problem concerned industrial inputs. Spare parts for machinery, raw materials, and fuel all had to be imported, and this was often impossible for lack of foreign currency and financing, and a host

of other reasons. To illustrate this point, let us look at the situation regarding the provisioning of spare parts for industrial machinery. The great bulk of the existing industrial equipment, was made in Germany before the war. Conquered, divided and in ruins by 1945, she was in no position to supply the required parts - not in 1945 or in 1946, and not even in 1947, even if the foreign currency for imports should have become available. In theory, restraints of this nature, particularly the inability to import could, of course, provide the indigenous industry with new opportunities and a new market. Although evidence is sparse, it seems indeed that the need for spare parts was met as far as possible by Greek manufacturers. This gave a considerable boost to the indigenous machinery sector and its network of contractors and suppliers, and along with it the business tradition of putting out such tasks to local manufacturers.

All in all, the situation was not without its positive aspects, in that it was instrumental in advancing the development of indigenous production. In the mid-1940s, however, any such positive effects were not yet felt in big industry, but chiefly in the artisanal enterprises. The latter did not have to contend with the same difficulties as did capitalist industry in its effort to recover, and enjoyed greater flexibility though not having to rely on bank financing or on imports of machinery. They used whatever pieces of machinery were available, and where there were none, resorted to manual labour. The artisanal enterprises, therefore, could operate in local markets by providing low-grade goods and services at affordable prices. At an overall level, however, the economic and socio-political conditions did not permit such a prospect for indigenous industrialisation.

Thus, industrial recovery was besieged by a host of difficulties. Social and political cleavages were exacerbated, financing was not

forthcoming, the banks were unwilling and/or unable to give credits to industry as savings were non-existent, and markets had shrunk. Besides, as the National Bank of Greece (1947: 31) noted, the labour productivity of larger firms was very low, reaching in 1946 a mere 20% of the pre-war level.

The very modest initial level of industrial output in the early post-war period, and the agonisingly slow recovery are portrayed in the figures of Table 4.2. Only by the end of 1950 did overall industrial production in Greece reach pre-war levels again unlike in other European countries, which regained their pre-war outputs earlier. Certain important industrial branches, which depended on inputs from abroad (such as metallurgy, machine construction, chemicals and wood), took rather longer to recuperate (National Bank of Greece 1948: 44; 1949: 53, and Bank of Greece 1951: 82).

Overall, industrial production of capital goods fell in Greece from 43% in 1939, to 40% in 1945, to 37.9% in 1947. Inversely, production of consumer goods rose from 57% in 1939, to 60% in 1945, to 62.1% in 1947 (mentioned in *Antaeus* 1948a: 47). Where raw-materials were available - either because they were being produced locally, e.g. tobacco, or because they were imported, as was the case with textiles supplied by UNRRA during the first three post-war years, recovery was faster,<sup>7</sup> otherwise it lagged. Industrial recovery, therefore, exhibited a divergent pattern. In this sense the pre-war industrial structure - with its emphasis on light industry employing domestic raw materials, and its neglect of intermediate and capital-goods production for which virtually all industrial inputs were imported - was duplicated in accentuated form during the early post-war years.

The structural weaknesses of manufacturing industry, i.e. the virtual absence of such key sectors as metallurgy and machine construction,

were not dealt with by the state and those responsible as areas of priority in the early post-war years. They were not regarded as sectors on which, through an industrialising and modernising chain-reaction, the future development of the country would depend. Industrialisation was still not widely accepted among dominant groups as the course to development *par excellence*, not least because it was the Left that was

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**Table 4.2**

General Index of Annual Industrial Production, Including Electricity and Excluding Mining (A); General Index of Manufacturing Production (B), for Years 1945-1952.

	(A)	(B)
1939	100	100
1945	33	-
1946	48	-
1947	67	-
1948	73	65
1949	87	79
1950	110	100
1951	125	114
1952	124	111

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Source: (A): For 1945 and 1946, National Bank of Greece (1947: 29). For 1947 to 1950, Bank of Greece (1951, 80). For 1951 and 1952, Kondonasis (1976, 61). (B): Kondonasis (1976, 62). Figures originally supplied by the Association of Greek Industrialists.

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demanding it. It was the financial and mercantile traditions and orientations of the dominant class that orchestrated and led the recovery project. This meant that the historical experience of successful late industrialisers was not taken into consideration; the heavy emphasis on textiles in Greek industry was typical of early industrialisers. Those who came later, while not neglecting textiles and other light industry, relied more heavily on metallurgy, machine construction and chemicals to

achieve their industrial development and modernisation. This was the case for late industrialisers such as Germany, Denmark, Finland, Sweden and Japan.<sup>8</sup> Conversely, the Greek metallurgy, machine and tool industries, and to a lesser extent chemicals – all potentially key industries – were more or less left to get along on their own.

The course actually followed in the early post-war period was as already indicated: not to create a new comprehensive industrial structure, but merely to reconstitute the lop-sided pre-war one. The dominant and seemingly sensible argument at the time (1946-1947), in favour of aiding light industry versus heavy, was that a major way of invigorating the economy and satisfying the basic needs of the population was to help those industries that were using domestically produced inputs (National Bank of Greece 1947: 31). However, during the implementation of this policy, state-administered foreign aid was not limited to hand-outs of subsidies to companies using domestic raw materials, but also included a number of direct and indirect grants to them of scandalous amounts (*Nea Oikonomia* 1947c: 361; *Antaeus* 1946: 161-62). In this sense the pre-war capitalists were resurrected, not only by the state bureaucracy intervening to safeguard the threatened political and social bases of expanded reproduction, but also by providing them with excessive privileges. These became a system, which although it safeguarded high profits for large enterprises, it reduced their competitiveness by fostering inefficiency – this was advantageous for smaller and artisanal units. Such activity favouring capitalists seriously discredited the state's bridging and balancing role vis-à-vis the dominated classes, and exacerbated a rampant legitimisation crisis.

To recapitulate: during the early post-war years hyperinflation was curbed only with great difficulty, industrial recovery lagged and the pre-war industrial structure was duplicated, while foreign interven-

tion became institutionalised. The snail-paced industrial recovery left ample room for artisanal types of activity extensively employing manual labour. Artisanal outputs supplied the frugal needs of an impoverished clientele, which formed markets so marginal that they did not attract the attention of large capitalist firms.

### *1.2 Structural changes and the conjuncture in the post-war revival of artisans*

It has been suggested, for instance by Thomadakis (1984: 134) that the petty bourgeois strata were, by and large, destroyed during the occupation, having lost their savings and often their properties, i.e. that which in economic terms differentiated them from the rest of the working population. Among these destroyed petty bourgeois we must include a large part – perhaps the bulk – of the 31% of the active population employed in 1930 in industry, then officially classified as 'owners and directors' and 'self-employed' (mentioned in Delendas and Magioros 1946: 48), i.e. the artisanate.

The pre-war working class was economically destroyed too. During the occupation and the early post-war period it was jobless or only nominally employed, or shifted to other occupations. Accordingly, the claim that during the occupation workers lost their professional ethos (*Antaeus* 1948a: 50-51; Delendas and Magioros 1946: 163) must, in the absence of any evidence to the contrary, be accepted as highly plausible. Job training, either formal or *in situ*, also suffered greatly. The bulk of workers in employment during the 1940s were unskilled. Given the structure of Greek industry, this is not in itself surprising. Still, what clearly indicated a loss of skills due to the disarray in industry during the occupation is that young workers in their middle to late twenties, who should have acquired their training during the occupation



period, were particularly unskilled, and as such were paid lower rates (see *Antaeus* 1948a: 50-51, and Delendas and Magioros 1946: 49).

Labour remuneration was a matter of much concern in official documents of the early post-war years. It was argued that wages were 'very high', and workers were exhorted to disassociate themselves from trade unions that put forward excessive demands.<sup>9</sup> Actually, according to Dimitrakopoulos (1951: 34), wages fell considerably during this period. Vergopoulos agrees, but gives somewhat different figures (1984: 546). According to Angelopoulos (1946: 13; 1950a: 3), wages in 1946 were as low as one-third of the pre-war wages, while in 1949 they corresponded to 40-50% of the pre-war purchasing power.

The reasons behind this fall in real wages are highly complex. Among those of particular importance, however, would seem to be the influx of relocated civil war refugees in search of work; the pressure exerted by the urban unemployed, exacerbated after the gradual demobilisation of the army after 1949; and the break-up in 1946-1947 of the left-wing unionism to which workers had subscribed and which had agitated for fair wages (see Pollis 1984).

From the mid 1940s to the early '50s, the income of the urban population was severely depressed as a result of the vicissitudes of war, occupation and civil-war. The limited purchasing power meant limited market demand. On the other hand, basic needs had to be satisfied somehow. In view of the slow recuperation of large-scale industry, the conjuncture of the late 1940s and early '50s will certainly have presented opportunities for the emergence of artisanal types of business to cater for local needs. Artisans' workshops, for repairs and producing inexpensive goods were not beyond the reach of the working population's purse, and competition from the capitalist sector must have been minimal, if it existed at all, given the latter's high prices.

A strong reason prompting craftsmen and others to become independent, and persuading older artisans to remain in the trade, were the low wages paid in the primary labour markets. Widespread unemployment was another. In these circumstances, setting up a shop of his own would have been a skilled worker's way to survive or improve his lot, as was the case in later years. The requirements of starting-capital may have been met from savings, but in any case would have involved quite small sums since the work was based on hand-tools. Mechanisation was very low, since the small power tools were not yet available.

In the course of the interviews conducted for the purposes of this thesis, most artisans claimed to have started their businesses with amazingly small amounts of money. For example, one man told me during my pilot study that his starting-up capital in 1969 was only 15,000 drachmas, roughly 150 Pounds Sterling at that year's rate of exchange. Considering that all interviewees but one used quite complex electrical machinery, it seems more than probable that forty or so years earlier - at a time when machinery, if used at all, would almost certainly have been of inferior quality, less powerful and perhaps cheaper - starting-up capital was not the main problem for setting up a workshop. The main problem in the 1940s would have been a matter of *skills*, of the ability to perform the various operations required in repairs, and in one-of-a-kind orders or small-batch, custom-made orders.

Politically, the emergence of new intermediate elements appears to have been welcomed by those in power, since artisans were a form of evidence that the system offered chances of upward mobility. Artisans by their mere presence sanctified hard work and (small) property, issues which were at the heart of the bourgeois discourse, ideology, and morality. Furthermore, artisans had the practical effect of at least in part alleviating the problem of unemployment. These attitudes agreed

with the objectives of the official post-war policy of the recreation and rehabilitation of the middle classes, as shown by Vergopoulos (1984) referring to relevant statements of persons then in power. The difference with respect to the artisans was simply that they were not a creation of state policies, and were not employed or dependent on the state for their livelihood. In contrast to the state-sponsored commercial and services-linked middle strata, it seems that the artisans had appeared *spontaneously* by taking advantage of the existing situation; they were not part of the overall strategy. As a group, they came from three backgrounds: (i) from the more skilled sector of the working class, from craftsmen, since a certain dexterity was required for their work; (ii) from older artisans that survived the occupation without switching to a different profession; (iii) from persons of varied non-worker and non-artisan background, who had somehow learned a craft and became artisans during or after the occupation.

It has been suggested that artisans have been regarded by planners, state bureaucrats, and entrepreneurs alike as destined to die out with advancing industrialisation. This has indeed been the standard understanding in the historical development of industrial capitalism until quite recently.<sup>10</sup> It was therefore only tactful on the part of planners and those in authority, not to announce their prognostications of the artisan's ultimate demise and proletarianisation, but simply to ignore them. But, despite the neglect of the state artisans refused to disappear and proliferated instead. A figure worth citing is the 23,500 new, overwhelmingly artisanal, manufacturing enterprises set up between 1946 and 1950, whose appearance has been noted as '... the most important entrepreneurial wave in the history of Greek capitalism' (Vergopoulos 1984: 549).<sup>11</sup> This was unforeseen and unexpected as it contravened the

dominant presuppositions about the overriding importance for growth and development of foreign aid.

The state responded to the re-emergence of artisans with shocked embarrassment. The background of artisans was uncomfortably close to the insurgent working class, with whom they even associated and sympathised. They certainly did not fit into the contemplated foreign-induced industrialisation on a grand scale (see the following section). In consequence, the response of state officials was reserved. While they paid lip service to these new entrepreneurs, whose existence as already indicated exonerated the regime and 'proved' its vitality, in practice they did next to nothing to aid them. It was only when the incipient failure of the first five-year plan's industrial projects began to become obvious that the state thought of changing its official position towards artisans and began to regulate and control them.

The decisions of the Currency Commission in 1949-1950 to establish a Handicraft Loans Committee,<sup>12</sup> which was authorised to extend loans to artisans at the low interest rate of 6-8%, expressed the official interest to assist, or to be seen to assist, in the establishment of these new intermediate strata, as well as to co-opt them. The decision to finance them at all was justified in the Bank of Greece's annual report for 1950 in the following way:

'... owing to the *peculiar* position held by handicraft enterprises in the structure of our economy, [it was] decided to extend to them credit assistance with the object of increasing production' (emphasis added; my translation).<sup>13</sup>

The original sum allocated (Bank of Greece 1950: 91-92) was very small - 45,000 million old drachmas. In subsequent years the sums were fixed at 5% of the total allocated for bank loans, but this level was never reached - the percent of loans taken out consistently remained far below that mark.<sup>14</sup> But, while these loans which involved very small sums

were nominally open to all, for a number of years to come their prospective recipients were screened for their political inclinations. This expresses the reluctance of the banking establishment, state-owned in the main, to lend money in what was regarded as a risky situation. Meanwhile 'major' industry usually managed to draw the full 15% of total bank loans it was allocated. The fact that banking institutions have withheld the set proportion of loan funds to artisans shows their strength in imposing their will in contradiction of central government directives, which they are by law required to follow. It also shows the inconsistency of the state in this matter, its *ad hoc* approach to artisans and the development potential they offered, and the negligible impact it exerted on their resurgence.

One should not forget the role of ideology and political activity in the resurgence of artisans. Evidence, however, is hard to come by. The break-up of the of trade unions in 1946-1947 and the military defeat of the forces of the Left two years later must have produced confusion in the collectivists ideologies to which the workers had subscribed. It is reasonable to assume that in the wake of these developments there was an increase in the more individualistic attempts to improve one's position, for example by setting up an independent workshop. It has also been suggested that left-wing activists and sympathisers could not find employment in the primary labour market because of effective police screening. In the secondary labour markets, however, employment often evaded police screening and was hard to detect, because too many small and very small enterprises were involved, including artisanal concerns. Such environments, often unofficial themselves, cushioned leftists, provided them with jobs and an income, and taught them skills. In overall terms, they provided a context where opportunities could and did

arise for those who possessed the necessary skills, by offering them the alternative of setting themselves up as independent artisans.<sup>15</sup>

## 2. Early Post-war Industrialisation: Agendas, Strategies, and Agents

### *2.1 Strategy for a new position in the international division of labour.*

It would be a mistake to think of the dominant groups and the state as completely uninterested in Greece's post-war industrialisation in the years that followed World War II. Their interest was, however, circumscribed by their beliefs and attitudes, as well as by their particular understanding of circumstances, priorities, needs, and potentials.

As early as 1945, very powerful and institutionalised sections of the financial community with strong links to industry and largely controlled by the state – to wit, the National Bank of Greece<sup>16</sup> – proposed a project that linked Greece's industrialisation to the potential of attracting foreign capital. An examination of the proposals is useful for ascertaining what role, if any, it allocated to artisanal enterprises, particularly because this project formed the backbone, as it were, of subsequent development.

It was argued (National Bank of Greece 1948: 24) that Greece 'presents large opportunities for the development of industry, and especially the metallurgical sector'; that she had an industrial leadership; that there were plenty of water-falls, a requirement for the development of electric-power generating; and that labour was abundant (see National Bank of Greece (1949: 29). What was missing was capital.<sup>17</sup>

Foreign capital in the form of aid, war reparations, and loans to the state, was seen as the most important means for revigorating the economy, and the main beneficiary was to be manufacturing industry

which, as already noted, mainly processed locally-produced agricultural and other raw materials. Part of the state-distributed aid was to be used by manufacturing industry for the import of raw materials, machinery/spare parts, and fuel. In this way, industry would employ foreign aid to create the necessary preconditions for its recovery and development. The overall aims of industrialisation were seen to be the satisfaction of domestic demand, the promotion of consumer goods so as to close the gap between supply and demand, (i.e. import substitution), and exports to South-East Europe and especially to the Middle East (National Bank of Greece 1949: 28-29). Greek industrial products were thought to have the potential of a comparative price-advantage over British and U.S.-made products in these markets.

The geographical distances involved meant that the (relatively small) quantities of consumer goods these markets could absorb from Greece were not burdened by high transportation costs. Low transportation costs to the Middle East, and low wages, were considered to be Greece's main assets for attracting private foreign capital, American or British. Private foreign capital was invited to exploit these assets by investing directly in the existing industry and/or by creating new industrial branches and plants.<sup>18</sup> Clearly, the proposal aimed at making Greece an export platform for the Middle East and the South-East European markets.

This strategy, which was constantly reiterated (National Bank of Greece 1946b; 1947; 1948; 1949; 1950; 1951; 1952), openly acknowledged that the scope of the forthcoming industrialisation would be limited. Indeed, in 1948 industrial autarchy was severely criticised - in answer to the demands of the Left for all-round planned industrialisation with priority for heavy industry - as 'harmful' (National Bank of Greece

1948: 24) and in 1949 as 'most harmfully utopian' (National Bank of Greece 1949: 29).<sup>19</sup> In this sense the strategy was directed at Greece's full integration into the U.S.-dominated, post-war world economy, and acquiring a new, though subordinate, position in the emerging international division of labour. Manufacturing industry was to play a more important role in the country's economy, although it was to be restricted to those branches 'best suited' for it, where a comparative advantage did already or could be made to exist, namely in the branches of light industry. All in all, the project was an attempt to achieve and safeguard the new aspiring position of Greek capitalism by the use of direct foreign investment; it eschewed risks, and implied an enhancement of compradorship.

To put across the new orientation, industrialists and other spokesmen for the economy were cautioned, on the one hand, to take into account 'the now existing international conditions', in the context of which the U.S.-sponsored free market was the paradigm; and on the other, to 'adapt' their operations on the basis of the principle of free trade (i.e. non-protectionism) and the country's 'natural possibilities', and comparative advantages (see National Bank of Greece 1948: 24; 1949: 29; 1950: 18; 1952: 20). At the state level, much eagerness was demonstrated to accommodate the new orientation, and to show that Greece was keeping the rules; the objective was to convince foreign agencies and states to shell out more aid. So for example Greece partially lifted her tariffs in accordance with a European agreement of 1949, well before other European countries did so. Although clearly disadvantageous, the move was meant to show willing compliance with the free-trade ethos (National Bank of Greece 1950: 17-19).

The role of the state in all this, in as far as it may be ascertained, was nominally limited to the allocation of private resources and



supervision of the productive effort; private initiative was responsible for the rest. In addition, the state had to develop the infrastructure, procure more foreign aid and, of course, win the civil war. In theory, a more extensive state intervention was regarded as unsuitable for Greece in 1946, or at least an issue which had to be left for some later date, provided that by then the state had become effectively consolidated, and that viable industrial programmes had come into existence (see National Bank of Greece 1946: 79-80). In practice, heavy state intervention on a selective basis was employed from the outset, which was to make way for the free operation of the market principle once conditions matured.

This project, it should be remembered, was not a state plan and therefore not legally binding; it was a proposal from the National Bank, put forward repeatedly in its annual reports in the early post-war years. In basic outline it appeared as early as December 1945. Its importance lies in the fact that it laid out a general framework for Greece's future orientation and industrialisation, which is very similar to the actual process of industrialisation pursued. In the late 1950s, the '60s and '70s, industrialisation was both import-substituting and export-oriented (Giannitsis 1983), and limited as originally envisaged. This pattern, which was hardly accidental, indicates the extensive influence of those who put the project forward; they can perhaps be best described as representing Greece's finance capital.<sup>20</sup> That this set of proposals came into existence at all is an important indication that not all the dominant groups in Greek society were engaged in wild profiteering. They were also those concerned with elaborating a strategy they persistently followed, and defended against U.S.-sponsored attempts to mobilise private indigenous capital for the purposes of industrialisation.

The project outlined above was not the only one that acknowledged the importance of a future industrialisation, and tried to regulate it from a conservative point of view. A. Delendas and I. Magioros, in a jointly authored work commissioned by the Ministry of Reconstruction in late 1945, i.e. in a work endorsed by the state bureaucracy, argued along similar lines.

They pointed out that demographic expansion would create a population surplus, which would remain unemployed unless industry expanded to absorb it.<sup>21</sup> The two authors acknowledged that industrial expansion would be very difficult, mainly due to the lack of competitiveness, low productivity, antiquated artisanal-type production methods and organisation, and the lack of skills and capital. To cope with these difficulties it was hoped that the Allies would donate capital and/or advance loans, and war reparations were earmarked for essential reconstruction. Skills and organisation were to be improved through formal education and training, production methods and productivity by the introduction of new techniques, Fordist mass production, and Taylorist principles of work. Provided all these issues could be tackled, Greek industry was believed to have a chance of expanding and becoming competitive (Delendas and Magioros 1946: 126, 163-69, 173-85).

Delendas and Magioros pointed out that if the industrialisation effort was to become effective and bring about increased employment, Greece would have to produce well in excess of what her domestic market could absorb and export the surplus, while at the same time increasing her imports of raw materials. The pursuit of such a policy would mean the lifting of tariff barriers and an end to protectionism; Greece would have to be fully incorporated into the world economy. As a result, the forthcoming industrialisation would have to be centred on those areas where a comparative advantage already existed or that could be made to

emerge. This is to say that Greece's industrialisation was seen as primarily export-oriented, and as import-substituting only in second place. To co-ordinate the industrialisation process, it was suggested that a supra-governmental body should be formed, consisting of representatives of the state and private industry (Delendas and Magioros 1946: 160). The state was to have a subordinate role, monitoring the whole process but not intervening directly.

Notwithstanding the different emphases in the two sets of proposals - with the National Bank advocating more strongly than Delendas and Magioros that industrialisation should not only be export-oriented but also import-substituting, and that foreign capital should be encouraged to invest directly in industry - it is quite clear that both projects wanted to see Greece in a better position in the international division of labour than she had occupied before the war. Both advised the liberalisation of trade as a means for achieving such an improved position, and both accepted the restricted character of the forthcoming industrialisation on the basis of comparative advantage and the free trade principle. However, this is not the best way for a country's consistent and comprehensive development as D. Senghaas (1985) has argued convincingly.<sup>22</sup>

The importance of these proposals lies in their timing. They were advanced well before the summer of 1947, when the American Mission in Greece called for industrialisation as the country's only viable future (see Vergopoulos 1984: 538; Thomadakis 1988: 36; Stathakis 1990: 66). This of course is not to deny that there was heavy foreign influence, and indeed intervention, in the post-war development effort, or to minimise the importance of this intervention.<sup>23</sup> All the same, there can be no pretending that industrialisation, its actual course and orientation as well as its impact, were peremptorily imposed on the indigenous bour-

geoisie in return for outside assistance in the fight against communism, as has been suggested. Such as it was, Greece's industrialisation should be seen primarily as the result of initiatives by the elites involved, as their own overall strategic choice. The following quotation from H. David of the National Bank of Greece, formulated as early as 1945, is a call for that comprador-dependent industrialisation that was typical of the views of wide sections of the bourgeoisie, and indicative of their position.

'It is absolutely imperative and indispensable that the large industrial nations, the USA and England, take under their protection the creation of industrial enterprises in [Greece] and safeguard the consumption of the goods produced. In other words, our young industry must be an inseparable part of the American and English industries, a kind of vanguard of their advanced industrial camp in the Mediterranean' (mentioned in Dovas 1980: 84; my translation).

A restricted form of industrialisation, implying some degree of re-orientation of the indigenous elites' entrepreneurial priorities was, therefore, an acceptable option - with two provisos: (i) such industrialisation would safeguard and enhance the deliberately dependent position of Greece's ruling classes in the context of the new post-war international division of labour, and (ii) others would foot the bill, in that it was foreign aid and direct foreign investments that were to provide the finance.

## *2.2 Foreign aid and intervention, the first five-year plan, and industrialisation.*

Foreign aid originating mostly from the U.S. was massive - as was foreign intervention. Between the end of the war and July 1950, a total of \$2,138 million were poured into Greece, making the country rank as the highest per-capita recipient of foreign aid at the time (A. An-

gelopoulos 1950a: 2; also in 1959: 32). Another comparison, makes the amount of aid more than four times Greece's pre-war national income.<sup>24</sup> Most of this aid was supplied under the agreements related to the Truman Doctrine, signed in mid-1947, and the Marshall Plan, signed a year later (Angelopoulos 1947; *Antaeus* 1948b: 200-03; Fatouros 1984; Freris 1986: 128-30; Hadziiossif 1988; Thomadakis 1988: 38). These agreements gave plenipotentiary powers to the American representatives in Greece (AMAG), and placed all activities, economic included, under their direct control.<sup>25</sup>

Once the agreements were signed, the first comprehensive Greek plan for a medium to long period was drafted in 1947 with the help of the American Mission. It was revised and submitted in November 1948 to the European co-ordinating counterpart of the Marshall Plan, the OEEC, precursor of the OECD; this was standard practice with all national plans employing Marshall Aid funds (Freris 1986: 130-31). In late 1949 it was withdrawn, extensively revised and reduced in its objective, as its architect L. Nikolaidis admits (1971: 10), and then re-submitted. Covering the period 1948-1952, the plan advocated a shift away from agriculture in favour of industry. It aimed at 'restructuring' the country. Reconstruction was to go beyond a simple return to pre-war production level, national income, and overall economic and social structure, as earlier reconstruction plans under British auspices had foreseen.<sup>26</sup> The U.S.-sponsored five-year plan went further, in that basic reconstruction was linked to democratisation, and to the elimination of some of the other structural causes underlying the civil war (Thomadakis 1988: 30; Stathakis 1990: 63). It aimed at restructuring the country so as to make her a viable unit in the post-war constellation of countries and nations.<sup>27</sup> The means to achieve this aim was in-

dustrialisation. In other words, Greece was to undergo a major uplift (which in later years was called development) to become a modern nation.

To begin with the U.S., while offering material aid as well as expertise, had no intention of by-passing the indigenous agents of reconstruction and development. Neither did they aim to assist the development of the country *per se*. It was rather that they saw the aid as 'a medium for achieving the social and political pre-conditions of development', as Thomadakis put it (1988: 25). Domestic funds being unavailable, the Greek state was to use Marshall Aid funds to finance and otherwise assist her industry.<sup>26</sup> Once it was back on its feet, new investments could be financed by private capital, both domestic and foreign. The initial state intervention was to be temporary. According to the five-year plan, the state was to have a merely co-ordinating role (see Freris 1986: 131), although implicitly it was expected to pacify the country and to effect a smooth functioning of the market principle.

The five-year plan emphasised the need for mechanisation in agriculture, and the development of Greece's hydroelectric and lignite potential for expanding the generating of electric power, which was imperative for any overall industrial expansion. Although the targets for energy production were not met, four electric generator plants were built - 'the only significant achievement', according to a student of national versions of the Marshall Plan (Hadziiossif 1988: 69). The first plan also allowed for the establishment of an oil refinery, a small steel mill and the expansion of chemical production, especially fertilisers (see Freris 1986: 132). Notwithstanding successive curtailments and revisions, the original emphasis on industry was retained, although its provisions were never realised - as was the case with virtually all subsequent Greek plans.

It should be noted that in its final form the plan once more stressed the overriding importance of American aid if its targets were to be met, and reiterated hopes of attracting private investments, both domestic and foreign (Freris 1986: 113). There were broad similarities, then, between the National Bank's strategy and the first five-year plan. They diverged over the provenance of investments in industry: the National Bank, unlike the five-year plan, virtually absolved indigenous entrepreneurs of the task, relying exclusively on foreign aid and direct private foreign investments.

The five-year plan envisaged an improvement in the balance of payments, and expected an annual saving of \$98 million in industry alone.<sup>29</sup> Total investments in industry was to reach a \$103 million per annum, plus the equivalent of \$51 million in drachmas, or a yearly total of \$154 million (Nikolaidis 1971a: 10).

The planners wished to present the industrial projects less as part of a national plan, but more as only an aspect of European reconstruction generally. This was not just a formality, but a matter of substance. After all, participation in the Marshall Plan implied a very definite position in the international division of labour, and acceptance of the ideology of the free market, of freedom of commerce, opening up of the economy, and specialisation by individual countries on the basis of comparative advantages.

It has been argued by Freris (1986) that the particular type of industrialisation advocated by the five-year plan was dependent on high tariffs and an over-valuation of the currency. Indeed, certain import quotas persisted until 1953 and since the plan was to some extent oriented towards import substitution, it could not avoid at least some tariff protection. There can be no doubt, however, that by advocating private foreign investments the five-year plan was preparing the ground

for opening Greece up to the world market on the basis of the free-trade ideology.

At any rate, the 1953 devaluation of the drachma, and the promulgation of Law 2687/1953 on attracting private foreign capital (and offering many substantial concessions and incentives), made it clear that the country was energetically opening up to free trade and gradually pulling down the protective mechanisms.<sup>30</sup> This very important law was preceded by the promulgation of a comprehensive set of legal regulations for modernising the institutional framework and particulars of business activity (Freris 1986: 143; Stathakis 1990: 71-72). This shows that the state was played a very active part in enhancing the principles of economic rationality, by pursuing measures conducive to a more rational capitalist progress, and by enacting the prerequisites of a foreign-induced industrialisation.

### *2.3 Assessment of the five-year plan: failure to support industrialisation*

Assessing the 1948-52 plan, it cannot be seriously maintained that it was successful in meeting its targets for reconstruction, and even less so its targets for industry and industrialisation.<sup>31</sup> Realisation of the plan, at least in its industrial dimension, was a failure. The picture becomes even more unsatisfactory with regards to the overall allocation of reconstruction funds among the main economic sectors. Christoula-Grigorogianni (1951: 194) gives the following figures for how much of the available money was spent in the period between April 1948 and July 1950: agriculture 22%; industry 2%; communications 32%; housing 30%; with the remaining 14% presumably spent on tourism. Overall, the total spent on reconstruction comprise no more than roughly 30% of the foreign aid made available, since 70% of it went to the military in



1949-1950 and to feeding the relocated - from the guerrilla controlled countryside to the regular army controlled urban areas - population (Angelopoulos 1950a: 3).

It is obvious that industry as a whole, contrary to the verbal emphasis it received, was neglected. This neglect went further than the small sums allocated to it - a mere 2% of the funds allocated for reconstruction, or \$2.6 million and drs 24.2 billion for the first two years (1948-1949) of the five-year plan. So in 1946, of the \$68 million made available for imports, only \$4.3 million went for machinery and spare parts (Angelopoulos 1946: 14). Between, from 1950 to 1954, a number of industrial projects were finally devised (as Nikolaidis (1971b: 10 indicates),<sup>32</sup> but industrial progress lagged well behind the set targets. Even the infrastructural projects that were eventually completed - i.e. some public works in communications, construction/housing and agriculture - were not of the anticipated magnitude; besides, these works could only partially be considered as infrastructural and supporting the recovery and growth of production.<sup>33</sup> The failure of the five-year plan to aid the creation and development of an indigenous industry, which was one of the plan's fixed strategic priorities, must be considered as a failure of the reconstruction project, given its aim to make the country 'viable' by developing and modernising.<sup>34</sup>

#### *2.4 Foreign influence on industrialisation and internal resistance*

During the early period of U.S. involvement in Greece, the U.S. Mission strongly advocated the country's modernisation and industrialisation. This fact is in strong contrast to the standard apology for Greece's failure to finance and effect structural changes in her industry so as to advance the industrialisation process. It is explained

that AMAG, the U.S. representation in Greece, vetoed any attempt to build up industries that could have processed local raw materials, and so would have given the country some measure of industrial muscle. In other words, it is claimed that the reasons for Greece's industrial retardation lay in her dependency on outsiders, and was the result of some kind of 'conspiracy'.<sup>35</sup>

The Americans were not at the start against the industrialisation of Greece, frequent assertions to the contrary notwithstanding.<sup>36</sup> In fact, in early 1947, the tentative report of the American Economic Mission concluded that, if Greece was to achieve stability, she would have to undergo a wide-ranging restructuring of her economy, including the build-up of industrialisation. It was industrialisation that would help establish a modern state and a viable bourgeoisie, and thus stabilise the regime. P. Porter, the head of the Mission, insisted again and again that industrialisation was necessary for Greece (mentioned in Vergopoulos 1984: 538, 557). Porter, in one of his reports, gave priority to the development of the country's energy sources as indispensable for industrial expansion (Thomadakis 1988: 30-31); by 1950, however, he had changed his mind and considered Greece more suitable for becoming a second California, that is to say, a developed producer of agricultural products (Dovas 1980: 81).

Nikolaidis, Greece's chief representative in the OEEC and main engineer of the first five-year plan, did argue in a little-known 1971 article (1971a; 1971b), that AMAG was rather reserved in the matter of Greece's industrialisation, and often opposed it. However, he did not hold AMAG primarily responsible for the industrialisation projects being abandoned. He pointed out that there were 'certain cadres' of the Greek Co-ordination Ministry's Service for the implementation of the five-year plan whom he considered to be the chief culprits responsible for the

difficulties in obtaining Marshall Aid funds and in carrying out the five-year plan - much more so than the other countries competing for a slice of the the Marshall-Aid pie.<sup>37</sup>

Nikolaidis does not offer any direct explanation as to why there was internal resistance to industrialisation. He does, however, provide valuable indications. He points out that there were certain principles with which all national draft versions of the Marshall plan, including the Greek one, had to comply with, if they were to be accepted and receive the relevant aid. The avoidance of autarchy was one. Another was that production would not be more expensive than in other European countries, i.e. the emphasis had to be on competition and not on tariff protection. A third principle was that production targets in any particular industry must not exceed overall European consumption.<sup>38</sup>

Nikolaidis also argued that, aside from those 'certain' members of the Greek Ministry of Co-ordination, there were also 'certain' exporters of Greek industrial raw materials who obstructed the country's industrialisation effort. They did so because a comprehensive industrialisation would have put an end to their business activities.<sup>39</sup> A third member of the anti-industrialisation party were, according to Nikolaidis, the already mentioned European countries that had an interest in maintaining their Greek market share and loathed the prospect of a potential competitor; at the same time they were hoping to obtain a larger share of Marshall funds. Therefore, as far as the five-year plan's industrial priorities are concerned, Nikolaidis' indications allow us to see that these were determined by preoccupations with whether the projects were viable - not for Greece, a single country, but for Europe. The previously mentioned criteria for grouping the plan's suggested industrial projects point in much the same direction.

While I see no reason for denying that foreign (U.S.) intervention did play its role in the abandonment or postponement of projects to build up certain basic industries,<sup>40</sup> it should be pointed out that the priority disputes were conducted over whether it was feasible at all for Greece to have such industries, given her comparative advantages and disadvantages. In view of the new openness advocated by the dominant elites, it goes without saying that the above-mentioned principles were accepted, as the (earlier mentioned) National Bank reports show, and as we may conclude from the behaviour of the Co-ordination Ministry officials.

Once this consensus was established, it was relatively easy to persuade those responsible for actual planning decision to drop any plans and projects considered as too high-flying. The planners and decision-makers - both invariably state personnel - knew that all-round industrialisation, which would require heavy and consistent state intervention in the form of high tariffs, subsidies, etc. to off-set teething difficulties, was impossible and actually unwarranted on the single-nation level. Opening Greece up to the world economy was *quid pro quo* for aid to the crippled country, to which the indigenous ruling groups did not object. The Greek bourgeoisie too subscribed to such an option, which had an elective affinity with their comprador-merchant traditional activities. Such an orientation, with its emphasis on international competition, obviously left no room for the protection and assistance of artisanal enterprises. These were considered by definition archaic and highly perishable.

As far as the role of the U.S. is concerned, it is more reasonable to attribute the opposition that did surface to the prospect of Greece's industrialisation to the U.S. priorities for the reconstruction of other West-European countries, since Greece was a marginal country in all

respects except perhaps geopolitics. There are no mysterious conspiracies, although after 1950 AMAG did become increasingly uneasy about Greece's industrialisation, convinced that at best Greece might become a second 'California', as already noted (Vergopoulos 1984:538; Freris 1986: 136-37).<sup>41</sup>

The influence of exogenous factors can be explained on the basis of internal processes. The Greek state, the industrial elites, as well as the indigenous bourgeoisie as a whole, while throughout the early post-war years kept asking non-stop for foreign aid on which they relied absolutely, nevertheless consumed the aid monies non-productively and/or used them for sheer speculation. Indeed aid, and what to do with it, appears to have been the apple of discord between the leading Greek circles and the British and particularly American planners and aid donors.<sup>42</sup> The Greek elites insisted on more aid funds as absolutely necessary for all kinds of reconstruction activities which, however, as far as possible, precluded industrial reconstruction and investments. Such investment would have involved processes that deprived them of the very high rates of return to which they had been accustomed, implied a certain amount of risk-taking, and presented them with other difficulties they were not willing to face. AMAG, on the other hand, trying to overcome the local entrepreneurs' unwillingness to take risks and to get them involved in industrial investments, strove to limit the sums of foreign aid-donation they handed out. AMAG even tried strong-arm tactics by way of economic policies to compel investments away from highly profitable commercial and financial activities and into industrial ones. In effect, it was trying to transform opportunistic entrepreneurs into agents of industrial development, without offering the lure of excessive incentives and privileges they were used to. It is not unreasonable to

assume that AMAG gradually became disillusioned with a state of affairs where *the agents of industrialisation were simply absent*.<sup>43</sup> That this was so is borne out by the non-productive activities of the indigenous industrial bourgeoisie, as well as the distribution pattern of aid. It was only common sense for the U.S. Mission, therefore, to drop the main industrialising project and to attempt some kind of compromise with the indispensable indigenous elites. The result was a change in focus, upgrading Greece's traditional activities of agriculture, commerce, and shipping.

At this point the only practical way towards industrialisation, as a theoretical priority and the key to thoroughgoing development, on which AMAG could agree with the indigenous Greek bourgeoisie was attracting direct foreign investments. This was a matter the five-year plan advocated, but was not successful in bringing about during its lifetime. Direct foreign investments were pursued later, and for this the five-year plan paved the way: its failure effectively blocked the alternative (Barrington Moore Jr's 'suppressed alternative') of an indigenous, though not necessarily less comprador, industrialisation. It also of course provided an officially sanctioned directive, and a standard to be pursued.

### Summary and Conclusion

War, foreign occupation, and the civil-war during the 1940s most severely dislocated Greek society and its economy. The manufacturing industry was badly harmed, and artisans suffered too. The restoration of the economy to its relatively high pre-war level was not achieved until the early 1950s, but the artisans in the 1940s and early 1950s were presented with new opportunities and obtained a new lease of life. The break-up of the national economy during the Occupation had fragmented

markets, which the localised and utterly informal artisans could address and so enlarge their scope. The cutting-off of foreign provisioners alone opened-up markets for local manufacturers. The predominantly manual artisans, who could rely on their families' multifarious support, managed to secure some of the new openings, while the larger manufacturers ready to do so were crucially hampered by crippling shortages and a dramatic plunge in productivity.

Once recovery started after the end of hostilities, light industry, whose output met the most urgent needs of the population, recovered faster than heavy industry. In view of the low priority given to large-scale manufacturing for purposes of reconstruction, artisans could supply part of these needs by seizing peripheral market niches. This, gave them additional scope and greatly helped their resurgence as a stratum. Moreover, the capitalist groups being uncertain about the future of the regime, they avoided medium and long-term investments in industry, and concentrated again on reaping quick and high profits. Manufacturing operated along similar 'principles', and domestic would-be investors used access to state policy-making and state-distributed foreign aid not so much as means of reconstruction and development, but for personal enrichment. While manufacturing firms came to depend upon lucrative subsidies and concessions, they remained highly inefficient as production systems and unable to compete. Obviously, this weakness of the large manufacturers presented the artisans with fresh opportunities.

Aside from economic opportunities acting as 'pull' factors, prospective artisans were driven to becoming independents also by certain 'push' factors. First and foremost amongst these was the low and then further declining wage obtainable in capitalist manufacturing in the 1940s, which taught them that they had no future there. A facet of the post-war re-emergence of artisans is that it was a consequence of

the class struggle in terms of wages. Another pull factor was the civil-war defeat of the political Left. The collectivist solution to which workers had subscribed had now collapsed, and an ideological alternative amongst skilled workers and craftsmen was the decision to become independent artisans. The absence of any state support was also an absence of state control, and this had certain economic advantages. Lastly, the informal world of the workshop economy acted as something of a refuge for those considered officially as politically deviant.

The come-back of artisans may be seen as the result of spontaneous and uncoordinated individual action by the more skilled workers facing problems of survival. Their solution involved abandoning wage-labour. While the cumulative effects of the structural imbalance and delays in the country's earlier industrialisation as well as the overall upheaval in the 1940s threatened the workers' sheer survival, these circumstances also provided market opportunities for artisans to cope with the crisis. The delays in post-war reconstruction and industrialisation allowed the artisanal enterprises a breathing space to either become established or strengthen their market position, without recourse to external funding being necessary. Those in authority were forced to think of artisans as a body to be reckoned with since, at least potentially, they might well acquire a political voice.

With respect to early post-war industrialisation: both Greece's U.S.-sponsored first five-year plan and the National Bank strategy involved one kind or another of comprador industrialisation - there was never any question of all-round national industrialisation. Both authorities accepted that development would have to proceed on the basis of the free-trade principle, that the market was to be given full play, and that the role of the state would be limited to that of the guarantor



of expanded reproduction, and the provider of the necessary infrastructure.

There were, however, not insignificant differences between the two projects. The agenda of the former was integrated with the American-led effort to reconstruct and build up a new Europe. It was expected that once Marshal Aid had set things moving, further development would accrue from the energetic participation and investments by local entrepreneurs. Within this context Greece's industrialisation was limited to areas where the country had a comparative advantage, i.e. to light manufacturing. It meant that Greece's economic ruling class would have to invest not only in manufacturing, which would spell a departure from its practice during the 1940s, but also to be content with lower profits and, most importantly, to help open up the system: industrialisation was conceived of as the impetus for the country's overall democratisation as well as economic development. It was expected that the ruling class shedding some of its outdated privileges would result in a more stable regime.

The National Bank project held that the country's geographical position endowed her with the comparative advantage that allowed her to become an export platform for western manufacturing firms in the region; some import-substitution was also anticipated. It was direct foreign investments that would finance the operation, with the local elites playing only an intermediary role. In this scenario, the local elites remained virtually unchanged in themselves, nor did they open up the system. They would merely take advantage of the fact that they personified bourgeois rule in the threatened country: their being indispensable to the West would compel the latter not only to undertake the burden of keeping the country in the western bloc, but could be a source of added revenue at no particular cost. In the end, the failure of the

first post-war five-year industrialisation plan (which failure was due primarily to the absence of agents to carry it along) belatedly led to developments that accorded more with the second project.

In either case, plans for industrialisation were conspicuously silent on the subject of artisanal enterprises. In accordance with the then widely-held belief that regarded artisans as remnants of a bygone pre-capitalist and proto-industrial age and due to be swept away by the industrialisation to come, such enterprises were considered as inconsequential to overall industrialisation and development. They were hardly a threat to industry proper, since they supplied only small amounts of low-grade products to minor markets. Accordingly they were ignored. Left virtually to themselves, the slow pace of industrialisation afforded artisans precious breathing space. Their proliferation indicates that they did not fail to take advantage of the situation.

## Notes to Chapter IV

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1. See Bairoch (1982; 330-31). Finland's total level rose from 5 in 1953, to 43 in 1980, an increase of 8.6 times. Per-capita level rose from 53 in 1953, to 371 in 1980, a sevenfold increase.

2. For instance, in 1898, 58% of the country's imports had consisted of foodstuffs, while in 1900 cereals alone represented 25.8% of all imports; cited in Nikolinakos (1976: 35-36).

3. On the situation and losses suffered during the occupation see G. J. Pasmazoglou's report to the National Bank of Greece (1946a: 17). On the 'politics of hunger', see Laiou-Thomadakis (1980).

4. The creation of the Currency Commission was one of the results of the 1946 Anglo-Hellenic agreement. The Commission's function included supervision of the activities of the Bank of Greece (the issuing bank), control of the issuing of bank-notes and the allocation of bank credit in general. The Commission was abolished in 1982, but foreign membership in it had lapsed well before that date; Freris (1986: 124-25).

5. Thomadakis (1984: 126-27) mentions instances of Greek factories relocated abroad but argues, in consonance with the National Bank of Greece, that the overall machinery was saved.

6. For instance in Belgium and France, new industries were established in the course of the war and occupation (Bairoch 1982: 299). In France, at least in Paris, artisans did well during the war, as demand picked up for goods that were not mass-produced (Berger 1980: 101).

7. Stathakis (1990: 69-70) points out that production of foodstuffs, tobacco and textiles reached pre-war levels by 1947, while chemicals, metallurgy and mining took a markedly longer period to catch up with 1939 levels. He adds to the reasons already presented for explaining the divergent pattern, the priority accorded by bank financing to branches of consumer-good production, and their use of simpler production techniques than those producing capital goods.

8. On Germany as a late developer see Borchardt (1976: 155, and throughout his article); Kocka (1986: 299) too. On the role of machine construction during Germany's early industrialisation and in what until recently was West Germany, see Sabel (1981) and Piore & Sabel (1984), also Gerschenkron (1992: 113-15); on overall German industrialisation see Kocka (1986). On Finland, Denmark and Sweden, see Senghaas (1985); also Therborn (1990: 21-56) on Sweden. On Norway's road to development,

see Fagerberg *et al* (1990: 60-94); on South Korean industrialisation, Amsden (1990: 5-31) is useful. On Japan, the USSR, India, China, Brazil and Nigeria, all of which (unlike Greece) are countries with large populations and hence with a potentially large internal market - see Kemp (1989).

9. See for instance National Bank of Greece (1946: 21, 31), and Delendras and Magioros (1946). From such statements it appears that until 1947, when a number of trade unions and/or trade-union leaderships were dissolved, workers as a rule tended to follow their Communist-controlled unions, 'blindly'.

10. An example of this may be found in Anderson (1982) - also see Ch. II.

11. Vergopoulos errs on the character of these units for as indicated earlier capitalists were very reluctant to invest in manufacturing at the time. These were pre-eminently simple commodity production type of units. However, he correctly notes that this upsurge took place in conditions in which capitalism has dominated; these artisans were a by-product of the specific conditions of a peripheral capitalist formation.

12. The state's preference for the term handicraft rather than artisan reflects the labour-intensive character of the units named.

13. 'Peculiar position' - the choice of words reflects that artisans were considered by those in authority as an anomaly.

14. In the early and mid-1980s, artisans were allocated 10% of bank loans. In more recent years the amount available for artisans' loans has not been fixed, as the system has been 'liberalised'.

15. In the course of my interviews, political persecution surfaced as a major reason prompting today's small producers to seek employment in artisanal workshops. I was told by several interviewees that many of their older colleagues, now mostly retired, became artisans only because they could not find alternative employment owing to the institutionalised purge of leftist elements in the primary labour markets.

16. The National Bank of Greece was the agency that historically was most closely related to Greece's industry, which it financed. In 1948, for example, it furnished 70% of the financial requirements of industry. The bank's predominance and role in economic and political life is discussed in Burgel (1976: 298-99, 303-04). See also National Bank of Greece (1947: 31; 1949: 30; 1950: 34; 1951: 35).

17. It was stated quite openly that the sums available for industry were insufficient. Thus, in 1946, the Bank of Greece advanced to industry

only 6%, or 39 billion inflated drachmas, of the total sum available. The National Bank also provided drs 50 billion, but this too, was only a small fraction of pre-war advances to industry. By contrast, the Bank of Greece allocated to agriculture 60% of the total of available sums (see National Bank of Greece 1947: 31).

Apparently the strategy of full employment and taxation of labour, which was part of the USSR industrialisation experience and followed by China and other so-called socialist countries, was not at the time perceived as a means of creating capital; see Hoogvelt (1987) and Kemp (1989).

18. See National Bank of Greece (1946a: 30; 1946b: 81; 1947: 43). With regard to low wages, see also Thomadakis (1988:76).

19. A development plan for industry was elaborated by Batsis (1977). See also the issues of the journals *Nea Oikonomia* and *Andaeos* of the middle and late 1940s.

20. On the interlocking and family relationship among leading bankers and industrialists in the late 1940s, see Hadziiossif (1988: 29-30).

21. One way out, discussed in all seriousness but considered rather improbable (Delendas and Magioros 1946: 19-20), was to get the Allied governments to accept Greek emigrants into their countries and colonies.

22. The neglect of key sectors such as metallurgy, chemicals, and machine construction have in recent years led to increasingly more severe balance-of-payments problems. It has also led to dependence on abroad, as well to technological stagnation. The situation has reached such an impasse that Giannitsis, a noted economist, has argued that the lop-sided development of industry in Greece may, in the near future, mean that the positive results so far achieved will be disregarded and discontinued. The end of the long post-war boom has set definite limits to further expansion along such lines. Therefore, unless new competitive enterprises are speedily put into operation, prospects for the country's welfare seem to be discouraging (1979; 1983).

23. On U.S. intervention see Fatouros (1984), Wittner (1984), and Pollis (1984). A sober account based on archive material is to be found in Kariotis (1979). The relationship between U.S. intervention and industrialisation is discussed by Stathakis (1990).

24. The U.S. aid, as a proportion of Greece's Gross Fixed Capital, was as follows:

1948 - 42.0%	1951 - 78.5%	1954 - 20.8%	1957 - 12.4%
1949 - 83.3%	1952 - 54.5%	1955 - 19.8%	
1950 - 76.5%	1953 - 26.8%	1956 - 19.4%	

(mentioned in Freris 1986: 150).

25. The aid supervision by AMAG and the Currency Committee, has been described as 'covert planning', although no direct planning of productive ventures was involved. Such 'covert' planning, pursued through the agency of the Currency Committee, survived AMAG for a number of years to come (Thomadakis 1988: 44-51). A diverging view in respect of the breadth and scope of this type of planning, and the actual circumstances, is to be found in Hadziiossif (1988).

26. The earlier plans, it seems, involved a stage of 'stabilisation' and a subsequent stage of 'reconstruction'. According to a student of that period's economic history, the particular meaning of stabilisation did not include a sense of development of the country's economy as an immediate priority (Thomadakis 1988: 20-30).

27. The preoccupation of Greece's intelligensia and ruling elites with the country's and, to a lesser extent, the nation's viability, has been examined by Hadziiossif (1986).

28. This, after all, had been one of the principal aims of Greek economists, planners and politicians: to persuade the donors of aid that, without their assistance, the reconstruction of the country's economy could not take place (see Hadziiossif 1988: 68). Stathakis (1990) also indicates that foreign aid was the cornerstone of Greek policy and an issue of dispute between the local elites and their western patrons.

29. Sums of US \$ 15, 9, 70, and 14 million were expected to be saved respectively in the four categories of planned industry mentioned previously (Nikolaidis 1971a: 10).

30. However, as Vergopoulos points out, the remaining import quotas that were aimed at balancing foreign trade also protected indigenous industry (1984: 536).

31. Under the revised plan, \$592.2 million and drs 6,988.6 billion were to be spent on reconstruction. However, since an official forecast expected only approximately 63% of the programme to be realised (i.e. \$374.7 million and drs 4,332.1 billion), it was announced that during the first two years of the plan the monies to be spent would amount to approximately 40% of the total sum forecast, i.e. \$152.0 million and drs 1,732.1 billion. In fact, the sums *actually* spent in the course of the first two years were, respectively in dollars and drachmas, only 87% and 70% of the revised forecast.

32. Stathakis (1990: 70) mentions substantially different figures of sums allocated to industry for the period 1947-52, in the form of industrial loans presumably, not included in the five-year plan. He notes that AMAG industrial loans amounted to \$1.8 million, distributed to 25

firms; ECA/G loans of \$12.7 million were distributed to 18 firms, the three largest receiving the lion's share of 70% between them. Nevertheless, he also points out that later these funds were substantially curtailed.

33. See Christoula-Grigorogianni (1951: 194-95). The author's evaluation, referred to above, concerns the years 1948-1950.

34. It is against this background of failure of the five-year plan's industrialisation projects that the Varvaressos Report must be seen see *Antaeus* 1952: 72-75); *Nea Oikonomia* 1952a: 49-52; 1952b: 124-26). Varvaressos advocated putting a stop to Greece's attempt to build up certain basic industries. In 1952 and 1957, he criticised the model of post-war development followed, and again argued that Greece should have abandoned industrialisation in key sectors such as aluminium and steel, because she lacked the necessary entrepreneurs as well as the technology, and because of 'dis-economies of scale'. To continue the current development would mean that industrialisation could not progress 'naturally', as he said, but only by 'technical means, outside the conditions of free competition and free market', i.e. under state protectionism. This was an abhorrent prospect for Varvaressos, a convinced free-trade liberal. He therefore proposed a limited industrialisation on the basis of small self-financed and self-supported enterprises in agriculture and building construction. Had it been applied, Varvaressos' option would have meant that Greece would not even have had such truncated industrialisation as eventually did come about.

35. The main evidence this explanation offers is the notorious case of the U.S. Mission, allegedly vetoing a proposal in 1949 for Germany to hand over a small steel mill to Greece as part of her war reparations. This general interpretation of Greece's maimed industrialisation is held by a number of authors, among them Tsoukalas (1974: 102), Haralambidis (1985: 78-80), and Dovas (1980: 64), to mention but a few. They base themselves on evidence supplied in a 1956 article in *Nea Oikonomia* by L. Nikolaidis. His point, as mentioned in Tsoukalas (1974: 102), was that Greece's

'industrialisation met with much negative reaction because of the effects it might have had on the foreign trade of other European countries, and because of the economic self-sufficiency it would have created in the course of a few years. Thus commercial, economic, and *political* interests necessitated an unrelenting opposition (to Greece's industrialisation) from the countries [offering aid]' (my translation).

36. Exceptions to the norm are Vergopoulos (1984: 543) who does not deny that the U.S. agreed with the prospect of Greece's industrialisation, along with Nikolaidis (1971a: 9) and Stathakis (1990: 63).

37. Nikolaidis, in this 1971 article, absolves the Americans of any guilt in the case of the steel mill, and again blames the same 'certain cadres' for it (1971a: 10).

38. The U.S. planners were obviously making sure that European reconstruction would not compete with American economic expansion in markets outside Europe.

39. Of course this type of mercantilistic opposition to industrialisation is typical of bourgeois comprador-merchant elements. On comprador capital see Hoogvelt (1978: 100-08) and Mao Zedong (1967: 13-18). Elements of the comprador-merchant class had emerged and successfully established themselves in Greek-speaking lands during the Ottoman period (Stoianovich 1960; Moskof 1974a; 1974b).

Reading between Nikolaidis' lines (1971a: 10), one discerns a possible link between the two groups putting forth internal resistance to industrialisation.

40. Stathakis (1990) indicates that the initial U.S. enthusiasm for Greece's industrialisation was thwarted as their priorities were redirected.

41. Earlier, a report of the U.N. Food and Agriculture organisation (FAO) in 1946 had argued in support of the modernization of Greece's agriculture, but pointed out that any such modernization would create a major surplus labour force. Thomadakis (1988) considered it reasonable to expect labour-intensive industry to absorb surplus labour from a modernised agricultural sector, and that it was 'compatible with (though not to be exclusively based on) the preservation and expansion of small enterprises'. These small enterprises were important because they

'diffused the commitment to private property to the lower social strata, and small entrepreneurs could continue as the social buffer zone traditionally interposed between the bourgeoisie and the increasingly militant working class. Such small businesses finally offered an organisational vehicle for the enforcement of a cheap labour policy, since they would operate with owner or family labour, and so, remain outside the area of labour struggles and the collective impact of union demand' (*ibid.* 36; my translation).

However this line of reasoning was not one the planners applied, since no real assistance towards the development of industry was forthcoming; there is no evidence of active state support for small businesses either in 1946 or the subsequent years of civil war. This political reasoning behind the creation of extended middle classes, a point raised by other authors too, (e.g. Vergopoulos 1984, and Tsoukalas 1984), does not seem to have been applied to artisanal enterprises. In fact planners shrugged artisans' concerns as an unfortunate anomaly that somehow had to be accommodated. Attempts towards the creation of new middle strata that would depend on the state for their livelihood focused exclusively



on the non-productive service sector. It must be understood that Thomadakis' type of industrialisation, which would rely on small artisanal enterprises, did not exist in the planners' minds in the early post-war years. To argue otherwise introduces, apart from functionalist bias, *ex post facto* the problematic of small high-technology firms - otherwise called the flexible specialisation paradigm - which appeared only in the late 1970s and '80s. It is quite wrong to assume not only that a small-scale flexible paradigm could have been recognised in the 1940s-early '50s, but also that the decision not to work with it (presumably in the form of the Varvaressos Report) meant blocking the way to industrialisation.

42. See for instance, the various commentaries in the issues of the journals *Andaeos* and *Nea Oikonomia*; see also Stathakis (1990).

43. This is an issue implied as early as 1946, in the Porter report. Porter, according to Thomadakis (1988: 31), on the one hand noted the ideological/political importance in issues concerning industrialisation, modernisation, and development (related to the outlawed Communists, the political and social enemy). On the other hand, he saw that the indigenous bourgeoisie did not appear to welcome development in the sense of industrialisation and modernisation. The point I suggest is that, in principle, the leading Greek circles had already accepted a particular form of industrialisation, one which would not involve them in high risks and would depend on foreign capital input. They were ready to such a course, provided they were allocated and guaranteed a new comprador role in the altered post-war international division of labour.

## CHAPTER V - ARTISANS AND CONTEMPORARY DEVELOPMENT

### Introduction

This chapter will concern itself with artisans in the context of overall development in Greece from the late 1950s to the present. The artisans' resurgence will be established on the basis of official statistics. The relationship between development, industrialisation, and artisans is then explored via a survey of state development plans.<sup>1</sup> The focus is on the official perspective and how it proposed to deal with them, and what the relationship was, if any, between the resurgence of artisans and the state's efforts at overall development.

### 1. Numerical Survey of Artisans

Tables 5.1 to 5.6 illustrate crucial aspects of the changes in the morphology of Greek manufacturing in the post-war period. The data presented - both for the country as a whole and for the Greater Athens area - show the number of establishments and their employees, as well as the horse-power (HP) capacity of installed machinery.

Table 5.1 establishes that there has been a continuous increase in absolute terms concerning all three indices for the manufacturing industry in the whole of Greece. The same is true for the Athens region, except for the roughly 2% drop in the total number of establishments in the last censi.

Table 5.2 shows that artisanal units, defined by official statistics as establishments employing up to 10 persons, have undergone a proliferation in absolute terms. The decline noted above affected mostly the number of artisanal workshops in the Athens region, and was in the

region of 6.3%. Nevertheless, overall employment and HP capacity of installed machinery still increased.

The Table 5.2 figures are broken down into smaller employment groups in Table 5.6. This makes it clear that the 6.3% decline affects the lowest bracket, that of 0-1 employees, which could indicate an incipient crisis. However, the fact that all the remaining artisanal groups having increased in terms of all three indices appears to indicate rather a process of growing maturity. It is interesting that although the total number of establishments with 0-1 employees has decreased, their HP capacity has gone up by 15%, indicating that mechanisation is spreading.

Table 5.3 shows that in relative terms artisanal units have maintained their share in the total number of Greek manufacturing establishments, virtually unchanged from 1958 to 1988, with about 94%.

Table 5.4 echoes the above finding in terms of employment, which again remained virtually the same from 1963 to 1988.

Table 5.5 indicates that artisanal HP capacity has gone up somewhat, especially in the establishments with the fewer employees. This suggests that artisans, having held their ground in relative terms, are improving their position in absolute terms. The general assessment of an artisanal regeneration does, therefore, appear to be reflected by actual developments.

The multitude of small and inefficient producers with backward production techniques and equipment compares unfavourably to large firms. The latter are able to profit from economies of scale and effect production increases that are further supported by the introduction of innovations (dynamic efficiency). If, therefore, the small producers wished to acquire a measure of productive efficiency to help them withstand competitive pressures, they had to mechanise and generally modernise their

workshops. Of course, a main consideration in modernisation was financing, with one possible source being the state. However, even if the necessary funding had been available (which it was not), given the context of the constraints and imperatives with which the state was confronted, probably it would not have made good economic sense for it to invest the huge sums required for financing artisanal modernisation. Besides, the artisanal units were too numerous, too dispersed and usually unprofitable, so that the necessary investments for equipping them fully would have been huge, while the resultant benefits would have been limited.

The artisans managed to gradually mechanise their units largely by relying on their own individual resources (savings, family help, bills of exchange, loans from banks or loan-sharks - see Ch. VIII). This self-reliance buttressing their renowned self-sufficiency ethos resulted in the steady increases in the HP-capacity of machinery installed in small artisanal enterprises, despite the lack of any significant state financing (see Tables 5.2, 5.5, and 5.6). It also demonstrates that artisans are not inherently immutable. When the opportunity initially arose and they could lay their hands on some old items of machinery, they were ready to start the transition from hand-tools to specialised electrical tools; today they are going a step further and are gradually acquiring electronic equipment.

Mechanisation, which makes sense for the purposes of addressing growing local, national, or international markets, is associated historically with the emergence of large-scale factory production. In the case of the artisans, rising domestic demand and the chance of buying used capital equipment at very low prices, and/or paying for purchases of machinery on the instalments system (see Ch. VIII) have facilitated mechanisation. As a result, artisans increased productivity, reduced

**Table 5.1: Number of establishments, annual mean employment, and horse-power (HP) capacity of installed machinery in the manufacturing industry (all of Greece, and Greater Athens Area)**

*All of Greece*

Year	Total		Productive units		with machinery of known HP		
	No. of Units	Mean annual employment	No. of Units	Mean annual employment	No. of Units	Mean annual employment	HP
1930 <sup>1</sup>	67,598	225,937	—	—	9,677 <sup>2</sup>	—	224,264 <sup>2</sup>
1951 <sup>1</sup>	—	450,424	—	—	—	—	—
1958 <sup>1</sup>	109,236	441,092	—	—	30,985	279,929	809,012
1963	122,851	482,294	121,353	468,949	50,688	351,182	2,277,591 <sup>3</sup>
1969	124,651	501,521	122,577	488,458	69,189	404,833	2,014,418
1973	121,357	604,042	118,917	587,217	84,237	529,412	3,768,988
1978	128,988	671,496	126,793	654,155	86,697	578,353	4,519,918
1984	144,463	684,145	141,001	660,699	115,753	620,937	6,143,968
1988	144,717	706,307	141,395	680,275	117,832	639,923	6,880,057

*Greater Athens Area*

Year	Total		Productive units		with machinery of known HP		
	No. of Units	Mean annual employment	No. of Units	Mean annual employment	No. of Units	Mean annual employment	HP
1930 <sup>1</sup>	11,646	67,997	—	—	—	—	62,459
1951 <sup>1</sup>	—	133,235	—	—	—	—	—
1958 <sup>1</sup>	25,709	181,860	—	—	10,187	—	280,473
1963	34,303	225,870	33,581	217,620	19,735	185,091	678,623 <sup>3</sup>
1969	40,956	233,799	39,822	224,956	25,583	198,174	585,810 <sup>3</sup>
1973	42,907	279,824	41,346	266,442	31,291	246,699	1,467,364
1978	47,332	281,821	45,980	267,993	31,581	236,595	976,426
1984	49,631	244,151	47,836	228,038	39,328	212,810	1,070,355
1988	48,656	246,880	46,906	228,538	—	—	1,315,026

<sup>1</sup> Figures taken from industrial censi, which normally take place during September. They are less representative than the remaining figures which represent annual averages, due to an upturn of seasonal employment during that month.

<sup>2</sup> Waterworks are included.

<sup>3</sup> Probably an error in official statistics: the HP capacity of businesses outside manufacturing may have been included.

Sources: Census of Industrial Establishments for 1930, 1958, 1963, 1973, 1978, 1984 and 1988; Population Census for 1951; Statistical Year-book of Greece 1986, and for 1990-91; data for the year 1930 were processed by me for comparison.

**Table 5.2: Number of establishments, employment and HP in artisanal manufacturing per employment bracket (0-4, 5-9 and 0-9) - all of Greece and Greater Athens area**

Year	<i>All of Greece</i>			<i>Greater Athens area</i>		
	No. of units	No of employees	HP	No of units	No of employees	HP
<b>0-4 workers</b>						
1930	62,435	106,645*	78,175	9,468	21,278	3,660
1958	92,760	162,766	80,947	19,004	38,124	23,828
1963	102,986	168,125	330,037	26,486	53,339	46,600
1969	108,878	191,815	488,767	32,983	64,663	89,186
1973	102,359	183,474	597,499	33,276	65,198	129,500
1978	109,291	196,792	761,567	37,937	71,328	163,350
1984	123,962	218,274	1,086,182	41,083	76,012	251,400
1988	122,623	219,409	1,266,198	39,592	74,599	282,626
<b>5-9 workers</b>						
1930	2,979	22,093	-	1,172	8,743	-
1958	10,809	67,892	59,075	3,938	25,237	23,297
1963	8,785	57,278	133,136	4,633	31,000	39,259
1969	9,558	71,064	171,581	4,693	31,338	57,778
1973	11,120	71,542	221,530	5,516	28,967	73,760
1978	11,030	72,886	278,302	5,457	35,323	89,657
1984	11,704	75,594	427,779	5,127	33,002	114,852
1988	12,704	82,059	480,148	5,531	35,644	120,541
<b>0-9 workers</b>						
1930	65,432	128,738	-	10,640	30,022	-
1958	103,569	230,658	140,023	22,942	63,361	47,125
1963	111,771	225,403	463,173	31,101	84,339	85,859
1969	118,436	262,879	660,349	37,676	96,001	146,964
1973	113,479	255,016	819,029	38,792	94,165	203,260
1978	120,321	269,678	1,039,869	43,374	106,561	253,007
1984	135,666	293,868	1,513,961	46,210	109,014	366,252
1988	135,327	301,468	1,746,346	45,123	110,245	403,167

Note: Employment figures for years 1930 (inclusive of waterworks), 1958, and 1969 are taken from the industrial censi conducted, at the end of September. Employment figures for the years 1963, 1973, 1978, 1984 and 1988 refer to average annual employment.

\* Water works are included.

Sources: Census of Industrial, Artisanal and Commercial Establishments for 1930, 1958, 1963, 1969, 1973, 1978, 1984 and 1988; Statistical Year-book of Greece 1986.

**Table 5.3: Numerical share of artisanal establishments in overall Greek manufacturing\* (in per cent)**

Year	0-4 workers	5-9 workers	0-9 workers	Over 10 workers	Total Manufacturing
1930	92.4	4.4	96.8	3.2	100
1958	85.0	9.8	94.8	5.2	100
1963	84.0	7.0	91.0	9.0	100
1969	87.0	8.0	95.0	5.0	100
1973	84.0	9.5	93.5	6.5	100
1978	84.7	8.6	93.3	6.7	100
1984	85.8	8.2	94.0	6.0	100
1988	84.7	8.7	93.5	6.5	100

Sources: as mentioned in note to Table 5.2; computations my own.

**Table 5.4: Numerical share of artisans' employees in overall Greek manufacturing\* (in per cent)**

Year	0-4	5-9	0-9	Over 10	Total Manufacturing
1930	47.2	9.8	57.0	43.0	100
1958	40.0	12.3	52.3	47.7	100
1963	33.3	11.4	44.7	55.3	100
1969	36.5	13.5	50.0	50.0	100
1973	30.0	11.5	41.5	58.5	100
1978	29.3	10.7	40.0	60.0	100
1984	32.0	11.0	43.0	57.0	100
1988	31.0	11.6	42.7	57.3	100

Sources: as mentioned in note to table 5.2; computations my own.

**Table 5.5: Mechanisation (HP) of artisanal workshops in overall Greek manufacturing\* (in per cent)**

Year	0-4	5-9	0-9	Over 10	Total Manufacturing
1958	14.5	10.5	25.0	75.0	100
1963	14.5	5.8	20.3	79.6	100
1969	24.2	8.6	32.8	67.2	100
1973	15.8	5.9	21.7	78.3	100
1978	16.8	6.2	23.0	77.0	100
1984	17.7	7.0	24.7	75.3	100
1988	18.4	7.0	25.3	74.6	100

Sources: as mentioned in note to table 5.2; computations my own.

\* Overall Greek manufacturing figures include units employing over 10 persons.

**Table 5.6: Number of establishments, annual mean employment, and HP in artisanal and large-scale manufacturing in all of Greece and the Greater Athens area (by number of employees (0-1, 2, 3-4, 0-4; 5-9, 0-9; 10-19))**

Year	<i>All of Greece</i>			<i>Greater Athens area</i>		
	<i>All units</i> No. of units	Employment	HP	No. of units	Employment	HP
1963	122,851	482,294	2,277,594*	34,303	225,870	678,622*
1969	124,651	501,522	2,014,418	40,956	233,779	585,810
1973	121,357	604,047	3,769,988	42,907	279,822	1,467,364*
1978	128,988	671,487	4,519,918	47,332	281,822	979,426
1984	144,463	684,146	6,143,968	49,631	244,150	1,070,355
1988	144,717	706,307	6,880,057	48,656	244,880	1,315,026

\* This is probably an error in the official statistics: the HP capacity of businesses outside manufacturing may have been included.

0-1 workers

1963	-	-	-	-	-	-
1969	59,978	59,074	165,059	15,418	15,945	18,857
1973	52,255	52,315	196,334	14,590	15,053	26,904
1978	57,505	58,329	274,386	18,256	18,816	43,347
1984	65,032	65,977	390,959	20,162	20,695	65,033
1988	60,911	60,658	459,887	18,279	18,718	72,818

2 workers

1963	-	-	-	-	-	-
1969	29,895	61,631	153,008	9,950	20,436	27,330
1973	29,814	61,400	191,131	10,316	21,178	42,229
1978	31,488	64,741	234,062	11,015	25,556	50,096
1984	36,068	73,988	327,412	11,942	24,417	71,451
1988	37,789	77,101	376,468	12,329	25,084	87,236

3-4 workers

1963	-	-	-	-	-	-
1969	19,005	65,172	170,699	7,615	26,308	42,998
1973	20,290	69,759	210,034	8,370	28,967	60,367
1978	20,298	69,826	253,119	8,668	29,866	69,907
1984	22,862	78,309	367,811	8,979	30,900	114,916
1988	23,923	81,650	429,843	8,984	30,797	122,572

(Continued)



(Table 5.6 continued)

Year	<i>All of Greece</i>			<i>Greater Athens area</i>		
	No. of units	Employment	HP	No. of units	Employment	HP
1963	107,689	175,653	330,037	26,468	52,437	46,600
1969	108,878	185,877	488,767	32,983	62,689	89,185
1973	102,359	183,474	597,499	33,276	65,198	129,500
1978	109,291	192,896	761,567	37,937	74,238	238,688
1984	123,962	218,274	1,086,182	41,083	76,012	251,400
1988	122,623	219,409	1,266,198	39,592	74,599	282,626

5-9 workers

1963	9,091	59,219	133,136	4,633	30,394	39,259
1969	9,558	61,620	171,581	4,693	30,402	57,778
1973	11,120	71,542	221,530	5,516	35,546	73,760
1978	11,030	71,244	278,302	5,457	35,323	89,657
1984	11,704	75,594	447,949	5,127	33,002	114,852
1988	12,704	82,059	480,148	5,531	35,644	120,541

0-9 workers

1963	116,780	234,872	463,173	31,101	82,831	85,859
1969	118,436	247,497	660,348	37,676	93,091	146,963
1973	113,479	255,017	819,029	38,792	100,744	203,260
1978	120,321	264,140	1,039,869	43,394	109,561	328,345
1984	135,630	293,868	1,534,131	46,210	109,014	366,252
1988	135,327	301,468	1,746,346	45,123	110,245	403,167

10-19 workers

1963	3,397	45,742	110,600	1,818	24,318	36,809
1969	3,438	46,213	140,463	1,833	24,601	49,897
1973	4,240	56,579	192,694	2,317	30,770	72,022
1978	4,574	61,872	264,624	2,203	29,568	82,900
1984	4,863	65,437	447,949	2,036	27,153	96,418
1988	5,140	69,131	488,710	2,136	28,519	106,730

labour costs, and enhanced their flexibility in adapting to developing circumstances. In the purely technical sense they became more eligible to do business with larger firms and/or be involved in subcontracting chains.

This is not to say that there were no serious obstacles. For instance, financial burden incurred was disproportionate to the workload they could handle, so that real profits were slow to come. From a strictly economic point of view such investments were rather unsound. However, artisans were and are not motivated solely by short-term economic prospects. As discussed earlier, their interests lies mainly in eking out a livelihood by maintaining their chosen way of life and everything that that implies. This could be realised only if they were ready to operate in an increasingly more open environment - and so required mechanisation. The costs and strains involved in the purchase of machinery were, therefore, accepted as absolutely unavoidable.

Of course, since mechanisation/modernisation is not a matter to be effected once and for all, follow-up investments in more modern production equipment and methods are continually necessary to maintain the same measure of productive efficiency - let alone increase it. This means that once artisans have embarked on this path, they are drawn into addressing themselves to larger markets, which then impels them to produce more and more. This process has its definite limit. The point comes when there is a clear contradiction between the values of self-sufficiency through artisanal production on the one hand, and on the other being drawn into expanded reproduction that calls for a radically different outlook and different ways of operating (see Ch. IX).

As noted already, mechanisation of small artisanal units was by and large financed by the producers' own savings (relevant empirical evidence appears in Ch. VIII). To a limited extend, they also used

state-guaranteed loans, which are given at lower (subsidised) interests. When such special loans for artisans were first instituted (in 1949-50), they were set at a mere 5% of total bank financing. Later, the sums involved (in absolute terms) were raised. For instance, during the 1968-72 period the amounts allocated to artisans rose by 23% in absolute terms, and were anticipated to go up an additional 20% between 1973 and 1977 (Ministry of Planning and Policy 1973: 684-85). However, until the mid-1970s only approximately *half* of the set percentage of total bank financing (now raised to 6%) was actually used for that purposes,<sup>2</sup> but since then increasingly larger amounts have been advanced. This tendency was intensified in the 1980s, concurrently with the first PASOK government raising the share of financing available for the artisanate from 6 to 10% of total bank financing (see Lolos 1988: 9-11). Thereafter and until the early 1990s, changes in regulations were too continuous and rapid to be listed here. I shall merely note that the general trend has been towards the lifting of restrictions on collaterals. On the other hand, SMEs have been reclassified for loan purposes to include units employing up to 99 persons (up from 49) and occasionally even larger ones). Their having become eligible for subsidised artisan loans and other financial benefits may reduce the assistance available to very small units.<sup>3</sup>

Overall, state financing of artisanal industry is far from satisfactory, although artisans did obtain some financial help, particularly in the last fifteen years, and despite the usurpation of the bulk of the available funds by small capitalists sailing under the SME banner. State funding is, of course a way for the state to assert a measure of control over the stratum. At the same time it acts as a mechanism fostering not the artisans' independence, but rather their caging within a context which is dominated by the logic of expanded reproduction.

## 2. Development Considerations (late 1950s to early 1990s)

### *2.1 Development and industrialisation: a new ideology*

The notion of development came to Greece in the aftermath of World War II, and soon became naturalised as the necessary extension of the belated post-war Reconstruction (see Ch. IV). Development was portrayed as a process that moved away from the existing general disorganisation and towards the developed-modern situation as exemplified by the western capitalist societies and economies. In broad terms, planners and other persons in authority recognised in development a process of steady quantitative as well as qualitative improvements that would bring the country closer to the ideal of affluence, already reached by the West, and the power associated with it. It was assumed that it was possible to 'catch up' with the West, and this made development and the development process a finite task, an end in itself. The same was true of the synonymous notion of modernisation.<sup>4</sup>

In parallel, an important by-product that outlived the politico-military confrontation of the late 1940s (Civil War) was the cultivation and dissemination to the wider public of pro-western ideals and the western way of life. This was the result of a policy that initially was propagandist pure and simple, i.e. to detract the population's attention from communist ideas and direct it towards a positive appreciation of the western way of life.<sup>5</sup> Favourable images of the western world were widely disseminated so as to invoke the desire to live in similar conditions, to provide a social model to be emulated, and to show up the then current local situation as stagnant or backward.

The images evoked for popular consumption by the propagandists were very closely related to those of the development plans. Based on the western course of development, they projected a similar understanding of the current situation, mapped significant in-between stations,

and promised the glorious end station of full development. The electrification of the countryside, the building of a road net, new homes and gainful employment for all the population, the spread of new consumer goods, an overall improvement in the standard of living, and indeed the eventual prospect of affluence – these were objectives wished for and anticipated both by the population at large and the state development plans.

The state-sponsored development process involved compromises that were not socially neutral. The choices that were made were expressions of the state's autonomous role in organising society, a process inherently unequal. This meant that despite considerable efforts to harmonise conflicting interests, the potential for disruption of the chosen course was ever-present – hence the functional need for an ideology of development that would justify the options and actions pursued and so could minimise conflict. The necessary ideology referring to the general good and emphasising the need to spread western cultural traits, was imported wholesale from abroad and used extensively.<sup>6</sup>

The dual aspect of development, as an economic practice with social impact and ideology, was reflected in the assumptions, orientations, and projects of the state development plans. Development was presented as a tangible process affecting the lives of all the people. However, the development ideology impinged not only on the common people, but equally took over elites and even the planners. Nobody remained immune.<sup>7</sup> In this sense it may be claimed that development has been the organising ideological discourse in Greece since the 1950s.

As the dominant idea of Greece's development was from the outset modelled on that of the advanced countries, it was closely linked up with the prospect of industrialisation, with the acquisition of an extensive manufacturing base. But beyond replicating the western model,

there were other immediate domestic needs that made industrialisation an urgent necessity. First and foremost to get the economy moving was the twin necessity of satisfying the demand for goods that could not be imported, and to provide the population with employment so as to enable it to pay for these goods. Manufacturing was believed to be the key, because productivity in that sector was seen to have the potential of continuous increases due to the introduction of technological improvements and the use of larger plants. Therefore, linking economic growth-cum-development to industrialisation was the practical thing to do. Industrialisation was perceived as potentially the motor of growth which would pull along the economy as a whole, and until recently was professed to be the major building block of development.<sup>6</sup>

In this spirit, the conservative then Prime Minister K. Karamanlis declared in 1959 that,

'The country's industrialisation remains a basic intention of the plan. Through it, it will become possible to draw in the surplus and unemployed work-force, not only from the urban but also from the rural regions, which indirectly will push up rural incomes. The effort to develop the manufacturing industry aims mainly towards the utilisation of domestic raw materials ... Beyond this the intention is to develop all manufacturing industry that has the potential of becoming competitive' (mentioned in Ministry of Co-ordination 1960: 9; my translation).

The politically more liberal A. Papandreou, then director of the official Economic Studies and Planning Centre (KEPE) and a future prime minister, would also point out that,

'only through the development of industry it is possible to reduce unemployment and to raise incomes and exports to a satisfactory level' (1962: 18).

These points were reiterated in all the country's development plans until the early 1990s. The emphasis so often given to the remedial impact of industrialisation also had its ideological aspect. It is appropriate to note that the importance given to these issues was so crucial that they structured the state's position vis-à-vis small and ar-

tisanal units. They inserted a pragmatic strain of tolerance since, despite a strategic opposition to them because of their perceived archaism, these workshops were a significant source of employment (see Tables 5.4 and 5.6).

Besides, Greece wanted to participate more fully in the world economy and the country's international standing required to be raised (Ministry of Co-ordination 1960: 23; see also Ch. IV). This meant that an overall improvement in the country's productive capacity and output were necessary, for what was at stake was not only economic competition between individual firms, but competition between states. If development was to be the means for achieving these aspirations, it required a rapid build-up of the economy, and this in turn meant industrialisation via focusing on a quantitative and qualitative expansion of manufacturing.

On 9 July 1961, an association agreement was signed between Greece and the European Economic Community (EEC) - since then renamed the European Union (EU) - that opened up prospects of change in the country's economic position and of its position in the international system.<sup>9</sup> Under this agreement Greece became an associate member to the EEC, the first country ever to do so, but eligibility for full membership was delayed by a transition period of 22 years (until 1984). Nor would it be automatic even then. It depended on whether the country could achieve parity of its socio-economic, legal, and political structures with those prevailing in the EEC countries. Above all, full accession depended on restructuring and transforming the economy, which by the end of the transition period had to be able to respond to the commitments accruing from the status of an EEC member-state.<sup>10</sup>

With Greece's new relationship with the EEC, industrialisation acquired the prospects, urgency, and direction that it had lacked. Instead of the undeveloped, small, and impoverished domestic market that posed

tremendous difficulties for sustaining industrialisation, Greek manufacturers potentially now could address an already formed, large, and prosperous market, which at any rate was a necessary condition for industrialisation (see Hobsbawm 1969; Committee for the National Development Model 1972b: 64, 70). Accordingly, it was thought that access to EEC markets could sustain an export-oriented industrialisation that would foster growth. It now hinged on whether domestic firms would modernise to become competitive, and on whether new companies and industries would grow. In all this the EEC was seen as the trigger that would set off development.

The challenge and the task were formidable, since by reason of that EEC association it became imperative for Greece, which at the time was firmly in the semi-periphery, to modernise and catch-up with some of the most advanced countries in the world. She had to open up to market forces, and do so on the basis of a timetable. An additional difficulty was that there was no recourse to the experience of other countries: it was the first time an underdeveloped country entered into a customs union with a group of developed countries, and no records existed on how to travel this route (see Nugent 1966: 17).<sup>11</sup>

The agreement with the EEC was of strategic importance, because it determined and structured the country's priorities, as of course do all plans. Accordingly, ever since the late 1950s/early 1960s, attempts had been made to draw up a plan for the Greek economy's optimal structure. It was believed that if only the economy could be restructured accordingly, full entry into the EEC would make possible survival + prosperity = development. Successive plans explicitly considered the EEC as their point of arrival and oriented their course towards it, or at least claimed they did.<sup>12</sup>



## 2.2 *Small enterprises*

The attempt to advance the dual process of opening-up to market forces and industrialising was premised on reallocating the country's resources according to her 'comparative advantages'. Which branches of industry were the most suitable for development purposes hinged on existing constraints circumscribing comparative advantages. Here, because of limitations of space, I will touch only on how the existence of small units was perceived in development plans as a constraint, and then I will examine the place artisans had in them.

### 2.2.a *Small enterprises*

According to the development plans, a stumbling block to modernisation, and one that fostered persistent underdevelopment, was the dualism between small and large units. No organic complementarity between the two sectors was deemed to exist. Indeed, it was pointed out that:

'the present structure of manufacturing is characterised on the one hand by a small number of large units concentrated in certain geographic zones and, on the other, by a large number of small and intermediate enterprise of a semi-artisanal character' (Ministry of Co-ordination 1960; 99) [my translation].

But why was small size considered the most important structural constraint and most pressing problem by virtually all development plans? According to the prevalent paradigm, manufacturing units had to be 'large'. Large size was associated with the possibility of using modern technologies, introducing innovations, and realising economies of scale. To achieve efficiency, productivity, and competitiveness a productive unit simply had to be big - all the more so given the anticipated access to EEC markets. That was the crux of the official bias in favour of large enterprises.

By contrast, small units were seen as intrinsically inefficient and disadvantaged in terms of all available standards. They were quite simply beyond modernisation. As specialisations of a broader branch or sub-branch of economic activity - for example the wooden furniture and cupboards sub-branch of carpentry - they were unable of specialising any further. Instead, each produced an array of very small quantities of products that were different but of a similar type, and had a very limited vertical organisation of production. On the managerial front, artisans were considered ignorant, exhibited severe organisational deficiencies, and showing exceptionally limited entrepreneurial dynamism.

In particular, small units were seen as a source of many problems for the modern and large-scale tier of manufacturing. Among these were the fact that :

- artisanal units were oriented towards general-purpose activities, lacked modern equipment and the skills to operate them, and used antiquated and hence inexact production methods. This made the artisans' difficulties in meeting set specifications and quality requirements virtually insurmountable; and this in turn pre-empted them from collaborating with large-scale units as, for example, subcontractors of the latter (see Committee for the National Development Model 1972b: 66-67; Ministry of Co-ordination, 1977: 51 ; Ministry of National Economy 1988: 66).

- As already mentioned, most small concerns put out a number of different products, with each establishment contributing only a few stages of the production. This had repercussions that transcended the individual unit. Taken as a group, artisanal units were multiplying the intermediate stages of exchange. This augmented the final per-unit cost and had adverse effects for the rest of the economy.

- The small producers taken as a whole controlled a significant share of the market in the branches where they were concentrated, even though they focused on the lower end of that market. It was argued that, in an economy where small firms occupied a large market share, the larger firms had difficulties in fully exploiting economies of scale and performing efficiently, and that there was competition between the two sectors (Nugent 1966; Ministry of Co-ordination 1977: 51-52).

- Due to the particular structure of Greek manufacturing and import penetration, small units for the most part used inputs (tools, machinery, materials) that came from abroad, and their linkages with indigenous large manufacturers were weak.

- Artisans were a 'bad influence' on other skilled workers, because they demonstrated that it was possible for the small worker or craftsman to be his own master (Ministry of Co-ordination 1968: 82-86).

- All in all, the existence of small units did not provide the large domestic producers with a market, and on occasions actually weakened them.

The above points amply indicate that the links between the two sectors were few, and that there was no 'proper' organic complementarity between them. On the contrary: to a large extent their interests were antithetical. The prevailing view was that the 'backward' artisans were retarding the desired modernisation and expansion of Greece's large-scale manufacturing industry, and thus the development process as a whole. This official perspective on artisans obviously did not acknowledge any existing elements of dynamism. Later plans show that specific changes occurring in the overall situation brought a partially re-appraisal of the artisans' potential, even if it did not radically depart from the initially negative evaluation. Artisans and their units continued to be perceived as a burden, as something which somehow

of more established, larger units. Hence, something had to be done to minimise their adverse impact.

### 2.2.b The place of artisans in development plans

Faced with this unwanted dualism in manufacturing, the planners decided that the more promising small units should be encouraged to grow, until greater concentration of production allowed economies of scale. Meanwhile, co-operative arrangements were to link up small units with one another and particularly with larger ones. The overall idea was that each unit would either specialise in one or at most a few products, or concentrate on a single manufacturing stage of some particular item. It was predicated that a high degree of specialisation would enhance competitiveness, reduce costs, effect quality improvements, and generally contribute to economic growth (Committee for the National Development Model 1972b: 67). The way to trigger the process was quite simple via the 'the re-educational pressure of competition' (A. Papandreou 1962: 110).

Since light industry predominated in Greece, and since it was precisely in light industry that small and very small units, most of them artisanal, were to be found, it was realised that the sudden unleashing of market forces could create more problems than it solved. Only a handful of those small units would be in a position to take-up the challenge, the rest would perish, creating considerable unemployment - which would definitely contravene one of the chief aims of industrialisation.

To prevent such a development, it was argued by some experts that investments must not be allowed to bring an abrupt substitution of capital for labour. Instead, encouraging the branches of labour-intensive light industry would maintain and even increase employment, and

safeguard the rate of economic growth (*ibid.*: 41-42). Nugent similarly held that Greece's comparative advantage lay in more labour-intensive agriculture, metal products, chemicals, transport equipment, and *not* in the very capital-intensive manufacturing sectors like metallurgy or petroleum refining (1965: 125). A. Papandreou too, in accordance with some of Varvaressos' earlier pronouncements (see Ch. IV), spoke out against the grandiose large-scale projects that so often in the past had failed to deliver what was promised, and opted for more labour-intensive smaller units.

This approach had a major problem, however: it was nowhere clearly set out, and existed only in bits and pieces in one plan or another. Since it lacked clear formulation, it was not consistently pursued. In any case, it was of course based on continuing the existing lop-sided industrial structure, and did nothing to broaden or balance it. In addition, it in no way took issue with the dominant view that artisanal units were parochial and without development potential.

While the development plans painted an image of the artisans as residual and marginal, they could not be ignored as a category because of their social weight. However unwanted they might be, their mass destruction through intensified competition was not feasible. Instead, there were attempts at *incorporating* them through sub-contracting networks, or using them as the a recruiting ground for fledgling capitalist entrepreneurs. Finally, there remained the solution of simply turning a blind eye - which much facilitated the operation of small units - but this did not ensure the country's desired development, and at best avoided unemployment.

The following survey of what the official development plans said concerning the question of artisans will clarify the role allotted to them and show in how far the state's policies related to the stratum's

resurgence.

The 1960-64 plan did not concern itself with artisans. Its priorities lay firmly with large-scale industrial projects, and when artisanal units were mentioned at all it was as sources of employment and a training ground for workers. Rural handicrafts were commended in passing, because they assisted the development of tourism, increased rural incomes and employment,<sup>13</sup> and were export-orientated (Ministry of Co-ordination 1960: 22-23, 53-57, 100). At the time of the plan being drafted, therefore, the attitude towards artisans was that, while they had some uses for alleviating unemployment, raising incomes, worker training, and helping the balance of payment, they certainly had no role to play in the country's broader development.

Against this virtual absence of state interest in artisans (ELKEPA 1965: 8), the 1966-70 plan did advocate a series of organisational measures aimed at restructuring the manufacturing sector and to 'assist the modernisation and development of artisans'.<sup>14</sup> (It is telling that the attempt to subjugate artisans was presented in the guise of modernisation/development.) This was to be achieved through merging the 'anti-economical' small units into larger 'healthy' ones, and by a system of interconnected linkages.

The greater concentration of units meant elevation into the capitalists ranks of the few who could adapt and compete. The putting-out in which the more 'laggard' small firms would lose much of their independence was likely to benefit above all the larger units, but would also provide the participating artisanal units with a potentially more dynamic environment, and so bring them closer to the capitalist sector of the economy.

The 1968-72 plan recognised the labour-intensive character of artisans and other small-unit producers, who by 1968 employed about half of the total workforce in manufacturing, and produced roughly one-third of its output. This performance put a stop to ideas about promoting development through eliminating the small units, and necessitated a more accommodating attitude to the stratum. While growing awareness of the artisans' role helped to protect them,<sup>15</sup> containing their proliferation through mergers and subcontracting networks was still believed to create potentially more viable units. For an enterprise to be 'viable', it had now to be identified as medium-sized, and the process of capital concentration was described as 'invigoration'.<sup>16</sup>

Rationalisation and invigoration were the rallying cry under which it was attempted to incorporate artisans into capitalist manufacturing. Incorporation for the purposes of enhanced economic activity and growth was based on the principle of unit specialisation, and *inter alia* meant breaking up the closed circuit of SCP. It implied (i) 'culling' the artisans with a view to assisting those few that seemed likely to join the capitalist sector and class; (ii) putting small units to rational use through subcontracting and putting-out arrangements; and (iii) promotion of horizontal networks among artisanal businesses that would allow further specialisations/collaboration and eventually economies of scale. If they had been successful, (ii) and (iii) would have resembled developments in what was later called 'the third Italy', but the actual results were quite negligible.

To the extent that these processes unfolded, it meant some of the desired complementarity did develop between small and larger productive units. At the same time, some of the state measures helped non-incorporated units to survive in relative seclusion, and their example

fanned skilled wage-workers' aspirations to upward mobility (Ministry of Co-ordination 1968: 82-86, 243).

Next came the 15-year model plan for 1973-1987.<sup>17</sup> It reiterated the state's policy on artisans by declaring that small industry contributed to industrial development as a whole, and represented a necessary intermediate stage for developing business skills and creating an entrepreneurial class. At the same time, however, in economic terms small units still were seen as complementary to rather than a competitive part of major industry, as well as exhibiting 'an inability to adjust to the changing conditions in production and organisation'. Their low degree of specialisation, and their involvement with the production of a variety of products, intensified the disadvantages inherent in small production: economies of scale were left unexploited, modernisation of equipment could not be afforded, etc. In other words, the plan confirmed the existence of an industrial dualism, and implicitly acknowledged the failure of earlier attempts to improve the situation.

Another feature of the plan was its emphasis on the need for manufacturing to address itself to large markets if industrialisation was to be enhanced and broadened. The development of an internationally specialised and competitive industrial structure was considered an absolute must. It was precisely this imperative that provided the ideological impetus for incorporating artisans in the development process. Unless, it was argued, they understood why they had to re-align themselves, they would have little reason to abandon their established ways - especially since their antiquated machinery, low-productivity, and poor competitiveness ability were no real hindrance in the localised domestic markets where they flourished (and where larger firms were largely absent). If artisans were to open themselves up to restructuring, they had to be convinced of their marginal position. This would



disarmed them ideologically and prepare them for the anticipated role change, which entailed residual but specialised productive and complementarity with larger, export-oriented firms.<sup>18</sup> The new official orientation was complemented by the state pledging to help small producers ready to partake in such restructuring. The support offered was left unspecific, but preferential treatment was promised to 'the most dynamic firms susceptible to growth' (Committee for the National Development Model 1972b: 66-80).

The next five-year plan to be published was for the years 1973-1977. It was quite explicit concerning what function the artisans were expected to play. Artisanal industry, described as the 'nursery of large-scale industry', was subject to a more realistic approach, while the survival of the handicraft industry was granted 'as a home-working industry' of the rural population. The plan acknowledged that a good part of the sector managed to continue and even develop on the basis of necessary repair work and for the bespoke manufacture of non-standardised items. However, it maintained that small producers had to modernise by making use of modern technology, and by adapting generally to the changed market conditions.<sup>19</sup> Unless they did so, artisans would be faced with very serious problems. In order to effect the necessary transitions, artisans were encouraged to orient themselves towards activities 'complementary to those of large industrial enterprises', and advised to 'avoid competing with them'.<sup>20</sup> It was obvious that proceeding along these lines would mean the gradual incorporation of SCP into the generally capitalist development.

From the measures announced and the exceptions it allowed it was evident that the state now not only abstained from putting obstacles in the way of artisanal industry, but actually authorised their continued existence. It merely tried to channel them in the desired direction by

controlling the pre-conditions for licences, loans, and other amenities (Ministry of Planning and Policy 1973).

The 1976-1980 plan was announced even before the expiry of the 1973-77 plan.<sup>21</sup> Again, the artisans were seen as outdated elements hampering progress. The plan questioned the previously expressed view that they were at least useful in providing employment, and declared them to be anti-economical, despite their flexibility and adaptability. In consequence they had no other future than incorporation with larger firms. The view that the existence of a plethora of small units favoured competition and the smooth functioning of the market and prevented the emergence of monopolistic-oligopolistic situations, was also questioned. While actual competition was in fact restricted, profit margins in a number of cases were alleged to be comparatively high.<sup>22</sup>

The plan focused on SMEs, particularly the more dynamic among them, which were declared to provide the key to development. It also showed special interest in small units amenable to specialisation. These were seen to have a potential to play a supportive role in synergetic production circuits with larger SMEs, and be capable of independent growth (Ministry of Co-ordination 1977: 51-52, 86, 92-93).

The 1978-1983 five-year plan again followed in the footsteps of earlier ones. It declared that there had been some broadening of the manufacturing base, and that the competitiveness of certain larger manufacturing firms had been strengthened. On the other hand, there was much room for improvements in terms of specialisation and broadening the industrial base in respect of the branches/sub-branches utilising domestic raw materials for the production of intermediate goods. The disadvantage of small unit size was to be overcome mainly by sponsoring inter-linking and collaboration between units from various branches, by advancing group purchases, and other collaborative activities. As in the

past, this was recommended to make it possible to realise economies of scale. Since improved performance by the small and medium firms - with SME development complementary to that of larger firms - expected to have positive results for the economy earlier decisions on financing were reaffirmed, and the will expressed to put them into practice - so indicating that until then they had remained a dead letter (Ministry of Co-ordination 1979: 69-74).

The plan for 1983-1987, was drafted after Greece's full entry into the EEC. It repeated the diagnosis of dualism in manufacturing, and noted that small units had become even more numerous as well as even smaller,<sup>23</sup> and were not providing increased employment. This contradicted earlier assessments of the employment potential of artisanal enterprises.<sup>24</sup> The plan suggested that small units be organised more efficiently through incorporation,<sup>25</sup> and proposed,<sup>26</sup> sectoral programs of assistance to SMEs.<sup>27</sup> Priority was given to the vertical development of selected intermediate and capital-goods branches, two of which were machining (useful for vertical expansion of the metal branches, and hence with import-substitution potential), and garments (with export potential). Special emphasis also went to (a) assisting the development of heavy industry (including machining) and raising its technological level; (b) to processing indigenous raw materials locally; (c) to labour-intensive units; (d) to import-substituting units; (e) to branches with export potential (such as garments or shoes).

The plan also stressed the need to spread modern management techniques and production technologies among the SME. It recommended the cultivating of such commendable practices as launching new products on the basis of feasibility studies, as well as upgrading skills by continued training courses.

At the institutional level, it said that laws and regulations, which earlier plans had also announced as imminent, would be promulgated for the co-operative and collaborative organisation of SMEs in terms of provisioning and exporting. Entrance into the artisanal trades would become subject to the institution of a special artisan's operating licence. Other measures - e.g. the patenting of innovations, networking, protection against unlawful competition, relocation to low-priced lodgings in industrial parks, creation of exhibition centres, etc., were also promised.

The objective underlying the 1983-1987 plan was to bridge the persistent industrial dualism. Its main purpose was stated to be the 'development of artisanal industry in organic relationship with the mainstream manufacturing industry' - in other words, to achieve the full incorporation of artisans in the economy and a more dynamic complementarity between units of various sizes (Boule of the Hellenes 1983: 10, 33-34, 53-60). To this end SMEs were pressured by the state to address impersonal markets and rationalise their operations. However, given the lop-sidedness of large-scale manufacturing, the desired organic complementarity was destined to be nothing more than putting-out schemes benefitting the capitalist sector.

The plan for years 1988-1992, brought a change of direction in the overall developmental objectives. It openly advocated abandoning heavy industry and mass-production industrialisation. The new emphasis was on manufacturing branches - such as textiles, fertilisers, chemicals, etc. - with good prospects in the medium-to-long range. Special emphasis was given to the technological level of new investments. The overall aim was both a technological upgrading of the more traditional industries, and the development of new high-tech industry to allow the country to participate in the changing international division of labour.

To follow these broader realignments, SMEs had to further orient themselves towards exports. The state was ready to assist them by supplying the necessary infrastructure, to allow them to become 'productive and viable in the open competitive environment of the EEC'. They would receive assistance either individually or as teams of enterprises, for the purposes of upgrading their product quality and modernising their technology and marketing operations. SMEs were scheduled to receive EEC support for training purposes and funds for fixed-capital purchases/investments. The plan also announced the setting up of a specialist agency for SME financing similar to the Italian *Artigiancassa*, as well as 'regional innovation centres' and 'artisanal industry centres' (Ministry of National Economy 1988: 115, 160-61).

From a more detailed KEPE report on SMEs (KEPE is the planning authority) that accompanied the 1988-1992 plan emerges a more realistic understanding of the situation of artisans and their potential. This report recognises that artisans and the nebulous category of SMEs represent a very important part of Greek manufacturing. It states that,

'SMEs occupy a particularly important position in the Greek economy and ... we can say that Greece is virtually *the* country of the small and medium-sized enterprises' (KEPE 1989a: 54).

It was noted that Greece, with 99% of her manufacturing units designated as SMEs ('manufacturing units' employing up to 49 workers), was the EEC country with the highest percentage of SME units in manufacturing in 1984 (the year of the last published census).

The editors of the report introduced an important distinction into the official discourse: the very small artisanal enterprises, which actually form the vast majority of SMEs, are now considered as a category of their own. Their proprietors are dubbed 'professional artisan' (*epagelmato-viotehnes*) since they 'personally participate in all the

work' and because what they expect to earn is actually a good wage.<sup>26</sup> The other, larger units form the second constituent group of the SMEs.

The report also drew a distinction between handicraft and/or artistic homeworking (considered a mostly rural side-occupation), and homeworking as part of sub-contracting/putting out networks (which is mostly urban). All homeworking units were acknowledged to be very small, and as many as 100,000 of them were estimated to operated in Greece in 1989. They are not officially registered and are quite separate from the recorded 120,000 artisanal units. The estimate is eloquent about the extent of the informal sector at the popular level, and suggests that the significance of petty manufacturing may be far greater than previously thought. Regarding the prospects of homeworkers, however, the report is as silent as were all the previous plans.

Despite the distinction now drawn between artisans *per se* and the remaining SMEs, many of which are in fact small capitalist firms, the strategic approach towards artisans expressed in previous plans has not changed in any fundamental way. The report generally considers SMEs as suitable for filling basic gaps in production and the market that larger units cannot meet, and therefore as supplementary to mainstream manufacturing. But, unlike in the 'Third Italy', the Greek SMEs are not thought as having any potential to directly address world markets.

The report emphatically reiterates the recommendation that artisans should co-operate and collaborate, since the various forms of collaboration for specialisation, quality improvements and upgrading technologically and organisationally, now have a chance to succeed. This optimistic prediction was based on the new source of external funding: the EEC or European Union (EU). Special EEC-funded programs, plus help by local specialist organisations (also partly funded by the EEC), were declared to be now available. The larger among the many small producers,

particularly the larger ones in the SMEs category, were noted as suitable to play a central role in this project. The only problem envisaged was that, though such collaborative schemes may have some positive export prospects, for objective reasons (e. g. lack of whole branches of production) they might not be able to play a more important role towards a more comprehensive industrial development.

All in all, the principal aims for artisans and SMEs remain as before: to increase employment, raise incomes, promote specialisation and technological improvements, assist larger firms through incorporating small firms into their complementary networks (to compress costs to boost exports), and to recruit from among the larger SME proprietors new members for the entrepreneurial class. This list of objectives implicitly recognises the lack of success of previous attempts to enlarge unit size by means of mergers, and the partial failure of attempts to herd small enterprises into subcontracting networks dominated by larger producers.<sup>29</sup>

There are a number of critical points I would like to raise concerning this report. *First*, the report completely ignores what has been highlighted by the Italian experience: the need to arrive to a political consensus about the role of artisans (Weiss 1988), without which little will or can be achieved.

*Second*, reiterating the earlier orientation on this issue, the report points out, that SME development will not be pursued independently, but as part of each particular branch of industry. This sounds sensible in itself. However, the non-existence in Greece of a reasonable number of larger producers of intermediate and capital goods makes any talk about small units assisting the country's industrial regeneration

by attaining organic complementarity with big industry largely void of content.<sup>30</sup> By contrast, the explosion of the 'Third Italy' relied upon an extensive indigenous manufacturing industry.

*Third*, the drafting of the particular report and the policies it sets out, were obviously affected by some unacknowledged factors. There is evidence between the lines of antagonisms and inter-agency feuding, of an absence of independent external controls, of red-tape, and even of the personal interests of some of its editors.

*Fourth*, while the report claims to support co-operative arrangements among artisans and other small business people, it remains silent on the failure of existing co-operatives (e.g. the machinists', or that in micro-electronics).

*Fifth*, despite talk about better training and controlled entry into the various artisans' trades - in response to pressures by the more established small concerns - nothing has been done at all. There is no registration worth speaking of, nor is a formal apprenticeship required for most of the trades in which artisans are to be found (KEPE 1989a: 3-9, 44, 51-59, 67-90). This laxity, due to an early free-market libertarianism and a lack of concern for the less privileged (be they the workers, artisans, or the consumers), not only facilitates the uninhibited reproduction of the stratum; it also advances the immediate interests of larger manufacturers, by enabling them to use artisans as cheap subcontracted labour.

The last available plan was that for the years 1990-1993.<sup>31</sup> It considered SME development as a crucial feature of the policy for manufacturing. SMEs, it argued, should become 'productive and viable', and the appropriate state agencies should assist them to become so - assistance here meaning giving them advice on how to make use of EU



programmes (the new panacea) for their education and training, for the development of regional innovation centres, the advancement of local initiative and of artisans' centres, and for the financing of their fixed-capital investments (i.e. business premises and purchases of imported equipment). These proposals are essentially similar to those of the 1988-1992 plan. Despite the continuing official conception of small units as inefficient, small firms are exhorted to co-operate in interconnected systems of production units for purposes of exports; the aim of creating dynamic individual companies out of them has never been abandoned (KEPE 1990: 239, 242-43, also see KEPE 1989b: 123-28).

It is worth pointing out that the 1990-93 plan notes the existence of a labour-market dualisms between public and private-sector wage-workers, with the former better paid than the latter, as also between those who work in larger and smaller units, where again the former are significantly better paid. By contrast, an artisan's remuneration by far exceeds that of the skilled waged-earning craftsmen working in the primary labour markets (KEPE 1990: 86-87; also KEPE 1989a). The surest way for skilled wage-workers to increase their income is, therefore, to establish themselves as artisans. This in itself provides an economic explanation of artisanship, and the point is confirmed by fieldwork findings on the working-class background and motivation of artisans (see Ch. VIII). Becoming an independent artisan does indeed *make good economic sense* for wage workers.<sup>32</sup>

### Summary and Conclusion

In the course of the last 45 years artisanal units have increased in absolute numbers, and have maintained their number intact in relative terms also. Artisans have kept their share of manufacturing establishments and of employment, and they have managed to mechanise their

workshops at a rate approaching that of larger manufacturers. Official figures show that an artisanal resurgence has definitely taken place.

In overall terms, the need to expand employment, to meet the population's basic needs, to improve Greece's position in the international division of labour and compete with other countries, has made those in power regard development and industrialisation as imperatives requiring the concerted action by both state and society. Within this context artisans were tolerated in the 1950s, given that they were a source of employment potential as well as supplying the markets with traditional goods.

From the late 1950s onwards, Greece's association with the EEC prefigured the country's opening-up for industrial development, and put business modernisation and specialisation firmly on the agenda. It also acted as a limiting factor, since these processes had to take place in an increasingly competitive environment in which the foreign competitors were greatly advantaged. Furthermore, ideological fixation with free-trade principles, considered as one of the pillars of modernisation/westernisation, pre-empted a more thorough and strategically concerted state intervention for development. In these circumstances it was the existence or absence of comparative advantages that usually became the criterion for whether or not to go ahead with industrialisation in any one sphere. While there was some progress, there were also serious delays that resulted in many projects being aborted, and this prevented the establishment of an industrial base that could have transformed the already badly lop-sided structure of domestic manufacturing.

The country's overall development has been a mixed blessing for its artisans. On the one hand, delays in industrialisation/modernisation allowed them to strengthen their own market position. They also profited from the tariff protection accorded to all manufacturing, and from the

general economic growth from the late 1950s onwards. On the other hand, the non-development of whole branches of industry, e.g. of machine-tool manufacture, and the absence of an indigenous advancement of technological appliances, meant that any dynamism of Greek capitalist manufacturers could not be passed on to the artisans. In consequence, the organic complementarity between the artisanal and capitalist sectors that was required for development did not evolve beyond the limited confines of subcontracting links.

The mechanisation of artisans' establishments was effected mainly through the artisans' self-financing, just like their first setting up and operating their workshops. In more recent years special state loans have also played a part in assisting artisans, even if the bulk of these loans went to the larger SME (i.e. capitalist) units. There has been mounting pressure lately (in part by the EU) to allocate available funds to the more 'dynamic' of the SME. This makes loans to artisans something of a weapon in the hands of governments, which always prefer larger firms and are keen to incorporate artisans in networks that are controlled by larger businesses subcontracting the small ones.

While most plans have emphasised the importance of industrial exports, they did not consider artisans as autonomous agents capable of enhancing the country's position in the world market. They saw the role of artisans as limited to that of providing cheap labour for the larger firms' export drive. From being completely ignored to begin with, artisans have gradually acquired an official place in development. The small-unit specialisation envisaged by the plans can only proceed slowly, however, avoiding the too rapid substitution of labour with capital so as to prevent unemployment. In line with the modernisation and specialisation proposals of development plans, the role assigned to the artisans was never anything more than an auxiliary one to the larger

capitalist producers: they were to play their (cheap) part to advance import-substitution manufacture, as for instance in machine-tool production, or to help exports, as with garments.

To a lesser extent, artisanal workshops were regarded as a good seedbed for dynamic new entrepreneurs, but in the final analysis artisans were treated far more as a means to keep down unemployment than as promoters of development. On the organisational front, it has been suggested that existing problems could be overcome by collaboration in networks and the adoption of co-operative practices. However, failures of early attempts in this direction have not been analysed, so that the mistakes that were made are likely to be repeated. All in all, the policies put forward for artisans have viewed them more as development fodder, even when a nominally post-Fordist future was being propounded, than as autonomous agents who should be assisted to contribute to that process.

1. Why were state-sponsored development plans singled out for scrutiny? They have their flaws, and they are even not legally binding in Greece (Nugent 1966: 143; Koutsoyiannis 1984). Moreover, they are affected by the swings in power of the political factions - they are certainly neither neutral nor value-free. For all that, development plans are very important as the basic documents outlining and organising the desired course of the country's development, and form the standard against which to assess what actually takes place. Overall, development plans are the most authoritative and accessible expressions of the official attitude, outlook and policy directives concerning development - including that of artisans.

It should be clarified that these plans are by no means the only official documents pertinent to artisans. With respect to what has been omitted, excluded, or incorporated in this study, let me note the following. If documents from the early or mid-1950s are not mentioned, this means I have been unable to locate them. In cases where their objectives seem to have been abandoned (Sakkas 1994: 68-70), their essential aspects are mirrored in subsequent plans or reports. Secondly, I have refrained from delving into the plans, guidelines and decisions of the various state apparatuses that relate to artisans, because they are of a purely tactical concern. On the other hand, whenever pertinent reports were available to back up development plans, they are included in the discussion.

2. Loans to artisans were issued for the purchase of machinery, for acquiring a building to be used as a workshop, and to supply liquid capital for current operations. As security, the banks required mortgages on artisans' real-estate. This clearly restricted the number of artisans eligible for such loans, and meant that larger SMEs, which could provide the necessary security, obtained the lion's share of artisanal loans. Moreover, when the required collateral for such state loans were periodically re-examined, it was argued that only those artisans should profit from them who showed a certain amount of dynamism (Ministry of Co-ordination 1979: 70-74; Boule of the Hellenes 1983: 60).

3. As P. Alexakis has disclosed (on 17/11/94 during an economic-policy workshop held as part of the *Conference on Greece: Prospects for Modernisation*, L.S.E., 17-19 November 1994) that the recent broadening of the definition of Greek SMEs adopted by EOMMEX, on the basis of which substantial EU funds will be distributed to the SMEs in the form of loans (see the report in the *Express* newspaper of 21 Oct. 1994), was the result of pressure exerted by EU officials. This evidently aimed at ensuring that loan recipients were dynamic companies certain to effect

repayment, rather than letting them be diverted to the mass of artisanal enterprises that are considered as inefficient.

The SME category (about which see Ch. II) provides an ideological cover for the *organisational outflanking* of artisans by small capitalist. This has become quite obvious in the case of loans to artisans. Further supporting this claim is what artisans I have interviewed have told me about their treatment by specialist state organisations (see Ch. IX and Ch. X), as well as other evidence. For example, EOMMEX subsidises the purchase of micro-computers and training in their use for units with *more* than 5 employees (Deniozos 1993: 231) – at the expense of the smaller ones. Then, very recently the responsible Junior Minister for Industry disclosed that under a new project "small enterprises having less than 30 personnel will *not be excluded* [from receiving assistance] *as was the case in the past*" (*Express*: 21 Oct. 1994, emphasis added). This is a clear admission that until today the very small units have indeed been discriminated against.

4. Within this context, modernisation refers to a set of processes by means of which traditional societies attempt to become modern, by continually undergoing differentiation of their structures that previously exhibited a high degree of coalescence "between the more institutionalised and the more informal" (Eisenstadt 1966: 10).

5. The probably most effective method used in the 1950s was the regular showing throughout the country of American films, sponsored by the U.S. military authorities and the Greek Army. The aim was to disseminate western values and life-styles in attractive wrappings. Such film showings, often held in makeshift crossroad open-air cinemas, attracted big audiences that might include whole villages or urban-neighbourhood communities. Being gratis, they also formed an important recreational outlet at a time of generalised poverty. Studying the impact of this form of cultural influencing should prove to be an interesting field of research.

6. For an account and appraisal of the post-war emergence of an ideology of development, see Tsaousis (1971a). On the priority that modernisation theorists accorded to changing attitudes and values at the level of individuals, see the work of D. Jaffee (1990: 17-44).

7. Some aspects of its hold over the elites and its impact in Greece, are discussed in Ch. IV.

8. The processes leading to modernity are understood as encompassing economic growth and development, the latter seen as the 'engine' of the anticipated social transformations and usually associated with industrialisation (Chenery, Robinson and Syrquin 1988; Hulme and Turner 1990: 110).

9. Concerning the EEC, I have drawn largely on N. Skandamis' work (1981). A. Mitsos (1981) and S.G. Triantis (1965) were also consulted.

10. The decision to become linked to the EEC, first as an associate and potentially as a full member, was based mostly on political considerations. In economic terms, it appears that the decision-makers thought that joining a customs union of developed countries would ensure access to a large market, and that this would foster development more or less automatically (Triantis 1965: 57-60, 91-110).

11. It seems that the officials concerned were aware of some of the difficulties involved, hence the implicit caution expressed in the declared aim to '*survive and prosper*' within the EEC. Still, they have been criticised for having grossly misread the economic benefits of EEC association/entry (Triantis 1965: 109-10).

12. For reasons we cannot go into here, Greece's relationship with the EEC during the time from association to membership was not smooth. I will only mention that largely in response to the colonel's junta in Greece from 1967 to 1974, the EEC broke off relations with the country. On the economic front, it for many years withheld equitable treatment, although Greece continued as scheduled to open up her markets to industrial goods of EEC origin. Considerable improvements notwithstanding, the gap between the Greek economy and that of the EEC countries, which had to be bridged as a prerequisite for accession, was not. Then came the world recession of 1972, and trade deteriorated, as critics had indeed anticipated (e.g. Triantis 1965). After the fall of the military junta and following the country's return to democratic normalcy, Greece on 5 June 1975 applied to become a full EEC member. It was again chiefly on politico-strategic considerations that she did so, although an improvement in the unfavourable terms of trade was also hoped for. Interestingly enough, the EEC member-countries accepted the application for principally political reasons. The accession agreement was signed in May 1979, and went into effect as of 1 Jan. 1981, with a five to seven-year transition period provided for harmonising a number of legal, institutional, and economic issues.

13. Handicraft-related programs fostered by the, now incorporated into the EOMMEX, National Organisation of Greek Handicrafts (E.O.E.X.) were expected to give employment to about 50,000 persons.

14. The more immediate objectives of these measures was to improve the small units' organisation and operation through the services of a special research institute. This would help their networking, promote product standardisation, help them address markets collectively, advice on advertising, and liaise with other state organs. The 1966-70 plan also advocated better financing (e.g. by subsidising interest on loans to artisans via special credit institutions (KEPE 1965: 112, 317-27). In

1964, the artisanal sector received 1.912 million drs (or 9.8%) of total bank financing to all of manufacturing (including mining), - an unimpressive amount when compared to the sector's share in terms of employment and output.

15. So for example zoning restrictions did not apply to artisans in the congested Athens region. To operate their businesses, old and new artisans merely required a 'technical' licence, and not even that was necessary if the HP of their machinery was below a certain point. In addition, artisanal workshops also profited from blanket reductions or waivers of tariffs on the importation of materials as well as of semi-finished intermediate and capital goods. The extension of state-guaranteed financing to 'all small-size artisanal enterprises' was helpful too, even if it benefited only a handful. What was perhaps most encouraging in the long run was the long overdue establishment of a Development Institute for Small Enterprises, which indicated a growing state interest in artisanal enterprises (Ministry of Co-ordination 1968).

16. Medium-sized units were to be given assistance with respect to taxation, financing, and zoning regulations for workshops.

17. The 1973-1987 plan was the first attempt ever in Greece to draw up a more than short-term program. Its purpose was to make the country eligible for full EEC entry in 1987.

18. Complementarity was also implied in the role the plan assigned to artisans in respect of tourism.

19. The plan announced measures for training and re-educating artisans, strengthening research, and effecting institutional changes and expansion of the basic infrastructure. These were to be advanced through the Centre for Artisanal Industry Development (KEBA), a result of a United Nations development - assistance program. Among the 'attractive incentives to encourage the reorganisation of artisanal industry' were (a) special terms of financing; (b) the gradual equalisation of taxes and other burdens between artisanal and major industry; (c) tax reductions, rebates, and credit incentives to assist mergers and changes in legal entity, and to facilitate the enlargement of individual small-scale and artisanal units, <sup>(d)</sup> KEBA establishing subcontractors and co-operatives for the collaboration of artisans with large enterprises and among themselves; (e) technical assistance by KEBA and the Greek Centre for Productivity (ELKEPA), to small and medium-sized enterprises, particularly export-oriented ones; (f) artisans' industrial zones and zoning regulation, to assist the specialization of production on a regional basis. (Small/artisanal enterprises that did not emit pollutants or otherwise harm the environment would be allowed to continue in the cities outside the designated industrial zoning, including



Athens, which was already faced with a serious pollution problem; (g) the blanket technical control of new or existing artisanal units were to be simplified, and the 'liberal licensing policy for manufacturing units would be continued (Ministry of Planning and Policy 1973: 90-96, 197-98, 227-36, 238-43).

20. Like its predecessors, the 1973-1977 plan attributed the country's development difficulties to the 'until recently inward-looking orientation of Greek manufacturing addressing itself to the small and protected internal market'. It proposed to counter the fragmentation of productive units by bringing together very small and larger firms, and effecting a more rational organisation of industrial branches by forming interconnected systems.

21. The 1976-1980 plan was the first five-year plan to be drawn up after Greece's return to parliamentary democracy in 1974 - a date that also marked the global economic crisis and the restructuring that followed which led to the emergence of a new international division of labour, job-less growth, and the challenge of the post-war social democratic arrangement.

22. This issue is not dissimilar with the one discussed by Ellis (1964), whose work was subsequently reflected by Nugent (1966), Vergopoulos (1984), and others. Ellis argued that in Greece in the 1950s/early 1960s the tendency toward monopoly was for the most part unrelated to concentration. He claimed that it was advantageous for existing oligopolies to allow the operation of many small firms. Even if the latter were holding on only by the skin of their teeth, they fought hard to keep themselves in business, and in the course of doing so mobilised political pressure 'in defence of high tariffs and other forms of protection' (Nugent 1966: 129-30). In this way the oligopolies could offset the process of 'normal' concentration which, it was implied, lead to the emergence of large and modern, hence competitive enterprises. They were operating to the detriment of progressive industrial branches that had, or could develop, a comparative advantage. In other words, they acted against the set development objectives, and strictly in their own immediate interests.

With respect to the supposed political muscle of small operators I would point out that it was never *shown* to exist during the said period. Had it existed, how is one to account for the relative ease by which tariff protection was lifted at later dates? This does not mean that those immediately concerned might not really (if erroneously) have believed artisans to have political clout. What is certain is that there was a principle, observed by the state authorities, that calculated and determined prices, which of course showed that markets were operating imperfectly, in the sense that the prices were set in such a way that everybody made a profit, and profit margins were guaranteed even when costs were high due to outdated production methods, worn out means of

production, etc. Obviously this system gave the larger and/or more modernised units with lower production costs higher than average profits. This meant they had an interest in keeping the small units in operation, ostensibly in a spirit of live-and-let-live. (The source of this piece of information is personal knowledge of the situation in the production of ethyl alcohol, in which my family has been involved for many decades). These two account of the tolerance of small units by leading manufacturers explain to a certain extent why the former have not been actively destroyed by the latter, but they do not suffice to explain the artisans' continued proliferation.

23. Out of the 120,000 units officially considered artisanal, 109,000 had an average workforce of 1.76 persons per unit. In other words, they were units of one self-employed person who offered work to one other person, usually a family member.

24. The artisans' role in providing employment and as agents of 'creativity' were highlighted in the 1983-87 plan and other pertinent texts of the same period (Boule of the Hellenes 1984a: 50; Boule of the Hellenes 1984b: 194).

25. This, of course, was an indirect admission that earlier plans had not produced the desired results. In fact, the 1983-87 plan (drawn up by a socialist government) acknowledged that there was neither a general nor a sectoral industrial strategy/policy, and that no viable strategy of specialisation had been developed in the past. Indigenous manufacturing had not managed to expand in either the non-traditional sectors, or in the areas of new technologies, and in the period leading up to the country's EEC accession, Greece's position in the international division of labour had actually deteriorated. One indication of this was that while in other West European countries comparable in size to Greece the exports and imports of manufactured products balanced one another (which meant that these countries had specialised and deployed their comparative advantages), in Greece they diverged markedly, indicating that specialisation was undeveloped. Manufactured imports, which in 1974 were 2.5 times the value of manufactured exports, had by the late 1970s/early 1980s climbed to 3 times the value of exports (Boule of the Hellenes 1983: 54-55). This situation had resulted in negative growth rates and stagnation, which for a large part had been the result of foreign competition (including foreign penetration of the domestic market) after Greece's accession to the EEC. It should be noted that, according to a semi-official publication, heightened competition from EEC countries put an estimated 40% of all manufacturing units, most of which are of course artisanal (Skoumal and Kazis 1985: 80), into serious jeopardy of having to declare bankruptcy. The plan placed the blame for all this squarely on the previous conservative governments.

26. EOMMEX (ex-KEBA), is the specialist state organisation for the small

and medium enterprises in manufacturing and the handicraft industry.

27. While the plan appraised positively the growth of exports in traditional SME consumer products, it pointed out that this was due to low labour costs and the use of indigenous raw materials. The increases were due not to the SMEs actively striving for exports, but to foreign buyers invading the country in search of bargains. It appears that a number of small units were part of international subcontracting networks. Moreover, the noted expansion had not been followed up by artisans becoming 'entrepreneurially more mature', nor did it mean development in terms of production techniques, skill acquisition, and improved managerial or commercial organisation, which remained 'primitive' and family-centred. It is possible that the plan's vociferous affirmation of the importance of SMEs was related to the political situation: at that time (early 1980s) the 'small and medium' businesses were proclaimed the bastions of progress and the true agents of development (see Konior-dos 1981). Previous conservative governments came under severe criticism for not helping them and for trying to develop the country by giving priority to large corporations and serving foreign interests.

28. According to the report, the so-called professional artisans do not calculate profits as a percentage of their turnover or capital. They hire few assistants, risk no capital, make no investments, their financing involves very small sums, they face no problems of management, and they do not stock nor are they concerned with distributing their products. They are not entrepreneurs in the proper sense of the term, but practitioners of a profession, hence 'professional artisans'. As a rule, establishments employing up to 5 persons are included in this category. By contrast, owner-managers of larger firms have an administrative and managerial role and expect to obtain profits from their investment-enterprise (KEPE 1989a: 32, 56, 66, 70-72). The criterion of personal engagement in productive work, used to distinguish the professional artisans from other small and medium-sized business proprietors, is obviously similar to the criteria used in Ch. I concerning the distinction between SCP and CMP, but coarse and more empirical.

29. The failure was not total because labour-intensive networks were indeed set up in certain manufacturing branches. But the quality of the work was inferior, specifications could not be followed, and the goods were shoddily made. This activity was limited to a few traditional branches only. So the new aim will be the qualitative upgrading of subcontracted work.

30. Take the example of the domestic machine-tool production. As this was virtually non-existent in Greece, the required modernisation of the artisans' productive equipment could not rely on it, and they had to have recourse to imports. This in turn meant that the domestic links between the two sectors (purchases, putting-out schemes, overall col-

laboration) could not really develop. In the absence of any long-term development policy for domestic industrial production of intermediate and capital goods an organic complementarity between small and larger units was a pipe dream. The most enduring complementarities that did developed have been, as indicated earlier, between small local units and foreign firms (see the following chapter).

31. The 1990-1993 plan was intended as an interim three-year plan, but aborted due to a change of government. It is not really an official plan, therefore, but seems to have been utilised as such.

32. That becoming an artisan makes good economic sense ties up nicely with the prestige which self-employment enjoys in Greece. This is characteristically a primary concern for men - unlike the situation in other countries of the semi-periphery, e.g. Brazil, where such work is poorly remunerated and hence considered inferior, which explains why there it mostly attracts women (Cavounidis 1985).

## CHAPTER VI – REVIEW OF SOCIAL STUDIES ON GREEK ARTISANS

### Introduction

Despite the overwhelming presence of artisans and other small producers in Greek manufacturing, the stratum has not been studied systematically. To a certain extent this reflects the general malaise of social research in Greece (Petmesidou-Tsoulouvis 1984: 32-36), but the limited interest in the subject may also be due to the artisans' peripheral role, an implicit acknowledgement of their being powerless and hence unimportant. However, their sheer numerical weight has prompted a number of writers to comment on various aspects of the existence, position, and role of the artisanal stratum. In fact, artisans are frequently cited as one of the peculiarities of the Greek socio-economic formation.

As far as I have been able to ascertain, only two authors – A. Moschonas and A. Lytras – have focused on artisans whom, in accordance with their broader interests, they have approached as a segment of the broader category of the traditional urban petty bourgeoisie. J. Springer-Cavounidis has made a comparative study of artisans' and working-class families. More recently P. Pizanias (1993) has published a study on Greece's urban poor during the inter-war period, in which he advances a thesis pertaining to the *raison d'etre* of artisans and other small independents (linking it to the family, and reflecting cultural reproduction). Aside from the social scientists just mentioned, the work of N. Mouzelis must also be cited, as well as that of P. Bokovos, M. Negreponi-Delivani, A. Lyberaki, P. Nikolaou, and G. Samaras. While their analyses provide us with useful insights, they are obviously fragmentary, since artisans were extrinsic to these authors' main subject.

The intention of this chapter is to critically note what these authors have to say about Greek artisans and their relationship to economic development.

## 1. Interpreting the Artisans' Existence

### *1.1 N. Mouzelis: Artisans and negative SCP - CMP complementarity*

Mouzelis considers the continuing existence of artisans and other small-commodity producers as indicative of the particular underdevelopment that persists in Greece. For him, underdevelopment does not, or not only, mean a lack of industrialisation, but concerns 'the type of articulation that connects the dynamic, high productivity sectors of the economy ... with those that are technologically backward' (1978: 37-38). It is here that the experience of the West departs markedly from that of the underdeveloped regions. As Western industrialisation progressed, it assimilated pre-capitalist or non-capitalist sectors by either destroying or organically incorporating them. The latter case entailed the specialisation of non-capitalist producers (e.g. artisans), which led to productivity increases and the cultivation of an *organic complementarity* with capitalist industry proper through the dissemination of its technological, organisational, market, and other advances. Mouzelis considers the effects of such capitalist parameters to have been important for forming unitary domestic markets and for contributing generally to the capitalist development of the advanced Western countries.

Conversely, underdevelopment generally implies the lack of such positive complementarity and the persistence of a negative one, of a disarticulation between capitalist and simple-commodity production (CMP and SCP); only a few links exist between the, technologically, much more advanced CMP and the more backward SCP. The CMP also shows its superiority by higher rates of productivity and higher growth rates, and the

extreme imbalance between the two sectors is shown precisely in the failure of technological progress to spread from the capitalist sector to SCP (Mouzelis 1980a: 254-55). In addition, the CMP drains SCP by means of taxation and unequal exchange, plus

'... subsidies to large-scale industry, scandalous credit facilities, indiscriminate tariff protection enabling highly inefficient firms to achieve a quasi-monopolistic position, and the prevalence of indirect taxation which hit low income earners very hard, etc.' (*ibid*: 246-67).

Mouzelis' examination of the case of Greece speaks of a 'systematic transfer of resources from SCP to the industrial capitalist sector', and holds the state responsible for this since neither sector is 'self-contained nor are they complimentary' (*ibid.*: 261-62). This drain hobbles SCP establishments. At the same time the inability of the capitalist units to provide employment, or to either destroy or incorporate the non-capitalist ones, demonstrates their own relative retardation in comparison with their counterparts in the advanced capitalist countries. So SCP units are 'allowed' to exist, and although the disarticulation implies that the more dynamic capitalist sector depends on milking the non-capitalist one, the latter, despite its 'relative marginalisation', persists in continuing (*ibid.*: 247, 254).

It should be stressed that Mouzelis does not imply the existence of a strict dualism, but rather sees the two sectors as diverging. I would point out that, as a matter of fact,, there is *some* complementarity in certain manufacturing branches, e.g. in garments and to a lesser extend in machining (see ch. IX). There, a number of artisans have managed to specialise, obtained modern equipment, and increased their productivity, which means that they have lowered their per-unit cost, and have linked their units to capitalist firms through putting-out and subcontracting schemes. In such instances the artisans' units are obviously closely connected with and probably well-integrated into

the overall capitalist economy, and do contribute to the formation of the single national market, of which they are part. But this is not the same as saying that an organic relationship of the two *sectors* has developed, of the kind we find in some advanced capitalist countries.

Despite instances like the above, which seem to be on the increase, the dominant Greek variant of an approximate organic complementarity in the context of manufacturing consists of links between capitalist units and labour-intensive and low-paid clusters of very small specialist producers. The former are usually able to impose a monopsony on the latter, and in this sense fully control them. This type of spurious complementarity cannot result in transferring the dynamism of the capitalist sector to the SCP units, or only to a very minor extent.

We may say, therefore, that in as far as an organic complementarity is unfolding among the two types of producers in Greece, it is of a *different* kind to the one that exists in advanced countries. The existing links between artisans and capitalists producers are in fact instances of neither 'disarticulation' nor of 'malintegration' (Mouzelis 1978: 43 and 1980c: 504-45 respectively). These notions, instead of designating the *type* of articulation effected, merely indicate a deviation from some standard or model paradigm - namely that followed by the West. They therefore lead us away from the task, so aptly set by Mouzelis, of finding '*what sort of integration, what sort of links there are between capitalist and non-capitalist sectors in third-world formations*' (Mouzelis 1980c: 504; his emphasis) so that we may understand what precisely constitutes underdevelopment.

Of course, what T. Parsons has identified as *evolutionary universals*, and the necessity for societies to go through them, cannot be ignored. But what are these evolutionary universals in the case of in-



dustrialisation, are they given once and for all? For example, the modernist mass-production paradigm (Fordism) which as far as I understand had come to assume the position of a cultural universal, has to some extent been superseded by the post-modernist paradigm of flexible specialisation. This involves a realignment of standards which is still largely open-ended. Aside from again questioning what course should be followed to achieve industrialisation/modernisation, this ambiguity also complicates the search for types of integration and links between the capitalist and non-capitalist sectors.

Probably the most important divergence between organic complementarity in the advanced countries, and instances of complementarity observed in the course of my fieldwork in Greece has to do with transfers of technological dynamism from the CMP to the SCP sector. Greece, although capitalist, is not a producer of new technology nor an innovator, and the techniques and technologies that are applied in production are not developed within the country (see chs. IV and V). Accordingly, the SCP sector cannot benefit from any technological progress in the indigenous capitalist industry. By and large, technologies are imported ready-made, as already mentioned. In this sense, it is not enough to speak of organic complementarity at the level of a single country. In the context of world-wide tendencies, the case of Greece's historical underdevelopment requires a consideration of the consequences of technology transfers in more global terms. What is an instance of non-complementarity at the level of a single country may be entirely complementary at the level of the world economy. In this sense it could be argued that Greece is not without organic complementarity between SCP and CMP, and that particularly in respect of the spread of technological progress this has an international dimension.

Then there is the issue of the advanced CMP systematically draining the backward SCP. The thesis sounds plausible, but remains at the level of hypothesis awaiting substantiation – perhaps by calculating unequal-exchange transfers, or showing *concretely* that taxation of artisans extracts their surplus and subsequently benefits capitalists. As things stand, the milking of artisans appears to me to be a case of alarmism, especially in view of the extensive underground economic activities in which artisans, as well as other small producers, excel (see chapter IX).

## 2.2 A. Moschonas: A populist perspective

Moschonas' *Traditional Petty Bourgeois Strata: The case of Greece* (1986) is the first systematic attempt to fill in the bibliographical vacuum on the petty bourgeoisie in Greece. A major premise of this work is that the petits bourgeois, and not least the artisans, occupy a central position in the economic and political spheres. If, therefore, it is not seriously considered, economic and particularly political developments cannot become fully intelligible, and by implication planned social change will not result in the desired consequences.

Moschonas considers that although the CMP has been dominant in Greece since the end of World War I small-commodity production has continued extensively – this is no evidence of an anomaly in the theory, but rather a peculiarity indicating the existence of different historically-specific paths to development. He attributes the persistence of small commodity producers in Greece to the limited commodification of labour power, which was hampered by a massive emigration of the labour force, in combination with the 'tendency of the peasant migrant to reproduce in the urban areas ... relations of SCP' (*ibid.*: 38), but unfortunately gives no proper explanation for this important structural

continuity. He then declares that the continuing reproduction of SCP units is a result of Greece's position in the international division of labour, which at that point in time obstructed the unfolding of capitalist accumulation.<sup>1</sup>

Moschonas acknowledges that capitalism did advanced in the course of the inter-war period, and seems to have expected SCP to follow its prescribed course towards extinction. However, a second chance became available to artisans and other petty-bourgeois strata: after World War II the state offered them substantial concessions to facilitate their recovery. These concessions, which affected the overall 'process of production and distribution of the economic surplus and accumulation of capital', were extended because the reconstitution of the middle classes served primarily the institutional consolidation and legitimation of bourgeois rule. Ever since then, Moschonas contends, capitalist accumulation in Greece has been constrained by these concessions to small producers, which have restricted its own proper scope.

The author notes that the SCP sector has continued to play an important role in the Greek economy by employing a large segment of the country's active population, and entering into a set of interdependent relations with larger forms of capital, which, he says, derive extra profits from drawing surplus from the SCP and utilising its low-cost labour power. Moreover, in recent years big capital has exhibited a tendency, contingent on changes in the international division of labour, to either marginalise or incorporate small-commodity producers (*ibid.*: 267). The small producers, for their part, have proliferated as a result of the expansion of the internal markets, and indeed their resurgence has in good part been an effect of the country's general economic growth. They have also increasingly come to use their numerical impor-

tance to extract economic concessions from the state. This interaction between the traditional petty bourgeois collectively and the practices of the state (perceived as a servant of capital) Moschonas considers a form of class struggle (*ibid.*: 49-79).

A basic and recurrent theme in Moschonas' work is that the numerous petits bourgeois strata are indispensable for Greece embarking on the road to socialism. This is a course he considers possible and desirable, and associates it with PASOK, a political party of socialist pretensions, coming to power (in 1981). At the beginning of that party's rule, when the challenge was how to effect 'development with change', the petite bourgeoisie became an indispensable agent of that change due to its numerical-cum-political importance. Moschonas' study emphasises primarily the centrality of the petty bourgeois in recent political developments.

Trying to draw lessons from past petty-bourgeois practice in the interest of present-day PASOK policies, Moschonas finds that after the late 1950s there was a change in the stratum's earlier political alignment. Conflicts over the production, distribution, and redistribution of the surplus, as well as disagreements over Greece's relationship with the EEC - which were feared to weaken its economic position by spreading unemployment and threatening its very existence due to enhanced competition (*ibid.*: 269-75) - led the petty-bourgeoisie in the mid-1960s to switch allegiance to the Centre Union party. While that party was in office, the small producers were requited with more substantial financing assistance and tax relief, which helped to confirm their disengagement from the political parties of the Right. Subsequently, that is during and after the military dictatorship, the ruling class suffered an 'organic crisis of hegemony' as a result of which its attempts to resume control over the petty bourgeois were unsuccessful. Moschonas' explana-

tion of this failure is that the state had become addicted to serving the interests of big capital to the exclusion of the economic demands of the lower strata. Attempts to woo the petty bourgeoisie with economic measures and by appealing to its proprietorial ethos came too late. Its political awakening was irreversible and culminated in the 1981 political victory of PASOK.

Moschonas is anxious that PASOK should not in any way alienate its petty bourgeois supporters. He keeps telling anyone who cares to listen that artisans and other petty bourgeois elements should not be taken for granted, and that 'mistakes' in handling them must be avoided at all costs. He especially counselled the PASOK government of the day not to delay the democratisation of petit bourgeois professional organisations, and to allocate the stratum greater surplus in the form of financing facilities, tax relief, and preferential treatment generally. He considered of paramount importance the establishment of co-operatives,<sup>2</sup> which if they are not to degenerate into capitalist joint stock companies should become part and parcel of PASOK's strategy to 'socialism', known as 'socialisation' (Koniordos 1981). Were this allowed to happen, he warned, the petty bourgeoisie would become subjected to differentiation and of course turn away from those who had betrayed it, and that in turn would put the entire socialist project in jeopardy.<sup>3</sup>

Moschonas, in effect, recommends a political strategy of measures and policies in favour of the petty bourgeoisie, advanced for the purpose of neutralising opposition and winning them over to the road towards socialism. This strategy, in other words, aims at buying out these strata. It was originally put forward in F. Engels' last writings, with the difference that Moschonas makes not the working class but rather the petty bourgeoisie the key social group capable of making or breaking socialism. He extends his strategy to the SME category which -

by virtue of its alleged subjugation to big and/or foreign capital - is also a part of 'the people'. In sum, Moschonas, argues that (class) collaboration between artisanal businesses and other SMEs (small and medium-sized capitalist firms), as well as with their workforce is imperative if the Greek socio-economic formation is to progress towards socialism.

Now, the links between big capital and the larger SMEs are much more complex and interdependent than Moschonas allows. Besides, the inferred identity between SMEs and artisanal units and their workers is not all that evident; antagonistic cleavages are at play, as will be shown in Ch. IX. Therefore, it appears that Moschonas discloses really existing affinities and conceals existing differences to fit reality to his political program. Besides, the emphasis he places on the importance of the SME, i.e. of the small and medium-sized capitals, as the agent of 'development with change' - vaguely reminiscent of Varvaressos' views - does not transcend at best a left-wing neo-populist agenda (Kitching 1990). Moschonas' unsound postulates aside, his suggestion that the state should heavily intervene to assist the small producers is perfectly correct if artisans are to assume a more dynamic role. I would stipulate, however, that this assistance should be given not because of the artisans' potential as agents of socialism, but because they exist in large numbers and have displayed economic initiative. Above all, they cannot be left unaided because if competition intensifies in the foreseeable future, as it is expected to do, they and the large number of people that are dependent on them will be the first to suffer.

2.3 A. Lytras: - *The state and collective action in the making of contemporary artisans*

Lytras overall concern lies with the 'traditional urban petty bourgeois strata' that are the proprietors of their means of production and their own independent business. These strata include artisans, small merchants and traders, and a variety of independent occupations, from plumber to tavern proprietor, the practitioners of which are known as 'professionals' in Greece. The author takes the element of ownership they share as a characteristic of their bourgeois class; on the other hand, the fact that, although they hire labour power, they have to labour themselves is considered a working-class criterion. It is these two antithetical derivations that *à la* Lenin co-define these disparate strata in the unified social category of the traditional petty bourgeoisie, and at the same time acknowledge its internal ruptures and cleavages. These are related to the different and often conflicting interests of not only the various strata of the petty-bourgeoisie but also its individual members due to their different conditions of existence and particular circumstances. No doubt this situation of generalised particularism promotes individualism; certainly it does not cultivate nor conduce to collective forms of action (Lytras 1993: 225-26).

How is the development of small ownership and small production (including artisanal production) to be explained? Lytras attributes it not to some pre-capitalist remnants, but to the particular form taken by 'capitalist relations' (Lytras 1993: 116). Indeed, he maintains that 'capitalist relations have created the petty bourgeois strata; first in the countryside, and during the post-war period in the cities' (*ibid.*: 247) - I should note that the use of the term 'capitalist relations' requires clarification. As far as I can see, the author considers the proliferation of the traditional petty bourgeois entrepreneurs as a by-

product of particularistic functional needs of the capitalist relations of production in Greece, as a functional prerequisite necessary for their reproduction.

For Lytras, the petty bourgeois strata 'continually verify their existence by means of state guarantees, financing and a series of subsidies' (Lytras 1993: 115-16, 243), and without state subsidies the peasants and artisans could not survive. I will contend that while this may be true for the peasants, it is not for artisans. Peasants' occupy a position and role very different from that of artisans for unlike the latter, are subsidised by the state to produce low-priced food for the urban population (Vergopoulos 1975; Mouzelis 1978). Furthermore, as will be argued below (in chs. VIII and IX), the evidence from my own field-work does not support that loans to artisans are of crucial importance to the reproduction of the stratum. To be taken seriously, Lytras' assertion would need corroborative evidence on the extent of loan-taking, the periods, and sums involved and their specific effect on the reproduction of the artisanate, but such evidence is not supplied.

Aside from providing loans, says Lytras, the state is responsible for the overall safeguarding of national production and the domestic market. In doing so the state ensures that SCP units are sustained, and in the process, *contra* Mouzelis, intervenes to link the CMP to SCP 'organically' (*ibid.*: 115-16). It is useful, I think, in this context of organic linkages to distinguish between direct and indirect links. *Direct* links between the CMP and SCP occur whenever the two interconnect in an unmediated way, perhaps via the market mechanism whose functioning the state promotes and guarantees. The links between the two modes are *indirect* whenever there is mediation, with the state providing the interface, as when it furnishes loans and guarantees that enable artisans to operate/engage with the capitalist sector. Since indirect links are



the result of the state's mediated action, they should be recognised for what they are, without regrets or last-instance types of qualifications.

For Lytras, the post-war growth of small industry was shaped by the 'low-level investment performance' of the big industrial units, greater domestic demand for consumer goods, attempts to alleviate unemployment, plus the political need of the post-civil war state to ensure its legitimacy. I would agree that these were some of the factors and constraints of the situation at the time, and I think that they were an important aspect of the structure of opportunities that the artisans could utilise for their purposes. For our author, however, they are representative of the context in which the state attempted to form an alliance with, or at least tolerate (*ibid.*: 231) the traditional petty-bourgeois strata. He accordingly considers the state's blanket tariff protection instituted in 1950s, of which artisans took full advantage, as a concession to them, as a facet of this 'alliance'. To prove that this was the case it would have to be established that the state had a choice concerning which domestic producers its tariffs would protect. My view is that despite the systematic *political* exclusions the Greek state practised during and after the civil war, which of course did have economic repercussions, it was not possible to exclude very small *economic* units wholesale from its tariff protection. Since ideologically the artisans and their small businesses were certainly not identified as the enemy, their isolation was not sought. The absence of any possibility to impose exclusions indicates that blanket tariff protection was more of an unintended consequence of state action (and certainly a very real opportunity for the small businesses) rather than an expression of some alliance or even of tolerance. As a matter of fact, given the acute legitimisation crisis the regime was then facing, it was rather the state that stood in dire need of securing a measure of tolerance.

Part of its difficulty to achieve just that was that in the 1950s its ability to offer artisans something in return for their support was more theoretical than real.

An additional reservation with Lytras' approach is that it is based entirely on guesswork. While in principle this is an acceptable methodology, in this particular context it is not enough - some evidence should have been supplied to substantiate it. In fact, Lytras' view is quite similar to the one expounded by Vergopoulos (1984) and Tsoukalas (1984) with respect to the new middle classes. This holds that the Greek state and its foreign patrons engaged in an exercise in social engineering by reinstating or creating anew a thick middle stratum to act as a buffer against insurgency from below. While this may well have been the case, no evidence whatsoever has been offered that this attempt at social engineering included artisans. Not saying exactly when the state is supposed to have forged this alliance is another flaw. In some instances it appears that Lytras, in line with Vergopoulos and Tsoukalas, is referring to the late 1940s/early 1950s, elsewhere it appears that the so-called alliance was entered into after the political mobilisation of artisans and other traditional petty bourgeois, which would indicate the mid-1960s or latter.

Lytras' focus on the collective action of the above-mentioned petty-bourgeois generality in the post-war period is one of the more interesting aspects of his work. He notes that their more or less voluntary organisations mobilised them and that collective action, which was addressed to the government of the day, took the form of nation-wide shop closures. The first of these was the most important one. It took place on 30 March 1966 and aimed at obtaining state protection against rent increases,<sup>4</sup> as well as inordinate increases in the price of raw materials, and to oppose newly imposed taxes. The state responded posi-

tively to these demands. During the 1967-74 dictatorship the small shopkeepers (like everyone else) kept quiet, but afterwards they returned to action. Between 1974 and 1981 the high points of collective protest were three more country-wide shop closures. Peace reigned during the first PASOK term in office (1981-1985), but during the party's second term (1985-88) four additional shop closures took place.<sup>5</sup> Participation in all of these events is said to have been much the same in respect of all the traditional petty bourgeois strata, but the artisans were reported to have responded more swiftly than others (Lytras 1993: 230).<sup>6</sup> I cannot think why they should have done so, since certain of the demands advanced did not affect them at all. It is more probable that the voluntary organisations representing the artisans called on them to act in solidarity with the shopkeepers and reported accordingly, but the artisans' actual participation would surely have been very limited.

Whatever the truth of the matter, the petty bourgeois did *rise up* in action in the mid-sixties and after. Why did it do so, and why *did it* not do so earlier? Lytras links these instances of collective action to the realignments, changes, and challenges in terms of their position and *modus vivendi* that followed the nexus of agreements between Greece and the EEC. The mobilisations were a protest - an explanation with which I would agree. Specifically the artisans began to object when it emerged that the forthcoming development called for changes that might endanger their reproduction, leave them stranded, and even posed the threat of re-proletarianisation. Once they had realised this they (or at least the organisations that supposedly represented them) mobilised in order to ensure that they would participate in the decision-making for the forthcoming developments (*ibid.*: 235).

To be sure, as Lytras points out, there was nothing in the demands and protests by the artisans' organisations' to suggest a specific strategy. They were merely *defensive*, meant to keep their members' position intact. To this end they wanted safeguards against the ensuing intensification of competition, and compensation for the lifting of tariffs, be it in the form of subsidies, rent controls, or whatever. *Compromise* was the principle underlying the organisations' attempts. The demand for a voice in decision-making, at a time when the economy was being restructured (which they did not oppose in principle), was to assure that the voice of artisans would be heard and compromises could be arrived at. In that way the artisans' existence would be safeguarded, and their union bosses - who frequently were not elected but co-opted by the state - could expand their own power base. These traditional petty-bourgeois protests can be compared to guild closure and despite the short-circuiting of artisans' organisations by often self-interested union bosses, remained above all defensive in character.

Why did the artisans not put forward an overall plan for their development? Was it a lack of competent leadership, or merely a matter of subjective disposition, a side-effect of their structural location? This, of course, is the same old problem of why the *petit bourgeoisie* has such difficulty in rising above immediate circumstances and embracing a more global perspective, in becoming a *class for itself*.

Perhaps the structuralist approach explains this best. The objectively and historically recorded characteristics of the middle strata - whether individualism, particularism, state veneration, or their belligerent attitude to each other - all stem from their structural position, which encourages isolation, competition and mistrust. They can unite briefly only when they feel collectively threatened. For this reason the artisans have loose organisations which, nevertheless are politically

partisan; it is not in their nature to be represented by organisations that are strong, autonomous and imaginative. What this line of reasoning implies is that petty bourgeois are ideologically incapable of visualising long-term changes in society that do not accord with their own world-view and with the reproduction of their established petty-bourgeois position. This, indeed, seems to have been Lytras' view. As a result, assuring broader development prospects for artisans must be the task of some other social category, one that is not hampered by the structural and ideological constraints of the old petty bourgeoisie.

The danger of such an attitude is that it may lead to acquiescence, to a static acceptance of existing relations. It may mean that one not only sees a situation for what it is, but that one accepts it as given once and for all. This blinds one to the fact that existing arrangements have to a very significant extent been socially constructed and may at any time be changed. The case of the 'Third Italy' proves that other scenarios are possible (see Ch. III above; also Weiss 1988), even while the basic structural features of the artisanate can be kept intact. A different environment may actually allow the artisans a possibly less constrained existence. In that respect the artisans' potentially more active and autonomous participation in shaping their own overall development should not in principle be ruled out.

A strong point in the artisans' favour is their large number. It was this which seems to have alarmed governments when they realised how much they would lose in terms of political allegiance if they did not satisfy the artisans' demands. It appears that it was this, a certain amount of party politicking aside, that convinced them that the demands of the petty bourgeoisie's organisations (*ibid.*: 234-35, 242-43) had to be taken seriously. By doing so, and especially by activating the artisans' loan scheme in the mid-1960s, the state finally provided some

guarantees for and supported the artisans. But these were concessions in response to demands – they were not the facets of an 'alliance', to revert to an earlier point.

The state's intervention is, I think, a good example of institutionalisation following individual agency in a historically determined context. Indeed, the state as a society-shaping force exerts a certain impact on social classes and strata. It should not be discounted or considered a mere epiphenomenon of class struggle, for then its actions become largely unintelligible. However, as mentioned earlier, this impact suffices no more to interpret the artisans' expansion in the past than it explains their continuing existence today. The point is rather *how* and to what *extent* the state affects artisans, and that is an empirical issue.

It has been noted that all the various demands were addressed to the state. Is this an indication of petit bourgeois state veneration pure and simple? Lytras seems to think so. He points out that the roots of this 'statolatry' are to be found in history and notes historical precedents of strong and continuous state protection of small peasant property in the rural areas. At the risk of overgeneralisation, he seems to consider peasants and artisans as the rural and urban variant of the petty bourgeoisie. They are therefore homologous. Accordingly, what applies to the relationship between peasants and state applies equally to the state's relationship with their urban counterparts. I would add that though a more active state intervention (see Ch. V) now aims to incorporate the artisans, it is not comparable to the broad extent of state intervention on behalf of the peasants. Whatever the structural homologies that may exist between two categories, they do not affect their roles, nor the way the state perceives these roles, nor yet the type and extent of intervention to be accorded. Besides, as it will be

shown in the empirical chapters, with the exception of already established artisans' offsprings, nobody is born an artisan. Becoming and remaining one is an act of individual volition, a fact that should not be ignored.

## 2. Micro-level Approaches: The Centrality of the Family -

### P. Pizanias: Family networks for escaping capitalism

Pizanias' study examines Greece's urban poor during the inter-war period. He notes that they possessed a particular 'know-how of survival' by means of which they made ends meet. These methods were based on knowledge that their peasant progenitors had acquired by personal experience and passed on to them as a form of cultural and social capital. Pizanias claims that such knowledge was widely shared among the urban poor. He attributes this to the broad structural similarities that prior to World War II used to characterise Greece's rural communities, where SCP was the prevailing form of production. This know-how was transmitted through socialisation within the family, was internalised and became part and parcel of the outlook and mentality of the urban poor. It was an intrinsic part of their way of life.

However, there are some differences in how these methods operated in the rural and the urban environments. The (earlier) rural know-how of survival entailed a form of social organisation that was centred on the nuclear family with which its members unswervingly identified and which they accepted as of primary importance in terms of their production and reproduction. It also involved a network of extended and fictitious kin, co-villagers and friends. All of these formed a primary group that had important mutual-aid functions, for instance to provide labour at harvest time. In addition, the money for sustaining the family did not come

only from cultivating the family smallholding, but also included various other agricultural and non-agricultural activities.<sup>7</sup> The periodic travelling or even migration this involved was the task of particular family members, whose responsibility it was to earn enough to preserve the family's self-sufficiency in a rural economy of a multitude of very small plots. The social network mentioned above was useful for obtaining information about jobs and recommendations to employers, and provided a measure of welfare, security, and assistance - such as small interest-free loans, or a free bed and a meal when away from home.

Transferring the survival methods (which represented the social capital to be found in the primary groups social relations) to the cities permitted the survival of fresh rural emigrants. They were poor, but they were not pauperised, nor did they descend to the *Lumpenproletariat*. An important difference between the urban and the rural environment was, of course, that the bulk of the family's sustenance was no longer obtained from the family smallholding, and even working the land became episodic at best. Instead, the unskilled urban poor had to support their family by wage labour and whatever other paid work they could find. The network of the urban poor helped them to find jobs and their reference group gave them all the support it could. Jobs seldom lasted more than a few days, and then, helped by kin and friends, one had to look for a new one. It was not unusual for somebody to hold more than one job concurrently. On occasion people also engaged in short-lived petty trading or other 'independent' shoe-string activities, very often in partnership with other members of their primary reference group. In the course of their jobbing the urban poor usually acquired some rudimentary skill, which slightly improved their job prospects. Once they had picked up a few skills they often abandoned any minor



partnership they might have entered and, even if employment was not lacking, set themselves up as independents (Pizanias 1993: 35-49).

The continual occupational mobility of the urban poor did not conduce to the formation of the attachments that could lead to the development of an occupational or class conscience. By engaging in incessant horizontal mobility in their aspiration to achieve the essentially rural ideal of family-based self-sufficiency, the urban poor did become semi-proletarianised, but managed to avoid utter proletarianisation. It could be argued that migration to the cities was accompanied by transfer and implantation of the rural know-how of family-centred survival – or, in other words, of functionally distinct but structurally undifferentiated relations pertaining to kinship, work, property, affection, and so on, under the inclusive kinship solidarity structure (Pizanias 1993: 169), but in the absence of the rural SCP base.

It may be claimed that the above mentality has been a contributing factor in the proliferation of artisanal concerns. Indeed, even if the desire to survive along the lines Pizanias describes implies so high a degree of occupational mobility that it prevented the formation of occupational and/or class identities among such people, the fact that the inter-war poor and their descendants have by now been city residents for two or three generations must have led to their, at least, partial occupational settlement. Post-war economic growth and development presented them with opportunities for safeguarding their subsistence that some of them, no doubt, took up and so became occupationally settled. Such a development did not contradict the self-sufficiency ideal. On the contrary, it made it easier to achieve in instances where they became artisans: if it did contradict it, as when they became skilled wage-workers, this was offset by the new job security. Therefore, as Greece's economy gradually began to develop, many of the ex-

rural urban poor learned a trade, usually on the job, and once they had mastered the skills attempted to set themselves up independently - a move that fully accorded with their subjective aims and mentality.<sup>6</sup>

One way out of wage-labour, and consonant with the ideals and attitude of the inter-war poor and their descendants, was to become an artisan. (This nicely agrees with the replies given by interviewees when I asked them why they had become artisans - see chapter VIII). Needless to say, a SCP type escape from capitalism would have been unthinkable in countries where the historical trajectory of capitalism was more imposing and forceful than in Greece. To become an artisan meant and means acquiring a kind of personal freedom and is a form of resistance from wage-labour. That artisanship is nevertheless a condition with a strongly social character is attested by the artisan remaining centred on the family unit, as well as by the numerical mass of the artisanate.

### Summary and Conclusion

The above presentation and discussion of studies concerning artisans have identified a number of factors that illuminate the stratum's proliferation. Since frequently the interpretations of the various authors are somewhat biased and not free of error, I shall try to offer a more coherent synthesis of what that literature has to offer.

1. The small commodity producers who emigrated to the Greek cities in the inter-war period and thereafter were much assisted by traditional attitudes and social networks, which effectively shielded the new urban poor from proletarianisation. The mentality and survival techniques which were inculcated into them by their rural forefathers - namely self-sufficiency based on the household as a production and consumption unit, the importance of the family's labour input, and a mutual-aid social network of kinfolk and other persons linked by affec-

tive relations (Pizanias, also Cavounidis) – have acted as ideological supports to would-be artisans and newly independent ones, and provided them with all-important social capital. That tens of thousands of unconnected individuals have taken the same way out of capitalism signifies that there is a structural equivalence between their circumstances and the ideas they carry within them. It shows that they share a similar frame of reference and a similar *habitus* and overall way of life, in other words an analogous form of social organisation. It appears that the common social baggage carried by rural migrants and their descendants is responsible for their uncoordinated but similar response to external challenges. In this sense individuals do appear to be 'bearers of structures' à la L. Althusser, though this is not all they are. It should be remembered, of course, that this mass escape from industrial capitalism occurred in a society where industrialisation was retarded and constrained in particular ways, and where there seemed little willingness to carry the process to its full conclusion.

2. An important economic factor in the artisans' proliferation is that markets have expanded since the 1950s in the context of the country's place in the international division of labour and role in the international system. This context has had a considerable impact on the structure of the national economy and, of course, affected those engaged in it (Moschonas). Market expansion resulted in extensive but not intensive economic growth, hampered chiefly by the fact that technology and innovative products were not developed domestically and had to be imported. Since the market expansion took place within the hot-house conditions of heavy tariff protection, competition was limited. This meant that capitalist units could produce and profit without needing to be as efficient as their counterparts in the advanced countries. Neither was it necessary to undergo continuous modernisation. (The inefficiency of

larger units when compared with small ones is discussed by P. Nikolaou, N. Mouzelis, and A. Lyberaki.) These circumstances allowed the artisanal units to become established and presented them with a whole set of opportunities, so that in relatively peaceful co-existence with capitalist producers they managed to secure low-grade market niches for themselves. To a significant extent, therefore, their resurgence was due to the country's overall economic growth (Moschonas). The context in which this resurgence took place, and the accompanying mechanisation of the artisanal workshops demonstrates that today's Greek artisans are not a remnant of a pre-capitalist past (see chs. IV and V; Lytras 1993).

3. Since there are no strong links between the capitalist and the artisanal sectors, there is no transfer of the capitalist dynamic to the small-commodity producers - for instance of technology (Mouzelis). It is also true that the artisan sector does not greatly compete with the capitalist one; it co-operates with it to some extent, and the two co-exist without much ado. Not only, is the integration between the two sectors weak, it is also extrinsic in that it is effectuated much more by the state's overall intervention in regulating the economy than by capitalist and artisan agents. Their complementarity, therefore, is very *weak*. On the other hand, over the last three decades artisans have not only mechanised their workshops, but are now gradually introducing advanced technological apparatus, all imported. In this sense, it could be said that there is <sup>a</sup>certain complementarity between the indigenous artisanal sector and (foreign) capitalist producers, since the artisans do benefit, albeit via imports, from the technological know-how of international capitalism. This of course is an effect of globalisation, which has put an end to the possibility of perceiving the non-capitalist and capitalist sectors as sealed and separate existing side by side at

nation-state level; in consequence, dualism is not really a useful notion for conceptualising this particular relationship.

4. Some writers have argued that politics has been a major factor in the persistence of the artisanate, due to the numerical importance of its vote. This was the case since the early-post war period, with the large-scale and turbulent dissociation of the labouring strata from the client-patron relations that had traditionally mediated the representation of their interests, and at the same time controlled them politically. The state having to contain this discontent meant that the artisans finally did receive a little attention, but they were not given any spectacular help because, for one thing, they were too close to the insurgent working class to be trusted, and for another they were assumed to perish anyway once industrialism advanced - by contrast the remaining propertied middle strata received the state's heavy assistance. Far from there being any alliance of the state with the artisans, they were merely not much bothered with taxation, inspections, and the like - they were simply left to themselves. The state's practice of non-intervention makes the position about draining the SCP units and transferring their surplus to the capitalist sector difficult to sustain. Equally problematical, because unsubstantiated, is the claim, that the artisans' resurgence was the result of state intervention. In fact, it was not until much later, from the late 1950s and thereafter, that successive governments began to look at the artisanate as a block of votes which, in varying degrees, they wooed by offering tariff protection, special loans, etc. (Moschonas, Lytras). The state's half-hearted intervention has had only a limited impact, however (see Ch. V). During the same period, Greece's association with the EEC and the ensuing more intense competition has to a certain extent mass-mobilised the artisans into demanding greater state assistance to cope with the new threat (Lytras).

This collective action is evidence that artisans are not completely bounded by political clientelism, and that they are not entirely devoid of potential for a perhaps limited, but autonomous participation in politics.

1. According to Moschonas, the process of indigenous capitalist accumulation or development in a semi-peripheral country such as Greece is structured by its articulation with the international (capitalist) system, and crystallises in the country's position in the international division of labour (1986: 27-30).

2. Moschonas considers co-operatives necessary not only for increasing production, but also because, as manifestations of the collectivity, they are an important means for overcoming the individualistic ideology of the petty bourgeoisie. In any case, it is even questionable whether there is such a thing as a distinct petty-bourgeois ideology. For a discussion of the shifting attitudes of this stratum see M. Ossowska (1986).

3. The discussion of the realignment of the petty bourgeoisie's political allegiances and Moschonas' recommendations to PASOK bring up an important factor that has hardly been discussed: that of petty-bourgeois protest (and probably also self-assertion) as an essential aspect of PASOK coming to power (see Papasarantopoulos 1980).

4. The question of business premises pitched petty-bourgeois tenant against petty-bourgeois shop-owner. It was not unusual for a small proprietor to rent the premises where the business was conducted, and to own others which s/he rented out. This confirms that the petty-bourgeois position is one that inherently promotes particularism and individualism.

5. The protests were against government attempts to impose continuous business hours of the nine-to-five type (instead of a day with a long break in the middle). This was an issue that concerned the shop-owners only: the artisans were already keeping these hours. Other objectives at these mobilisations were to cancel increases in taxation, to effect a watering down of the government's incomes policy, and to deal with the various problems that had emerged in connection with Greece's EEC accession (*ibid.*: 229).

6. It has been suggested that the reported relative swiftness in the artisans' response could be an aspect of their proletarian background and to the collectivist affiliations many of them had when they were wage-workers (see Ch. VIII). It is more than probable that their earlier membership of labour unions and similar organisations helped to give them a militant outlook and organisational skills in mass mobilisation which they retained. (For workers to be able to mobilise swiftly so as to

press for a demand is an essential aspect, and often the only way for defending their interests.) A similar point has been made by N. Poulantzas with respect to French artisans (1978: 330).

7. Farming the smallholdings was not sufficient to keep the family going, hence the need to engage periodically in wage labour or other activities for supplementing the basic SCP activity (also see Psychoyios 1986; 1987; 1993).

8. Evidence to support this account is hard to get. But I think that what I have just outlined is indirectly verified in two respects. One is that the poor of the inter-war period and their descendants can no longer be found as Pizanias has described them. Therefore, we may assume that they have taken more permanent jobs, some no doubt in the industrial trades. The second is that since the early 1970's Greece has been flooded by (mainly illegal) emigrants (Cavouriaris *et al.* 1972). Until that time the country was a net exporter of labour power, but since then the situation has been reversed. In more recent years it is the foreign workers who have occupied the lower echelons of the job market, and they now do the work that used to be the 'prerogative' of the indigenous urban poor.



## Part Three: An Empirical Investigation

### CHAPTER VII - ISSUES CONCERNING THE SAMPLE (RESEARCH REPORT 1)

#### Introduction

The present chapter shows the difficulties that were encountered while trying to put together a sample of artisans for interviews, and how they were overcome. It was the absence of correct data on even so elementary a point as how many artisans there are, and the difficulty of obtaining access to them, that largely determined the choices made and the methodology adopted - specially the sampling method actually utilised.

The snow-ball type of sample employed presented its own difficulties. One of these concerns access to the interviewees. Another is its tendency to some particular bias which, if left unchecked, may distort the result. The snow-ball sample always leaves some degree of uncertainty concerning adequacy and reliability, and by extension affects the conclusion of the study and in how far it may be used as the basis for further generalisations. After suggesting a way to largely overcome this drawback, background information is given on the questionnaire and its contents. Finally, the appropriateness of the sample is explored in terms of its adequate reflection of the category of artisans.

#### 1. Preparatory work and early sampling choices

As artisans in Greece have not been the subject of previous social investigations, no material of any kind exists about them. All we have are some very general official census figures, but these refer to ar-

tisans as a statistical category, which is defined as all manufacturing concerns with a work-force of up to 10 persons. Since these statistical artisans include not only artisans proper (simple-commodity producers) but also other types of manufacturers, they are of little use for illuminating the artisan (SCP) - semi-capitalist - capitalist continuum. Any attempt to study artisans, therefore, requires quite basic factual information, which I had to collect myself.

Several trades were initially investigated in the context of a pilot study conducted in Athens between December 1986 and January 1987. This involved 23 open interviews with artisans and small businessmen in carpentry, computers, garments, machining, and printing. It proved extremely useful, and provided information that led to the formulation of certain hypotheses and the rejection of others, allowed the design of a questionnaire, indicated areas for further probing, and clarified the choice of trades to be researched further. Technology as a basis for that choice was ruled out. First, it was discovered that one and the same workshop might employ both advanced and entirely obsolete technologies; second, I realised that beyond obvious differences (between a hammer and a computer, say) I did not have, nor could I fast enough acquire, the knowledge to meaningfully distinguish between technologies.

The selection of trades in terms of growth was partially taken into account. Given, however, that precise evidence about the trajectory of each trade could not be inferred from official statistics or other sources, I was not entirely sure when making my selection whether the trades chosen answered my criteria. In the end two trades - machinists and garment makers - were considered sufficient. Machinists were a well-established branch of artisans which seemed to be declining slowly. The garment makers represented a trade that has been growing rapidly since the early 1970's and is showing signs of stabilisation.

Machinists were selected for being a craft-trade central to industrialisation, and associated with labour-movement militancy (see Hobsbawm 1974d: 359-60). I thought that if there was a trade exhibiting a craft ethic in an environment hostile to indigenous manufacturing, this would be the machinists. It was this aspect that made their study especially interesting. Another reason for their selection was that, as far as I could judge, the technologies they utilise are of various levels of complexity, neither singularly obsolete nor 'high-tech'. This was assumed to indicate a measure of continuity, as well as of change and adaptability. Other interesting features were that machinists are rather numerous, that their industry is gendered, they are exclusively men.

Garment-making was selected because it is a relatively new and growing branch, with a proliferation of small units, some of which appear to prosper. Given the obvious but indirect links to tailoring, I thought I might find evidence of a transition from manual techniques to mechanised skills. Additional attractions of garment-making included reports that it involved large-scale subcontracting networks, and that the trade was open to women.

The two trades were perceived to illustrate a number of key elements, and finally selected because I thought they were largely typical of other artisans in different trades. An extensive and in-depth study of their most important features was hoped to make available factual information and provide a window into the stratum as whole.

For purposes of convenience the study was limited to Athens, my place of residence. In any case the survival and resurgence of artisans in the context of a competitive industrial economy, was beset with greater difficulties in Athens, the most highly developed region of Greece, than in the provincial towns and villages. In consequence, ex-

plaining the artisans' survival and present (favourable) circumstances in the Athens area would largely explain their survival in the rest of the country.

## 2. Indeterminate artisan population

Ideally, I should have established a sampling frame for each of the two trades, and drawn from it a representative sample of one individual artisan per enterprise. Although I did not intend to sample all artisanal units in my two trades, it would certainly have been illuminating to establish their numerical magnitude. This was not possible. It soon became apparent that the real overall population of artisans is not available from official statistics, nor are the relevant numbers for the two trades I decided to study. All I could get from official statistics was a very rough idea about the extent of small units, but little more (see ch. V).

Not only are there no data on the general universe of the category of artisans but it can not even be inferred, however approximately, by comparing official data with data from the various Artisans' Chambers, associations, and other voluntary organisations. The reason for this is that either the latter's rolls are inflated by adding other small manufacturers to the number of artisans proper, or they list only a fraction of the true numbers that Chamber officials admit they know to exist but will not discuss further. Overall, the government statistics and the Chambers data deviate too much to be comparable.<sup>1</sup> For similar reasons, the numerical extent of the two artisan trades I was interested in particularly could not be ascertained either. An idea of the magnitudes we are concerned with is given in Table 7.1 below. The Table illustrates the discrepancy between the figures given by the 1984 census for manufacturing establishments in Greater Athens (figures for the 1-10

employment grade being more pertinent) and those provided by the Chambers, even though some of the incongruities have been ironed out.

Table 7.1

Number of small, and small-medium, Athens manufacturing establishments in Machining and Garment-making in the Greater Athens area; (various sources).

	1984 Census <sup>+</sup> 1-50 employees	1984 Census <sup>+</sup> 1-10 employees	Athens & Piraeus <sup>**</sup> Chambers 1-50 employees
<i>Industry</i>			
Garments	6,158*	5,757*	8,000-8,500
Machining	1,720**	1,555**	3,500

<sup>+</sup> Source: ESYE (1988).

<sup>\*\*</sup> Estimate for 1988 by Chambers' officials.

\* Corresponds to ESYE statistical code 243, but units of codes 2433, 2434, 2437 and 2438 have been excluded.

\*\* Corresponds to ESYE statistical code 36.

Since the Chambers have no up-to-date registers, a selection of enterprises with the correct number of their employees would have been possible only by contacting individual firms. This would have meant an inordinate number of confirmatory trips, an unwarranted increase in expenses, and still would not have covered the unregistered artisans. As a result, it was not possible to draw a truly representative sample, since the numerical extent of machinist and garment artisans is by no means certain.

### 3. Attitudes towards being interviewed

The greatest obstacle, however, and the one that obliged me to abandon the idea of drawing a sample from Chamber sources, representative or otherwise, had to do with the artisans' unwillingness to be in-

interviewed. Already in the pilot research it had become plain that small-business proprietors were not at all willing to talk to strangers claiming an interest in them for the purposes of sociological study. Artisans were very reluctant to be interviewed, and would only submit to it if they were legally obliged to, as in the case of an official census. In fact, my own early attempts during the pilot research to approach random artisans in various trades without prior introductions proved total failures.

Unlike the case of participant observers, when the researcher's engagement in a particular milieu includes access to informal discussions and so conduces to the research, my own situation was much less favourable. It involved acknowledging that I came from the outside, and my long questionnaire only reinforced the artisans' distrustfulness. Their blank refusal to let me interview them, without this having been arranged by an intermediary beforehand, was due, as I learned later, to believing me somehow associated with the Inland Revenue or some other agency that might be pursuing them.

However, once I could be introduced by someone the artisans knew personally and trusted, their attitude was very different. Since my enquiry involved a huge questionnaire, and I would need to occupy the attention of would-be respondents for a considerable period of time, it was absolutely necessary to elicit their positive support for my project. To obtain not only access, but also a degree of energetic participation, had to proceed through go-betweens who introduced me to potential interviewees. These contact-men were mostly artisans themselves whom I had interviewed, and well-known, esteemed and trusted by the prospective interviewees. The type of sample elicited by this approach is, of course, known as a snowball sample.

#### 4. Snowball sample

It was the problems and the overall situation outlined above that largely determined my particular sampling method and sample used. These in turn bear on the representativeness of the particular sample, and on whether the conclusions arrived at may be said to have a wider relevance.

Snowball sampling has been utilised in situations where it is not possible to obtain a representative sample and/or where it is not all that important, since what the researcher is after is to understand a particular situation, sub-culture or meaning-system. Snowball samples have, for example, been used in the context of investigations into drug usage (see the work by E. Goode on multiple drug use, cited in Rose 1982: 193-206). The problem with this type of sampling is that, although the findings may indeed show certain patterns from which conclusion may be reached with reference to the sampled population, the typicality of these patterns and/or conclusions is often disputed. It is objected that because such a method of data-collection does not give consistent and reproducible results, its reliability is questionable, and it cannot be used as the basis of wider generalisations. I would suggest that it is possible to by-pass, or at least reduce, this handicap.

Consider the method employed by D. Bertaux and I. Bertaux in their studies of the French bakers' trade. Seeking to understand why small bakery businesses have persisted, they were looking for information to explain the phenomenon largely in bakers' verbal autobiographies, from which they hoped to identify routines and patterns and extract meaningful relationships. They proceeded to interview individual bakers in general informal discussions centred on a number of key questions. They kept on interviewing different bakers until no qualitatively new data appeared, and no new relationships. Continuing

the interviewing simply brought a further quantitative accumulation of data and relationships already discovered; it confirmed the earlier ones, but did not add to them. After about 30 interviews, the bakers' story was told, at least as far as it could be with the bakers themselves as a source of information. At a certain level of data collection, a point of *saturation of information* was reached, which the researchers saw as proof that emergent relationships indeed exist (see Bertaux and Bertaux 1981a, 1981b, Thanopoulou and Petronoti 1987: 34-37).

My own empirical research was conducted similarly with an eye to reaching the point of information saturation. My guide as to whether the machinist and garment artisans had provided all key information from which patterns and perhaps relationships might be inferred was mere repetition of already received answers. By then, their story would have been told in rough outline. In practical terms, the number of my interviews was not limited to Bertaux's thirty. The research situation was somewhat different, in that my investigation was not limited to artisans in the strict sense. Other categories were also researched for comparative purposes (see below). In order to safeguard the typicality of at least the prime focus of my research, the number of interviews was raised to 50 for each of the two trades, 100 in all.

The person actually interviewed was the proprietor of a small independent manufacturing enterprise, but the analytical unit interpreted was rather the artisanal workshop. With a response rate of roughly 50% the target of 100 interviewees (which was met) required that the initiators of snow-ball leads, who were usually interviewees themselves, had to recommend a considerably larger number of potential interviewees. In the end, about 200 individuals were approached, each of them a full or part-owner of a separate workshop concern. Those who declined usually



gave lack of time as an excuse, but I suspect that their refusal was due rather to the illicit character of much of their activities.

#### 5. Access and go-betweens

Once it was clear to me that my only option was a snow-ball sample, I was faced with a new obstacle: how to find the go-betweens who, as already noted, had to be people whom the potential interviewees knew and, above all, *trusted*.

To find such go-betweens, I asked practically each and every person I knew or met whether s/he was acquainted with any relevant artisans. If the answer was in the affirmative, I requested an introduction. If this was agreed, or when I was given permission to use their name as a reference, (which was the norm), I then telephoned prospective interviewees and attempted to establish a first contact with them.

When the go-betweens themselves called their artisan acquaintances, access was usually granted. By introducing me as the researcher, the go-betweens were in fact guaranteeing for my 'veracity and basic harmlessness' (Rose 1982: 194), i.e. that anonymity and privacy would be observed, and that nothing of what was to be discussed and revealed would be used to the interviewees' detriment. Now a guarantor must be able to back-up his word, or have some authority which renders his/her affirmations plausible. In other words, the go-between had to be someone the potential interviewee respected, or trusted, or for some reason had to comply with.

It appears that the go-betweens themselves saw their role as partly that of a formal guarantor. Most of them, even when they agreed to act on my behalf, were somewhat reluctant to do so; it was apparent that they felt their role to be a burden, that they were averse to committing themselves. This reluctance is most probably the reason that, as

a rule I was given only one and rarely a second name/address by go-betweens who could, had they wished, have provided me with many more. On the credit side, their giving me only one or two names compelled me to find more go-betweens, and this resulted in a more widely spread sample. The go-betweens themselves usually explained their aversion to furnishing me with more names by judging most of their acquaintances as 'unsuitable' for my research.

It is well established, of course, that go-betweens are invariably selective about what they pass on, information control being the source of their authority (Mendras 1991: 99); mine were no exception. In fact, informant selectivity must be acknowledged as a built-in bias of the data-collection method adopted. This bias should be identified and, if possible avoided or at least acknowledged. There was, of course, nothing really unsuitable about the artisans who my go-betweens claimed to be ineligible for interviewing. This was made plain when I pressured some of my acquaintances into nevertheless giving me names of allegedly unsuitable artisans; when they did these artisans proved to be entirely suitable and I had very good interviewing sessions with them. In my particular case the bias the go-between selectivity was creating was that it led to the investigation of artisans they thought more worthwhile, but who actually were not quite as typical as most.

Access became easier once I contacted members of the Athens Union of Machinery Manufacturing Artisans and of an association of garments manufacturers. As indicated earlier, only a fragment of the total number of artisans were members of these organisations, and some of the members were not artisans. Yet through them I readily obtained introductions to small proprietors (of a variety of political persuasions). Also, it became possible for me to draw on their experience and to orient myself in the world of each trade. In the course of the research I interviewed

makers' union, including both the present and the previous chairmen of the machinists' union, and access to many more was obtained through the mediation of association members. Association members are of course more energetic and dynamic than mainstream artisans, either as producers and/or in being actively involved with the collective affairs of their trade. To the extent that a disproportionate number of interviewees were members of associations, my sample must be admitted to be biased towards them. This may, however, be more of a blessing than a negative feature, in the present case, because it provides a better look at the more active and class-conscious elements in the two trades, and into their organisation.<sup>2</sup>

## 6. The questionnaire

A methodological difference between my own empirical research and the Bertaux study was that I did not rely on open-ended discussions in my interviews. I had learnt from the pilot research that, unless controlled in some way, artisans would talk apparently quite uninhibitedly but evade issues of importance. As a result I decided to proceed from a more structured basis, and to aim at more clear-cut responses.

A very large questionnaire with 217 items was drawn up, some of the questions having two or more parts; most questions were closed. It was written and used in Greek after three revisions.

The structure of the questionnaire incorporates biographical material of each person interviewed. The questions were formulated on the basis of material gathered in the pilot research, a review of pertinent literature, and as a result of further study. Also, in the course of actually conducting the interviews some ethnographic note-taking took place.

Questions fall into three groups. First-group questions aim at obtaining basic information about artisans. These are almost exclusively closed questions and revolve around four major themes: (i) background; (ii) preparations and setting up of workshop/becoming an artisan; (iii) internal organisation of the enterprise; (iv) relations of the enterprise/artisan with the outside world.

Second-group questions test hypotheses already formed and/or useful for providing the basis for further hypotheses: They include some of the probing (open) questions.

In the third group are mostly open-ended questions attempting to elicit the artisans' attitudes on a number of issues, especially with respect to their future prospects. A question may have more than one function, of course, and so may be part of more than one group.

All interviews were personally conducted by me. The 50 machinists, all of them men, were interviewed from February to July 1989. The 50 interviewees in garment-making, 26 men and 24 women, were contacted in instalments between February and May 1989, October and December, and March and April 1990.

The actual interviews excluding interruptions lasted from at least one hour to at most three hours and 45 minutes. On average an interview ran for 1 hour 36 minutes, most being indeed around 90 minutes long.

#### 7. Who were the sampled

Among the 100 people interviewed (full or part-owners of separate enterprises) 3 machinists and 13 persons in garment-making appeared, in terms of their number of employees, to be involved in capitalistic concerns. Such entrepreneurs were not initially targeted and were meant to be excluded from interviewing. Some of the go-betweens, however, had suggested them as particularly appropriate, and it was not until the ac-

tual interviewing that their true status became apparent. At that point I decided to go ahead and conclude the interviews, and to evaluate such instances for purposes of comparison; these capitalists were dubbed 'larger employers'.

A second segment consisted of proprietors whose number of employees put them halfway between the artisan and the capitalist. Those in that grey-intermediate position were dubbed 'small employers' following E. O. Wright (see Ch. I) and Scase and Goffee (see Ch. II). The third segment, which formed the bulk of interviewees in both trades examined, were straightforward artisans.

To assess whether members of the three segments identified were indeed artisans, capitalist larger employers, or half-way, their own work role was investigated and the individuals measured against it.<sup>3</sup> A number of additional indices were also taken into consideration, such as the ratio between skilled artisans and unskilled workers in the business.

Skill differentials forming the basic distinction between artisans (who are highly skilled craftsmen) and other workers (as a rule are less skilled or unskilled) were already mentioned in chapter II, with reference to the developed countries. The principle applies for the most part to this particular sample of Athenian artisans, as shown in the next three chapters. A skilled artisan's worth in output is the rough equivalent of at least two, perhaps three unskilled labourers (see relevant points in Ch. I). In accordance with this criterion, a capitalistic organisation and exploitation would come about only when an artisan hires more labour than his own's worth, in the sense that only then can he start exempting himself of manual labour.<sup>4</sup>

The second criterion is partnerships. Partnerships, which are widespread and mostly involve kin, imply some division of labour between

partners so that at least one partner is usually specialised in contacting the outside world; this means that that particular partner's work role is programatically more management-oriented. It was then useful to consider the kind of work other partners performed so as to reach a decision about the type of enterprise they had.<sup>5</sup>

The third index is whether relatives, real and/or fictitious, are working in the business as wage labourers. Where such working relatives exist, to include them among ordinary, non-family workers would give a distorted picture of relations in the workshop. It must be assumed that artisans and their kin-workers form an affectionate primary group, where family and working relations are largely fused and operate on the basis of a familistic ideology. These relations are qualitatively different from those between labour and capital. For instance, in terms of labour relations it may be assumed that such kin workers will side with their hierarchically superior kin against the ordinary wage workers remaining in the enterprise. By extension, in calculations of the worker-artisan ratio they should be counted with their artisan kin and other proprietors, rather than with the remaining work force.

Work role and the three additional, co-determining criteria were considered for each individual interviewed, to ascertain *hōr/h's* position and that of the enterprise. However, these criteria are not exhaustive. They do not, for example, include a consideration of the amounts of capital each entrepreneur possesses, his motivation for becoming independent and his expectations of that state.

The way the sample is structured is portrayed in Table 7.2. As it is indicated there, the artisan segment comprises 68% of the sample, the small employer segment 16%, and the (mostly incipient) capitalist segment 16%. The machinists consisted 82% of artisans, 12% of small employer and 6% of larger employers. In garment-making, artisans account

**Table 7.2**  
Type of Interviewee/Establishment by Enterprise Employment Grade  
 [Key: M: Machinist; G: Garments; T: Total] (N=100)

ENTERPRISE EMPLOYMENT	ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
<b>SIZE</b>	<b>UNITS</b>											
1	5	2	7							5	2	7
2	8	8	16							8	8	16
3	9	7	16							9	7	16
4	2	4	6		1	1				2	5	7
5	6	4	10		1	1				6	5	11
<b>Subtotal</b>	<b>30</b>	<b>25</b>	<b>55</b>		<b>2</b>	<b>2</b>				<b>30</b>	<b>27</b>	<b>57</b>
6	4	1	5		3	3				4	4	8
7	3		3							3		3
8	2		2				1		1	3		3
9		1	1								1	1
10				1	1	2				1	1	2
<b>Subtotal</b>	<b>9</b>	<b>2</b>	<b>11</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>1</b>		<b>1</b>	<b>11</b>	<b>6</b>	<b>17</b>
11	1		1	1		1		1	1	2	1	3
12								1	1	1	1	1
13	1		1		2	2		2	2	1	4	5
14				2	1	3				2	1	3
15							1	2	3	1	2	2
<b>Subtotal</b>	<b>2</b>		<b>2</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>15</b>
16								2	2		2	2
17					1	1		1	1		2	2
18				1		1				1		1
19								3	3		3	3
22				1		1				1		1
<b>Subtotal</b>				<b>2</b>	<b>1</b>	<b>3</b>		<b>6</b>	<b>6</b>	<b>2</b>	<b>7</b>	<b>9</b>
40								1	1		1	1
47								1	1		1	1
54							1		1	1	1	1
<b>Subtotal</b>				<b>1</b>	<b>2</b>	<b>3</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>
<b>Total</b>	<b>41</b>	<b>27</b>	<b>68</b>	<b>6</b>	<b>10</b>	<b>16</b>	<b>3</b>	<b>13</b>	<b>16</b>	<b>50</b>	<b>50</b>	<b>100</b>

to 54%, small employers to 20%, and larger employers to 26%. Whether the different composition of the two samples reflects sampling bias or differences in the organisation of the two trades will be discussed later in the research report. It is clear, however, that the sample(s) show what they were meant to show, and in this sense the internal validity of the sample is sustained.

Another noteworthy feature of the sample is that, in terms of employment grade, a number of areas belong into more than one category. This suggests that the number of employees is not a sufficiently precise criterion for classifying a unit as artisanal, small employer or larger employer. This is all the more true since even a grade as 'safe' as that of 1-5 employees can be impure, let alone that of 6-10, although official Greek statistics consider it as solidly artisanal. On the other hand, artisan's firms may be found in the 11-15 employees bracket, not to mention that in this grade all three categories are represented. The following presentation and analysis of data collected in terms of numbers of employees will, therefore, also take into account the above-mentioned three categories.

### Conclusion

In this chapter I have tried to show how certain external obstacles militated against the selection of a representative sample. These, coupled with the problem of obtaining access to interviewees, led me to adopt the 'snow-ball' method. While snow-ball samples have their limitations, provided that the bias is dealt with, which may be caused by go-betweens steering the enquiry into unwarranted regions, they can actually prove to be very satisfactory. This presupposes, however, that saturation of information must be achieved. On that basis it is then possible to establish how typical the findings are, and to arrive at



valid and meaningful generalisations. Other sampling-related choices have also been reported, along with a brief survey of the questionnaire used. Finally, the sample of owners of small-manufacturing units were individually scrutinised to decide whether their businesses are what they purport to be, namely artisanal. It was established that according to a number of criteria, the bulk of the sampled are indeed artisans, which finding largely establishes the internal validity of the sample. Moreover, two additional segments of roles/positions were identified, so that interviewees (and by extension their small manufacturing businesses) can be designated as small employer and larger employers. This, facilitates the comparative study of artisans according to a number of common parameters that is pursued in the following chapters.

## Notes to Chapter VII

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1. An illustration of this is the number of productive units (establishments) with machinery that the National Statistical Service has classified as artisanal. In 1984 the Greater Athens Area had 49,631 of these, of which 47,836 were considered as productive units, yet only 39,328 (the for our purposes most appropriate figure - see chapter V) employed machinery. By contrast, the semi-state Athens and Piraeus Chambers of Artisans, in which membership is almost compulsory, had a register of approx. 48,000 enterprises, only 29,500 of which were confirmed to be operating.

The numbers on Chamber members come from information supplied by Mr Nicos Baklesis of the Athens Chamber of Artisans (BEA), and Mr Michael Yiagas of the Piraeus Chamber of Artisans (BEP), to both of whom I am indebted. When I interviewed Mr Baklesis, the Chamber was in the process of cleaning up its records of companies registered for tax and legal purposes only. In 1988, the number of artisanal units registered with the Athens Chamber was 37,000, but the daily 24 HORES of 3 November, 1988 reported that only 23,000 of them had paid their annual dues (6,000 drachmas, or the then equivalent of 25 pounds Sterling), and so were of confirmed operation. By another account, however, that of interviewee No 019, an artisan garment-maker and elected member of the BEA's boards of councillors, registered members (firms) numbered about 45,000, of which about 20,000 had paid their dues, of which only 2,000 approx. voted in the elections for councillors. Similarly the registered members of the Piraeus Chamber included 11,044 units (with 15,661 individual members), of which only 6,500 had confirmed their operational existence between 1984 and 1988; the status of the remainder is unknown.

2. Certain key contacts who also acted as go-betweens, who were members of the voluntary machinists' association that is politically controlled by the communists, introduced me only to artisans - members of the association who were of a left-wing political persuasion. When I became aware of this, I asked for names and introductions to artisans of all other trends. Although my main contact expressed his disdain for my wish, he did agree to do so. In this way the left-wing bias was randomised.

3. When a coincidence of the functions of labour and those of capital, which are control relationships, occur this appears as a fusion of work roles in the same person, in our case the artisan. On the other hand, work roles positioned in the one or the other end of the social relations of production, give the capitalist and the wage worker. Work roles therefore express different control relationships, they are determined by them, and accordingly may be utilised as a shorthand for class (in

this context see Scase 1992: 23-6).

Taking then these considerations into account, if an interviewee was occupied exclusively with managerial type of work (function of capital), i.e. was an owner-controller, s/he was considered a capitalist larger employer. If someone was more occupied with managerial work but still laboured manually, then s/he was considered a small employer; predominantly manual labour was considered typical of the artisan.

4. The artisan's transformation into a capitalist is concluded when his work-role is hardly or not<sup>at</sup> all manual any more, the ratio between artisans and workers allows a finely tuned assessment of this shift.

5. I found out that partners had decided among themselves which of them I would interview, and almost always it was the partner who dealt in 'external affairs'. These more management-oriented partners were not, of course, inherently more capitalist than their confreres who were predominantly occupied with the actual work, especially when these divisions of labour were arranged under the kinship ideology.

CHAPTER VIII - MODES OF BECOMING AN INDEPENDENT ARTISAN: EVIDENCE FROM  
EMPIRICAL INVESTIGATION (Research Report 2)

Introduction

The field-work findings on what makes artisans take up their profession are presented and discussed below in five separate sections. The first concerns the interviewees' families' occupational background. The second examines the question in terms of educational background, apprenticeships and work experience, and especially the pre-eminent matter of skills and how they were acquired.

The next section looks at the question of 'how', and considers the impact on artisanship of conditions at the micro-level. Emphasis is given to the interviewees' statements about what information they had about setting up as independents, the necessary financing and how they acquired their customers. Mention is also made of the organisation patterns associated with the starting-up phase.

This is followed by an analysis of the reasons why our interviewees themselves established or joined up with independent workshops. The then available alternatives are examined, as well as the interviewees' own motivation, and what it meant to them to become independent.

The conclusion sets out attempts to identify patterns of the interviewees trajectories.

The reader is reminded that information from interviewees' responses in the present and following chapters are arranged on the basis of the categories: artisan, small employer and larger employer.

1. Social Background: Origins (parents' occupation) and intergenerational mobility

In order to establish the social position of the interviewees it was necessary to acquire some basic information about their background. Information about their parents' occupations then made possible certain comparisons - such as whether they exhibited intergenerational continuity, or change, or a mixture of the two.<sup>1</sup>

The mothers of the respondents (of 82% machinists and 66% in garment-making) were housewives; no diverging pattern is discernible in the answers from different artisanal categories. The mothers of six garment workers were seamstresses or had other jobs in the clothing trade. One occupation and way of life mentioned by a sizeable minority in both trades was that of peasant small-holder; it was probably under-reported because apparently thought too obvious to mention at all, as I later discovered.

The father's occupation is of course more illuminating of a person's background than that of the mother. Emergent patterns on the basis of trade and type of interviewee are set out below.<sup>2</sup> Peasant small-holding was the most frequently mentioned occupation and way of life - amounting to 36% of the responses (see Table 8.1). Next came that of worker (17%) followed by artisan (15%). The category 'other' obtained 13% of the responses, and merchants accounted for 10%. The fathers were rarely clerks, let alone industrialists. Comparing the two trades shows that the fathers of machinists were in descending order, peasant small-holders, artisans and workers. Those employed in the garment trade had fathers who were predominantly peasant small-holders, merchants and businessmen,<sup>3</sup> and workers.

**Table 8.1**  
**Father's Occupation by Type of Interviewee**  
 [Key: M=Machinist, G=Garments, T=Total; N=100]

<i>Father's Occupation</i>	ARTISAN			SM. EMPLOYER			LAR. EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Artisan	8	2	10				2	4	6	10	6	16
Industrialist								3	3		3	3
Clerk	3	2	5					1	1	3	3	6
Merchant	2	3	5		2	2		3	3	2	8	10
Peasant	19	9	28	2	5	7		1	1	21	15	36
Worker	7	6	13	2	2	4				9	8	17
Other	2	5	7	2	1	3	1	1	2	5	7	12
All	41	27	68	6	10	16	3	13	16	50	50	100

When considering the overall class structure of Greece - which since about 1960 has been characterised by an expansion of the middle strata, with approx. 29% of the active population in agriculture and a working class of about 8% (National Statistical Service of Greece 1994) - the working-class origin of my interviewees was almost two times that of the country's average. On the other hand, the numerous new middle-strata professions are under-represented in the sample. Given that a working-class background implies limited resources, the fact that my interviewees could become independent artisans (who, as shown in chapter V are better paid than skilled wage-workers), indicates intergenerational improvement and upward mobility. The same applies to those with a clerk father, despite the fact that in terms of mobility a white-collar background could be taken as functionally equivalent to a free-lance artisan's position - in which case both may be included in the constellation of the middle classes,<sup>4</sup> and an element of intergenerational continuity be noted.

Another important feature of the sample is that while artisans and small employers with a peasant/small-holder background were certainly not raised in affluence, they did come from environments of enterprising small proprietors. If those of peasant origin are put together with those from other entrepreneurial occupations,<sup>5</sup> they will jointly amount to circa 77% of the total.

Of course, if the Marxist view is adopted (according to which land-owning peasants correspond to the rural petite bourgeoisie) then artisans (who are urban petits bourgeois) with peasant origins instantiate the intergenerational continuity of class position: their mobility is lateral only. By contrast, the larger employers in our sample, who came from the middle classes, seem to demonstrate an element of continuity and upward mobility. These two elements may also be characteristics of the intermediate small employers, but the evidence is not clear.

In terms of class origins, therefore, our present-day independent artisans stem from the very poor rural or urban petite bourgeoisie and the working class. Becoming an artisan certainly did not mean downward mobility for any of those sampled when they compared their own position with that of their parents. While many artisans consider themselves to have risen on the stratification ladder, this is not the same as a better position in terms of class.<sup>6</sup> In overall terms, the majority of the independent artisans I sampled exemplified either continuity and consolidation of their class position (since they are occupying positions functionally equivalent to those of their petit bourgeois progenitors)<sup>7</sup>, or a definite improvement and upward mobility.

## 2. Education, Apprenticeships, and Work Experience

It is legitimate, I believe, to assume that those artisans interviewed who were of poor peasant, worker, or marginal urban petit bour-

geois origin and may be referred to collectively as coming from the lower class, developed within the context of their families language codes that were restricted when compared with those of middle, let alone upper-class youngsters (see B. Bernstein 1975). When the lower-class children started school, these restricted codes and more generally their low-class habitus, which functions 'as a matrix of perceptions, appreciations and actions' (P. Bourdieu, quoted in Petmesidou-Tsoulouvi 1984: 57), clashed with the authoritarian school that operates more on the basis of middle and upper-class codes and habitus - a position that has been upheld in Greece as in Western Europe (Frangoudakis 1978). As a result, lower-class children tend to perform rather poorly at school (the class-relatedness of school failure has been demonstrated by authors such as P. Willis, 1977; see also I. Reid, 1986).

Indeed, interviewees with low-class backgrounds acknowledged or implied that they underachieved at school or dropped out. On average the artisans-to-be began working at the age of 14; those of the older group today often started working when they were only 9, 10, or 11 years old. This implies that their prior orientation to work (Watson 1997: 100) was not in any way a matter of choice. They were obliged to work and, since they were minors, there was no question about any kind of contract between themselves and their employers - such considerations existed only in the minds of their adult guardians.

Failure at school and dropping out means that many of them did not progress through what J. Piaget has designated as the 'formal operational stage of cognitive development', which largely unfolds under the impact of formal education during early adolescence (from 11-12 to 15), and entails the acquisition of a capacity to grasp abstract and hypothetical ideas (Piaget and Inhelder 1973: 140-51; Giddens 1990: 73-76). They as a rule continued to think in more concrete terms, which



restricted their ability to master new complex knowledge and pursue alternatives that were at least nominally open to them. Any skills they wished to acquire were learnt while working. On-the-job apprenticeships involve learning by doing empirically by trial and error, and by repetitive application of partial work-tasks; it resulted in what has been termed 'specific traits' (to be discussed shortly). Meanwhile the more general aspect of the work, let alone abstract theory, remained almost entirely beyond them. This process of education/training operated a mechanism of exclusion that effectively channelled interviewees with a lower-class background into manual jobs - in sharp contrast with the education and overall trajectory of those of middle-class origin who later became the larger employers/petty capitalists (see Table 8.3). This indicates a close association between educational-cultural and social reproduction. Before presenting material relating to the would-be artisans' chances, I would like to briefly discuss traits.

### *2.1 On traits*

Traits is a notion taken from psychology. It originally meant 'dispositions', or 'enduring tendencies within the individual to behave in certain ways' (see respectively Hampson 1989; and Krech, Crutchfield and Ballachey 1962: 103-34). The notion has also been used in the context of approaches to dual and segmented labour markets, initially developed on the basis of the U.S. experience.<sup>8</sup> It links ways and types of skill acquisition to labour-market segmentation. In the latter context, traits have been defined as '... behavioural patterns which will be reproduced in response to a given stimulus in a particular type of environment' (Piore 1975: 130), and are differentiated into specific and general.

A *specific trait* is behaviour produced in direct response to a stimulus offered by the environment. It is acquired in a given environment by means of imitation and socialisation. Thus a specific trait acquired in the workplace by the process of on-the-job training, i.e. a productive trait, may be thought of as a *habit*.

*General traits* are sets of rules from which 'behaviour may be derived which enables an individual to deduce from the environment and the stimulus [at hand] what the correct response may be, although the particular combination of circumstances may never have been encountered before' (*ibid.*: 130-31). Traits of this kind are generated either by induction from a series of specific traits, or are taught at various levels of formal education. If, however, general traits are to be retained, they must be reinforced by continuous on-the-job usage. Otherwise they may degenerate again into a set of specific traits.

It appears, therefore, that on-the-job training and formal education respectively seem to be responsible for the distinction between specific and general traits, and concomitantly for the distinction between the lower (semi-skilled, skilled, and part of the salaried ranks) and the upper tiers of primary labour markets (professionals and managers), which also are mobility chains.<sup>9</sup> Workers in the lower tier in a 'seniority district' (lines of progression in blue-collar work found in medium and especially large enterprises) start their career (and mobility) by means of on-the-job training and progress as the job-mobility chains move to the next station. This is closely related to the jobs they have previously held and/or to their pre-employment station, which is influenced decisively by family and class. By contrast, upper-tier managers and professionals are in a position to occupy quite different and geographically dispersed jobs that are not related to the jobs they previously held. This is possible because they operate by

employing an internalised code of behaviour made available by formal education, which involves their obtaining a set of general rules, i.e. general traits. High mobility among them serves the function of applying what they have learnt, and prevents the deterioration of general into specific traits.

Craftsmen, according to Piore, do not fit easily into the two-tier model of the U.S. primary labour market, although their mobility chains do seem to constitute a career ladder. While they would initially be included in the lower-tier segment, the fact that they often become 'supervisors, independent entrepreneurs, designers and innovators' indicates that in terms of job stability, variety and terms of pay they resemble the upper-tier segment. Craft jobs are similar to the jobs of ordinary production workers in that both types of jobs involve the mastering of specific tasks, picked up on the job. In that sense craftworkers and ordinary production-line workers have similar mobility chains, but the former perform a much larger number of specific tasks than the latter. 'As these tasks accumulate, a certain number of craftworkers induce general principles from them' (*ibid.*: 133). It is this, according to Piore, that accounts for the craftsmen's mobility chains resembling those of the upper tier. But craftsmen are also different from managers and professionals in that their basic learning is specific. Even if they have acquired a formal education, it is likely to have accompanied their on-the-job training rather than preceded it, as is the case with occupations associated with upper-tier mobility chains. With respect to my own interviewees, it is clear that while certain independent craftsmen are indeed working from a set of general precepts, most of them will never be able to go beyond exhibiting a range of specific traits, however wide.

The usefulness of the notion of traits is that it allows us to decipher the importance of education and on-the-job training in the formation of particular types of skills/assets which, given the existing matrix of opportunities, orient would-be artisans in the selection of their subsequent paths. It is useful to distinguish traits (specific as well as general) as either technical or associated with administration, management, and commerce (henceforth referred to as administrative). Artisans as wage-workers should accordingly have amassed plenty of specific technical traits that they picked up on the job, obtained some general technical traits by attending low-grade technical classes, and some elementary-level specific administrative traits by observing what others did (e.g. their employers). Today's small employers would have had acquired some low-level general administrative traits, mainly by experience and imitation, as well as technical traits on-the-job and in technical schools. Lastly, the larger employers should be imbued with administrative general traits of the highest order, picked up in the organised enterprises with which they had a family connection, and/or in management training at college. These assumptions were indeed borne out in my sample of interviewees, as well be seen from what follows.

## *2.2 Education*

Formal education, one of the two ways by means of imputing general traits, has been assessed in terms of years of schooling and the types of school attended by the interviewees.

A comparison of the average years of schooling (see Table 8.2) shows that (with the exception of the small employers) machinists attended school about 1.5 years longer than did their colleagues in garment-making. The greater differential in years of school attendance

is close to *two* years, and may be attributed to the traditional attitude towards women.<sup>10</sup> The difference in length of formal schooling between the two trades may also be related to broader differences in their organisation – a point to which we shall return.

**Table 8.2**  
School Attendance (average in years), by Type of Proprietor  
 [Key: M=Machinist, G=Garments, T=Total; N=100]

	ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Y	10	8.1	9.2	10.1	10.1	10.2	15.3	12.7	13.1	10.3	9.7	10
N	41	27	68	6	10	16	3	13	16	50	50	100

Y = Years of school attendance (average).  
 Computations mine; last digits have been rounded off.

The length of formal education quite clearly correlates with type of proprietor, confirming in effect the traits hypothesis. The emergent pattern, the distribution of which conforms to the average, is that the longer someone has been educated the closer s/he approaches the capitalist type. Inversely, the fewer the years of formal education, the closer the resemblance to the artisanal type. The number of years spent in formal education is, of course, a flat criterion which says nothing about the quality of education received and therefore about the levels of traits obtained; it can only be assumed that the longer the schooling, the more the material studied becomes more general, more theoretical, and the more the students become imbued with general traits. Relevant logical inferences may also be made on the basis of the type of schools attended, which will to some extent indicate the qualitative aspect of the education received.<sup>11</sup>

Closer study of Table 8.3, which portrays the types of school the interviewees attended, reveals the existence of several patterns. As clarified in our discussions, most independent artisan and small-employer machinists took technical-school courses related to elementary and basic aspects of machining. Since they were earning their living during the day it was usually evening classes they attended. In other words, formal education exposed them to elementary general technical traits, while practical on-the-job training provided them with specific technical traits and a chance to apply the elementary general technical traits learned at school. These people were trained as skilled workers and craftsmen.

By contrast, there was little technical education in the garment trade. This is in part accounted for by the limited exposure of women to formal education - the over 55% primary education rate is largely due to them. It is also related to the character of the trade itself (often passed on to the apprentices in domestic surroundings), and to the overall state of the industry and the role of women in Greece.

The third pattern is that high-school, college, and university studies were followed mostly by today's capitalist-type of proprietors. This means that interviewees of migrant and worker/<sup>family</sup> background received at best only elementary and/or minimal technical education to equip them for skilled jobs. Relying only on their technical skills/traits, their limited assets, and almost entirely lacking an education in administrative skills, they were obliged to keep to a specific kind of jobs, their greatest ambition being to become independent artisans. On the other hand, those of a more affluent middle-class background received a higher-level education and hence more general precepts, which prepared them for non-manual work careers. In this instance there was no lack of administrative traits/skills to prevent them from becoming petty

capitalists. In consequence, the type of formal education received - which, as we have seen, is basically a matter of social background and class - provides people with differential assets that simply reinforce the pre-existing endowment and life chances.

**Table 8.3**  
Type of School Attended, by Type of Proprietor  
 [Key: M=Machinist, G=Garments, T=Total; N=100]

<u>Type of school</u>	ARTISAN			SMALL EMPLOYER			LAR. EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Primary	5	15	20		4	4				5	19	24
Secondary*	1	4	5		1	1		2	2	1	7	8
Lower technical*	16	2	18	3		3				19	2	21
Professional technicalschool**	13	1	14	3	1	4	1	1	2	17	3	20
High school*	3	3	6		2	2		5	5	3	10	13
Technical college*	3	2	5 <sup>x</sup>		1	1		2	2	3	5	8
University					1	1	2	3	5	2	4	6
Total	41	27	68	6	10	16	3	13	16	50	50	100

\* 3 forms

+ 6 forms

<sup>x</sup> Studies were not concluded (all five)

\*\* 5 and 6 forms

\*\* For two or three years.

### 2.3. Apprenticeships and Work Experience: The importance of skill

Given that the artisans, and to a lesser extent the small employers too, as a rule had no expectations of financial assistance from the families nor the prospect of a family business to inherit, they were forced to rely on whatever assets they could muster themselves. To a very large extent this meant acquiring skills. Skills were their prime asset, the means for obtaining the higher wages that would allow a certain amount of savings, and eventually these savings could be used as the capital to establish a business of their own. Once this was set up,

skills were again the key factor: they safeguarded technical independence and kept down labour costs.

To be of maximum use to the artisan, the skills s/he acquired in the course of apprenticeships and working prior to establishing an independent workshop had to range across a broad spectrum to allow tackling newly encountered work problems successfully (see Piore and Sabel 1984: 115). This way an artisan acquired a good name in the trade and attracted potential clients. If s/he did not have such a comprehensive grasp of skills, the prospective artisan could not expect to survive for long as an independent. Achieving a high level of skills, or in other words a capacity for innovative solution of work problems encountered, meant that craftsmen have moved from accumulating specific technical traits into establishing general technical traits. Of course, the range of skills they possessed also largely determined the particular type of products they could undertake to make as independents. Thus a machinist who set up to make general repairs had to be exceptionally multi-skilled, in contrast to, say, a seamstress who sewed only shirts.

Technical skills were acquired by means of formal teaching and on-the-job apprenticeships. The interviewees acknowledged the contribution of formal education towards skill acquisition, though they did not appraise it positively in its own right. The emphasis in training was specific and practical; formal education was merely complementary to it. Acknowledgement of the role of the parents or relatives in the transmission of skills was also very limited.

The two main sources of acquiring technical skills were, therefore, work and technical school. The machinists overwhelmingly showed a proclivity for combining a longer and higher-level technical schooling with on-the-job training. While the work experience on its own also attracted a sizeable minority of machinists, it was of paramount impor-



tance for skill acquisition in garment manufacture. This agrees with earlier indications that in this area technical skills are mainly picked up on the job.

In practice, apprenticeships lasted considerably less than the traditional seven years (with the partial exception of that of small-employer machinists which did approach that mark). But whatever their length, complaints about them are as old as the notion of apprenticeship itself. The chief objection voiced was that for the most part apprenticeships functioned as a device to pay novices low rates while their masters extracted from them all they could and over an excessively long period, during all of which they were supposedly still learning new skills of the trade.

So what indicated the end of an apprenticeship? There was no specific answer to this, other than that the apprentice should have reached a sufficiently high level of proficiency. In the complete absence of any system bestowing credentials, this level had to be recognised by other qualified craftsmen. If they considered the apprentice as on a par with them, they exerted pressure on the master to confer the new status. In this sense the master artisan, although largely controlling the apprenticeships in his workshop, was restricted by the collective traditions of his craft community.

There is a marked difference in the length of apprenticeships between machinists and the garment trade. As shown in Table 8.4, especially the artisans and small employers in garments reported them to have lasted a far shorter period, *half or even less*, than in machining. This correlates with the already noted tendency of garment proprietors to attend school for a significantly shorter period than did machinists.

As already noted, the apprenticeships and overall work experience of today's larger employers, which usually took place in a family con-

text, was very different from the analogous experience of those of more humble background. While for the former it was primarily a matter of learning the particulars of running an enterprise and the ways of commerce, whatever administrative (specific) traits the latter managed to

**Table 8.4**  
Duration of Apprenticeships (average), by Type of Proprietor  
 [M=Machinist, G=Garments, T=Total; N=100]

	ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Y	4.8	2	3.6	6	3.3	4.6	5	4	4.2	5	2.6	4
N	40	27	67	6	7	13	2	8	10	48	42	90
NA	1		1		3	3	1	5	6	2	8	10
T	41	27	68	6	10	16	3	13	16	50	50	100

Y = Duration of apprenticeships (average) in years

N = Number of responses

NA = No answer

T = Total number of interviewees

Computations mine; last digits have been rounded off.

obtain were limited to what they could pick up by observing the more entrepreneurial members of their family and to their own rather limited formal education. The sum of administrative traits so acquired was entirely insufficient for a successful business career - as is proved by the continual and severe difficulties artisans are facing in the business world today. The situation of today's small employers was somewhat better than that of the artisans, chiefly because they had the benefit of longer schooling. However, since their focus had been particularly on the job technical training, they do not feel at home in the business world. As I shall argue later, *if is* this lack of early socialisation

into specific traits and traits of a general managerial-administrative nature that acts as a block to the expansion of their enterprises. The above would suggest that there is a qualitative difference of emphasis in the meaning and content of their apprenticeships between today's artisans and small employers on the one hand, and larger employers on the other.

Apprenticeships aside, it is overall work practice and the experience gained on the job that allows the accumulation and increasingly thorough mastery of skills. The issue of work experience was raised with those interviewees who had a background of paid work, and three quantitative indices of work experience were formulated. (1), the *number of enterprises* in which the respondents worked for wages is taken to express the variety of different work environments encountered. (2), the *number of years* in paid (non-family) employment is seen as reflecting exposure to work in more autocratic conditions. (3), wage-work in *same-craft jobs* gauges the versatility of the craft-specific skills obtained. It was hypothesised that the higher the values of these indices, the greater would be the preparation their work experience offered interviewees for eventually standing on their own.

Table 8.5, which depicts the values obtained for the above three indices, clearly indicates that both today's independent artisan and small-employer machinists worked for wages in a larger number of enterprises than did those in the garment trade, and for a much longer period - most most of them came from the working class. This skilled labourer's path to proprietorship (and embourgeoisement) is not unique to Athenian artisans, and appears to have parallels in other parts of the world (Piore and Sabel 1984: 293). Garment-trade artisans were employed in fewer enterprises, but for more years than the employer categories in their trade.

Table 8.5

1. Number (average) of Enterprises where Interviewees Worked for Wages (excluding those who had work only in family firms),  
 2. Number (average) of Years in Paid Employment, and  
 3. Continuity of Wage-Work Jobs,  
 by Type of Proprietor  
 [M=Machinist, G=Garments, T=Total; N=100]

	ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
1.	4	2.8	3.6	4.1	2.8	3.2	2	4.7	4.3	4	3.2	3.6
2.	13.7	9.9	12.4	12	8.5	10	6	8.8	8.5	13.3	9.3	11.6
N	37	23	60	6	9	15	1	9	8	44	41	85
FF	4	4	8		1	1	2	4	6	6	9	15
T	41	27	68	6	10	16	3	13	16	50	50	100
3.												
Yes	37	21	58	6	4	10	1	3	4	44	28	72
No		2	2		5	5		6	6		13	13
FF	4	4	8		1	1	2	4	6	6	9	15
T	41	27	68	6	10	16	3	13	16	50	50	100

N = Number of interviewees who responded affirmatively.  
 FF= Interviewees that have worked only in family firms.  
 T = Total number of interviewees  
 Computations mine; last digits have been rounded off.

Artisan and small-employer machinists, along with artisan garment makers, exhibit a solid same-craft work background. Once they became involved in their particular trade they tended to remain there. By contrast, the work experience of most small employers in both trades was not in same-trade jobs. This again directs attention to the fact that work was different for the different proprietors. The one- or two-word descriptions interviewees were asked to give of every job they had held demonstrate that larger employers and small employers in the garment trade did not do manual work in manufacturing, but mostly work related to sales and the administrative running of the enterprise. The dif-

ference between small and larger employers is due to the former's administrative work tasks having been more limited.

It should be noted that artisans and small employers, especially in machining, improved their skill level in each successive job they took. However, a clear step-by-step improvement of skills between two jobs and hence along the job-mobility chain is not always evident, and the skill-level trajectories in some instances actually appear quite erratic. It is when wage-labour careers are taken as a whole that the improvement in skill levels become more clearly defined. Overall, a large range of skills obtained over many years of wage-work in different places - in other words, extensive work experience - is a feature that marks especially the artisans when compared with the other types of proprietor.

The kind of enterprise in which the interviewees were trained is also of importance. It is no accident that artisans in both trades, and roughly to the same extent, reported to have worked for wages more often in small than in medium-sized or large firms. The reverse was reported by the major employers in both trades, with small employers standing between the two.

The numerical prevalence of small firms in the interviewees' work experience is in part explained by how the two industrial branches are structured, i.e. by the fact that in both of them small units greatly outnumber medium or large ones. This does not, however, explain the fact that artisans tend to have a background of working in small units, and larger employers in larger ones. The pattern becomes meaningful when we consider that small-firm proprietors (who, in the absence of evidence to the contrary, may be assumed to be similar to our artisan interviewees) provide a model that a good number of their workers evaluate as positive and so attempt to emulate. It is understandable,

therefore, that the future artisans wanted to work in an environment similar to the one they hoped to establish themselves one day. If close working proximity made it possible for their employers to have them under constant surveillance, the reverse was also true. As the employees observed their artisan-bosses they learned how workshops operated and how the business was organised - they picked up elements of know-how they could later put to good use. I think that the power of the example may also be invoked in the case of the sample's small capitalists.

From the perspective of skill too, small workshops have advantages for workers who aspire to become independent one day. Since they are routinely short of mechanised equipment (see also next chapter), they invite unorthodox and innovative solutions to technical problems. This then encourages the workers to develop a more comprehensive breadth of specific traits (as well as general technical traits), and so equips them with the ability to find solutions to problems encountered for the first time. In other words, it provides them with the technical prerequisites of artisanship, which involve possession of a range of skills (this point is also made by A. Lyberaki 1991: 203-04).

### 3. Starting up as an Independent

#### *3.1 Prerequisites*

No artisan set up independently on the spur of the moment - leaving aside those who joined or were co-opted into a family-owned enterprise, or who bought shares in and joined an already operating business (a rarity). The average time that elapsed between when the decision was taken and the launch of the new enterprise was 12 months for single independent artisans and small employers in machining and five months in the garment trade, and eight months for larger employers in garment making. The starting-up period may be said to extend over another 12 to

18 months after launching the new enterprise, and during this period the survival of the young business remained an open issue.

### 3.1.a Collecting information

To establish a new artisanal workshop requires more than a craftsman's technical skill. The second most vital element is information about issues such as the overall current market situation in one's particular trade, the location where demand is likely to be satisfactory, the availability and cost of the raw materials needed, and the means for financing the venture.

Passing on such information was informal and casual, taking place during working and leisure hours, right from the first days and throughout the interviewees' apprenticeships. The master craftsmen presented the long years of apprenticeship and then working as a paid craftsman as indispensable for their employee one day reaching the socially hallowed goal of becoming an independent artisan. For the apprentices the man who had achieved this goal figured as role models, and their proximity attested to the possibility that the ambition to become independent could indeed be realised. Detailed information circulated all the time, covering virtually all aspects of setting up on one's own. The subject of becoming and remaining independent was a daily discussion issue with other workers on the job and elsewhere, with members of the family or with colleagues who had more or less successfully taken the big leap already. It was an essential aspect of being socialised into the craft - for the machining as well as garment-trade interviewees.

It was startling, therefore, when about 45-50% in both trades answered my question 'Whom did you consult when you were planning to set up independently?' with 'Nobody'. However, most of them explained this by adding: 'I knew all about it already'. Given that the relevant infor-

mation had been steadily supplied over a number of years, this makes sense. The remaining half of the interviewees said they had discussed the issue with family members, of whom some were involved in the family business. About 20% of artisans machinist acknowledged asking the advice of fellow workers, and another 15% spoke to other artisans they knew personally. In other words, would-be-independents surveyed their immediate milieu to obtain a precise picture of their likely prospects.

### 3.1.b The logistics of setting up shop

Having acquired the necessary skills and information, the artisan now had to consider establishing the actual workshop and its legalisation. The latter means establishing a firm, including registration with the tax authorities, issuance of books for accounting, etc., and a licence from the Ministry of Industry. A licence from the fire brigade is also needed. Registration with the appropriate insurance fund (TEBE) and payment of its dues is compulsory, and itself a prerequisite for registering for tax purposes: only then will the licence to operate be issued by the Ministry. This specifies the HP (horse-power) capacity of the machinery that may be installed, and in the area covered by my research has in the last fifteen years required complying with anti-pollution ordinances. Sooner or later a new firm must also register with the Artisans' Chamber (for my sample in Athens or Piraeus).<sup>12</sup>

In some instances, mostly when the workshops was part of an existing residential building, not all the legal stipulations for starting up were observed, even though the sums of money involved were quite small. It was quite usual that initial compliance with the absolutely indispensable requirements was followed by systematic evasion of rules and regulations.



What could not be dodged in the physical establishment of the workshop was the investment of a certain amount of money for paying the rent of the premises, (usually several months in advance), installing a telephone (a long-drawn out affair in Athens), arranging for the supply of cheap industrial electricity, and the purchase of at least a minimum of machinery and hand-tools, which with only two exceptions, all interviewees said they had had in their possession when they were launching their new business. In this context it is noteworthy that, as roughly a third of the respondents in all categories pointed out, many of these pieces of mechanical equipment were second-hand (see Table 8.6). An-

**Table 8.6**  
Mechanised Tools Owned at Setting Up Independently,  
by Type of Proprietor  
 [M=Machinist, G=Garments, T=Total; N=100]

	ARTISAN			SMALL EMPLOYER			LAR. EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Brand-new	16	9	25	1	3	4		7	7	17	19	36
Second-hand	10	12	22	5	5	10	3	2	5	18	19	37
Old and new	15	6	21		2	2		4	4	15	12	27
<b>Total</b>	<b>41</b>	<b>27</b>	<b>68</b>	<b>6</b>	<b>10</b>	<b>16</b>	<b>3</b>	<b>13</b>	<b>16</b>	<b>50</b>	<b>50</b>	<b>100</b>

other third said that theirs were brand new, and the rest possessed both new and second-hand utensils. Paying for raw material could be postponed until the first down-payments from customers had come in. While the necessary start-up capital was not very great, some cash had to be available at the outset. In addition, certain money reserves were needed to carry newly independent artisans through the first period when

regular work was not yet assured. How these funds were procured represents the third key-factor in setting up on one's own.

### 3.1.c Financing the venture

A partial solution lay in the parallel activities of some artisans both before and after the foundation of the new business. A significant segment of artisan machinists (29.2%) and a smaller one in the garment trade (11%) acknowledged that while they were still wage-working they also did some work of their own. These side activities played a significant role in acquiring both customers and a reputation, and later helped to make the new independent enterprise a success. In the early period after launching the new venture a number of artisan machinists (17%) still continued to work for wages, since their new business did not suffice for their sustenance. It was personal labour, therefore, that was the chief element for securing the necessary starting-up funds.

The interviewees were asked to name the means by which they secured the money to purchase their mechanical equipment, which was one of their main costs, of course. The reported sources of finance – in frequencies (more than one option selected) – appear in Table 8.7.

It is worth noting that a good part of the machine-tools purchased by the machinists while setting-up shop, especially brand-new ones, were cheap East European ones. The widely available Bulgarian or Romanian lathes of the 1960s, for instance, were clones of western products. The remaining purchases were usually second-hand and mostly general-purpose machine-tools, often German-made in the late thirties, forties or fifties. They were bought cheaply and on the instalment plan from a state agency (ODYSEE), which had acquired them as part of Germany's war reparations. Equipment of this type was resold a number of times. Both the new and second-hand machine-tools were either automatic and semi-

automatic; no instances were reported of purchases during the starting-up period of CNC (computer numerically controlled) machine-tools. The representatives of the companies concerned or those who resold the equipment accepted payment by bills of exchange. On the other hand, most

**Table 8.7**  
Sources of Financing the Purchase of Mechanical Equipment,  
by Type of Proprietor  
 [M=Machinist, G=Garments]

	ARTISAN		SMALL EMPLOYER		LAR. EMPLOYER
	M	G	M	G	
	%	%	%	%	%
Savings	50	53	50	38	26
Bills of exchange	36	34	41	31	11
Loan	7	6		12	20
Family contribution	4	5	9	19	13
Other	3	2			30
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Computations mine; last digits have been rounded off.

mechanical equipment for setting-up independently in garment production was purchased new or second-hand, and was of various European or Japanese makes. These too were not very advanced technologically, and did not incorporate electronics in their control mechanisms. For the most part they consisted of heavy-duty sewing machines, specialist sewing machines, and cutting equipment. Again, the sellers of brand new or used machine equipment accepted payment by bills of exchange.

Among artisans and small employers, savings were by far the most frequently mentioned source of paying for equipment purchases. This was followed by bills of exchange, a widely available credit facility. However, the pattern for artisans was unlike that of small employers in

that the former did not report receiving any financial assistance from their families. The pattern of the larger employers is markedly different, since taking out bank loans and obtaining financing from 'other' sources prevailed over forms of financing derived from ability to work manually.<sup>13</sup> It may be concluded from the above that purchasing machinery, and by extension setting up an independent business, was arduous for the artisans but not impossible. The availability of credit facilities did, of course, play a very important role. Particularly bills of exchange were indispensable for the establishment of new and independent workshops.

Another factor that kept the overall capital requirements for starting up relatively low was the existence in these two trades of a plethora of small and very small units. Being uniformly ill-equipped and with little constant capital, they effected a low level of entry costs that made starting-up for prospective independent artisans quite feasible.

The small starting-up sums are illustrated in the following two cases. Although as a rule interviewees showed a marked aversion to giving actual figures, two of them did mention the amounts with which they had launched their enterprises, and these were extremely modest. In the first case (machinist artisan No. 225), the interviewee set up with 45,000 drachmas he had inherited from his father and with some bills of exchange. In the second case (machinist No. 235) the four partners who started on their own in 1969 each contributed 40,000 drachmas, and took out one million drachmas in bills of exchange to buy their mechanical equipment.<sup>14</sup>

Finally, the interviewees' initial labour costs were also very limited since, as already noted, newly independent artisans relied heavily upon their own (and family) labour. In summary, therefore,

financing the new venture was made possible by extra work, access to informal credit (bills of exchange), and low start-up costs.

#### 3.1.d The customers

Attracting customers is the fourth key element for setting up a workshop. As already mentioned, when my interviewees set up on their own the country was experiencing a period of economic expansion. But this in itself could not guarantee customers for the new business. Besides, attracting customers was no easy matter for yesterday's wage workers with almost non-existent linkages to the market. For most of them the major approach to customers, and often the only one, was through their former employers. These could help actively, either by placing orders with the new workshop or, when specialties did not overlap, by passing on customers and linking up the new business with various subcontracting networks and the market at large.

Another way for the new independents to acquire a clientele of their own was to try to steal their ex-employers' customers and/or pursue a similar specialisation, which of course meant competing with them. The new entrepreneurs' strong point was their lower price, which went hand in hand with faster work, and especially with longer hours. For their ex-employers and competitors, who invariably were artisans and small employers themselves, that represented a very serious challenge and - at least in some cases when a craftsman had set up a new concern or more rarely left a partnership to become independent - led to all-out war.

Whatever the circumstances, the departure of core workers to set up their own business entailed an element of threat for the old masters, and in some instances put an abrupt end to the personal relationship between artisan and master craftsman. The worker's potential departure

hangs over every small concern, of course, and from this it may be presumed that newly independent artisans exert constant competitive pressure on the established ones; the competition they themselves encounter when starting up comes mainly from their former masters. The ambivalence of the situation is well portrayed in the response of an artisan machinist when asked whether he ever referred any of his customers to newly independent ex-workers of his. 'Yes', he replied, adding that this happened 'after we've come to a brotherly understanding' (No. 224).

The interviews made it clear that in both trades help also came through the widespread networks of subcontracting, which link small producers among themselves as well as to larger producers – even though, as we shall see in the next chapter, my interviewees did not realise the extent of the subcontracting nexus. Subcontracting relations contain an element of patronage – they are not business exchanges simply on the basis of mutuality, but rather business exchanges on the basis of favour and obligation. For example, in return for help from his erstwhile employer, the newly independent artisan will undertake to do work for him, even for very low remuneration. Depending on circumstances, this unequal relationship may extend beyond well the initial period of starting up the independent business. This can happen when the new business has not managed to attract sufficient customers of its own, and/or is actively prevented from doing so by the patron putter-out – (particularly so, as I found out, in the case of women homeworkers in garment-making).

### 3.2 *Organisational patterns*

The transition to independent proprietorship usually took place in one of two organisational contexts, which in many cases overlapped: that of the family, and that of partnerships. Because they involved a pooling

of resources and skills, they facilitated setting up the new venture much more than if a prospective independent went about it all alone. These contexts also provided a more efficient matrix for eventually expanding the firm, given that they allowed elementary divisions of labour among the partners and/or family members.

Out of the hundred respondents, 26 became proprietors by joining existing family firms. As Table 8.8 demonstrates, these were mostly concentrated among garment manufacturers.

**Table 8.8**  
Organisational Context when Starting up, by Type of Proprietor  
[M=Machinist, G=Garments, T=Total; N=100]

	ARTISAN			SMALL EMPLOYER			LAR.EMPLOYER			TOTAL		
	M	G	T	M	G	T	M	G	T	M	G	T
Pre-existing family firms	7	8	15		2	2	2	7	9	9	17	26
<i>Partnerships</i>												
(a)	26	2	28	5	5	10	2	9	11	33	16	49
involving relatives	22	2	24	3	3	6	1	8	9	26	13	39
<i>Sole proprietors</i>												
(b)	15	25	40	1	5	6	1	4	5	17	34	51
<i>Total (a)+(b)</i>	41	27	68	6	10	16	3	13	16	50	50	100
with previous partnership experience	17	11	28	3	6	9	1	7	8	21	24	45

Partnership is the dominant organisational form among machinists of all types - i.e. for 66% of them (63.5% of whom were artisans). It is also widespread among the small as well as larger employers in garment manufacture, but almost absent among that trade's artisans. This may mean that whenever the requirements of starting-up capital are more sub-

stantial, only partnerships are able to pull together the necessary resources. Of all my interviewee artisans wishing to be independent, 41% formed partnerships, of the small employers 62.5%, and of the larger employers 69%.

Most of the partnerships involved two or three persons (in 29 and 14 cases for machining and garment respectively). Four partners were rare (5 cases in all), and there was only one instance of as many as five; no particular patterns were evident with respect to trade or type of proprietors. Mostly the partnerships consisted of relatives, or of a mixture of relatives and former fellow-workers or co-opted ex-employees. In 30 of the 39 cases concerned, the relatives were members of the same nuclear family.

With respect to the organisational ability of the sample it is worth noting that 45% of all interviewees (41% of the artisans, 56% of the small employers, and 50% of the larger employers) had previously participated in other enterprises, as a rule manufacturing the same or similar items. Regardless of the causes of the break-up of the earlier partnership, this will have provided them with a certain practical experience in administration, with specific administrative traits in other words, and in this sense made them somewhat better equipped for their new venture.

Sole proprietors form just over half of the new independents considered here, but are concentrated mostly in garment manufacture (representing 93% of the artisans, 50% of the small employers, and 30% of the larger employers). In machining, sole proprietorships were found in 36.5% of the artisans, and in negligible percentages in the other types of proprietors. Again, it is probably the low start-up costs in garment production that makes single proprietorships more possible. This is particularly the case of women artisans who often started up simply by



taking in put-out work to earn a living; in such cases capital requirements are negligible. By contrast, the much higher capital needs of major concerns in garment production correlate with the predominance of partnerships.

#### 4. Why Independence?

When considering the difficulties skilled craftsmen encounter in setting up and operating their workshops, it becomes understandable why they regard it as an achievement and personal triumph. This brings us to the reasons why artisans become artisans, and what alternatives were at their disposal at the time.

The available alternatives were both limited and not at all promising. The majority of the artisans, and half of the small employers, but very few of the larger employers, thought that they would have had to work for wages had they not become independent. The remainder did not know what else they could have done, and said that due to their lack of education they had had no viable alternative. A mere handful of the interviewees thought that they might have found some kind of commercial position. Evidently, none of these prospects were considered as acceptable alternatives at the time of changing from wage-labour to becoming independent.

The most pervasive reason why both artisans and small employers in *machining* opted for becoming independent was an extrinsic one: namely, to improve on their income (see Table 8.9). Also, it was important for them to know they were able to stand on their own feet. In addition, artisans were impelled towards independence because it would allow them to do creative and innovative work without constant supervision.

In *garment-making* too, a better income was the major consideration why the interviewees had opted for independence. Women artisans also em-

phasised the possibility that independence gave them to care for their dependents. The existence of the pertinent skills, and of a family tradition were also of some significance. To a limited extent small employers were motivated by the prospect of independence because it permitted doing creative work.

**Table 8.9**  
Motives for Becoming Independent, by Type of Proprietor (frequencies)  
 [M=Machinist, G=Garments]

<i>Motives</i>	ARTISAN		SM. EMPLOYER		LARG. EMPLOYER	
	M	G	M	G	M	G
	%	%	%	%	%	%
Financial	41	46	45	50	20	20
Independence from boss	17			13	20	13
Wanting to do creative work	17	4	33	13		20
Had the ability	11	11	22	6		
Family business	4	11		6	40	27
Political persecution	4				20	
Care for dependents		18		6		
Other	6	10		6		20
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Computations mine; last digits have been rounded off.

There is a difference in emphasis between the two trades, which centres on the attitude to the work as such. Machinist craftsmen gave greater importance to the work experience as such than did artisans/small employers in garment production. No such considerations applied to the larger employers, whose motives were different altogether. They were mostly concerned with maintaining their social position by following the course ready laid out for them in the existing family-owned firm.

Overall, it was a variety of factors that made my interviewees reject other options in favour of setting up as independent artisans. The emergent pattern clearly shows that the most persuasive motive con-

cerned the good economic prospects they hoped this would open up. While this was justified up to a point, the artisans' expectations were probably exaggerated, because they had already decided against skilled wage-labour as an alternative. The second motivation was the intrinsic satisfaction felt by employees at the prospect of being freed of the authority of the boss/foreman. Moreover, being one's own master is perceived in Greece as a positive social value, and at least ideologically facilitated attempts at becoming independent. To put their abilities and skills to work creatively and for their own benefit was found to be psychologically fulfilling and as fostering a sense of self-respect. This is also true of the overall improvement in social position that results from artisanal independence, evident in comments such as 'I became the master of my household'. Increased self-respect and social respectability were an intrinsic part of what the interviewees expected from setting up on their own as independents. For the rest, the composite nature of their motives reflects the opportunities that were open to them.

### Summary and Conclusion

As was to be expected, their different backgrounds and circumstances provided my interviewees with different opportunities. These variations expressed themselves in the skills acquired, the education given, and all of this then affected their subsequent job careers. When we consider the personal history and progress of the interviewees, four main patterns emerge that eventually led to the status of independent artisan.

The *first*, comprises persons with a background of rural or newly urban and marginally petits bourgeois families. Coming from a materially disadvantaged environment and not able to profit from the educational

institutions that offered the promise of upward mobility, it was virtually compulsory for most of the interviewees who later became artisans to enter an apprenticeship for some kind of manual work in their early teens. There they picked up a wide range of skills, which in many cases were complemented by courses in low-grade technical schools. At the end of their apprenticeships they continued to work for wages, and with approaching middle age they had to decide about their future. The choice lay between either remaining a skilled worker in a primary labour market, perhaps as a foreman or a core worker in a small enterprise, or setting up independently by using one's technical skills (the chief available asset), and the openings for upward mobility provided by the structure of the economy and the period of economic expansion. Those who opted for independence were mostly the multi-skilled workers who had been employed in small firms and had observed their artisan bosses in action. It was they who were best equipped to perform such a role themselves.

Besides the necessary skill, setting up on their own required relevant information, adequate means of financing the new venture, and being able to attract customers. With respect to information about all aspects of how to become independent, this circulated within the trades, all the time. The relatively modest financial requirements were met by the craftsmen's own savings and by bills of exchange; their families were too poor to give them monetary assistance. The customers, finally, were often passed on by the new independents' former employers or 'stolen' from them.

For this group of interviewees it can be said that by coming to occupy a position functionally equivalent to that of their origins, they effectively maintained their social position. In this way intergenerational continuity is upheld.

The *second* group of artisans consists of the interviewees with a working-class background. In all other respects the observed pattern was identical to the one just described, but their trajectory meant upward intergenerational mobility.

The *third* pattern is gender-specific and only affects women in garment manufacture. Whether by descent or marriage or both, these women were working class or marginally petits bourgeois. Usually they had some experience with skills related to garment-making. Faced with certain difficulties in their family life or other unsettling circumstances, they were obliged to work for wage but had nobody to look after their children while they were out of the house. They had to find flexible work, such as putting-out work, which occasionally meant that the artisan was a semi-proletarian. A variant of this pattern includes women without previous experience in garment-making. These had to pick up the skills from their friends and relatives, who often acted themselves as subcontractors. From a formal perspective, they too come under the description of independent artisans.

In the *fourth* pattern a quite comfortable petty-bourgeois family background was followed by a career in various middling jobs culminating in independent artisanship. Obviously this path is characterised by broad intergenerational continuity. There are two main sub-types, (i) conformist and (ii) more creatively enterprising.

Of these, (i) involved the inheritance of or a share in an artisanal family business. The young person concerned never needed to do wage-work, (but if it did happen it lasted for only a short time). Since an artisanal family firm exists and subsists mostly thanks to the owner's own labour input and his mastery of the craft, artisans of this type in effect tend to adopt traditionalist attitudes; for example, they seem unwilling to organise sustained profit-maximising investments. In

other words, the new artisans simply followed in the footsteps of their predecessors.

Sub-type (ii) entails changing from the family's background in trade and other petty-bourgeois enterprises to the status of independent creative craftsman. In the cases where the skills involved were relatively easy to learn, the choice of the trade was affected by the economic conjuncture - as in the case of some small employers in garment manufacture. Here the petty-enterprise background may have influenced the choice of a course that to some extent was investment-oriented and profit-seeking, but rarely led to full capitalism. The transition usually stopped half-way, because petty-enterprising was tradition-oriented too. By contrast, those who became larger employers and more properly capitalist came from that class themselves, or from well-to-do merchant and other middle-class entrepreneurial backgrounds. Most of them have inherited their businesses. Others obtained a family-financed higher level of education, which taught them administrative and managerial skills useful in their future career.

The transition from employed to independent artisan was made by either single individuals or by several persons, usually close kin, forming partnerships. Both occurred with much the same frequency, but roughly half of the interviewees also had some earlier entrepreneurial experience, usually in the same line of business. The incidence of partnerships correlates with the level of starting-up costs and complexity - the higher these are, the more often independent businesses involve partnerships. So for instance machinists, who have higher start-up costs than do garment-makers, show a much more marked tendency towards partnerships than the latter.

Why did the artisans of our sample decided to become independent? For one thing, for the most part the one main alternative open to them

was to remain in wage-labour. Despite the risk involved, independence did appear to be the best option available and offered a way out from poverty and other unfavourable circumstances. Chief among the more positive motives was the hope of improving their financial position, but generally speaking none of these craftsmen set up his/her little business in the hope of becoming rich, of 'making it big' (though no doubt some may have harboured such dreams). The financial improvement desired was to assure an honest and decent livelihood - where the moral overtone should not be ignored. Other motives besides the more narrowly materialistic ones included the wish to have liberty of action and full control over one's own work. An assertion of personal agency to effect things was also important, no less so than the need to be respected, to be socially recognised as the provider of the family and its dependents.

## Notes to Chapter VIII

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1. Using occupation as the key to an individual's social position raises a number of questions. So for instance, is naming a single occupation an adequate portrayal of individuals who have two or more jobs? In what period in time in the parent's life are we interested, and how do those circumstances compare with their offspring's current position? More broadly, what is so special about occupation as such, and in what way is it a correct indicator of social class, and so on? On the other hand, occupation does give a rough idea of social position, and by extension, perhaps of class. After carefully weighing the pros and the cons, I decided that occupation was a variable worth looking into. (On the relationship between class and occupation see Scase 1992: 3-4, 23-26; also Watson 1997, Ch. 5).

2. The six occupations cited in Table 8.1 are constructed variables

formed by grouping the responses received on this issue. 3. The commercial element in the background of those occupied in the garments trade clearly demonstrates continuity. Prior to the development of this sector in the 1970s, it was the tailors who routinely traded fabrics. To the extent that this activity predominated they were described as merchants. In any case, their Greek appellation was *embororáftes* - merchant-tailors.

4. According to G. Runciman (1990: 380-81), three different but functionally equivalent criteria of economic power characterise all the disparate middle-class strata: control, ownership, and marketability. In the present case, those with white-collar backgrounds drew their economic power from their control function and marketability, which are broadly comparable to the ownership and control to which artisans owe their economic power.

5. The fathers who were artisans, industrialists, merchants, and most of those included in the *other* category, were involved in some form of entrepreneurial activity involving ownership of property and/or the means of production.

6. For example, an artisan with peasant/small-holding background, while having moved upward in status and probably improved his financial stakes, has not changed his class position since he has remained within the petty bourgeoisie. Such shifts within the middle class as a whole often involve conjunctural differences between stations that, however, 'are not consistent differences in the economic power institutionally attaching to their roles as such' (Runciman 1990: 385).



7. Interviewees of artisan stock exemplify continuity. Twelve of them were born and raised in Athens, the remaining four came from other cities – an artisan background is usually an urban background too. These 16 have either remained in the same social class as that of their fathers, or they moved upward to become larger employers.

8. On primary and secondary labour markets and industrial dualism see Doeringer and Piore 1971; Piore 1975; Berger and Piore 1980.

9.

'... the concept of mobility chains represents an attempt to formalise the intuitive notion that socio-economic movement in our society is not random, but tends to occur in more or less regular channels. These channels are such that any given job will tend to draw labour for a limited and distinct number of particular points [stations]. As a result people hold jobs in some regular order or sequence. We shall term such a sequence a mobility chain' (Piore 1975: 128).

10. According to the traditional but dominant perspective, girls and young women need not be well educated, since their main function is to get married, and for this an elementary education is sufficient. My 18 women interviewees or two-thirds of the artisan contingent in the garments industry, accordingly attended school for fewer years than their men counterparts (for only 6.6 years on average, against 8.1 for the men).

11. For an overall discussion of Greek education and a detailed account of technical education in Greece see the work of S. Pasmazoglou (1987), pp. 240-79 in particular.

12. Registration with an Artisans' Chamber may be postponed until a bank loan is needed, an export/import license, or bidding for a state tender, all of which require such membership.

13. A number of interviewees said they took out loans to establish their business: among the artisans 8 machinists and 7 in garment-making; among the small employers 4 in garments; among larger employers 1 machinist and 6 in garments. These are too few to attempt any generalisation, but two things stand out: (i) larger employers took out bank loans much more often than did the other categories; and (ii), the artisans took most of their loans from relatives or friends and less often from banks. This indicates the different opportunities open to the different types of proprietor.

14. From allusions and fleeting comments, and from the general picture of mechanised equipment in the workshops, I received the strong impression that starting-up costs in the garments industry were much lower than in machining.

## CHAPTER IX – ASPECTS OF BEING AN ARTISAN (Research Report 3)

### Introduction

In this chapter the aim is to identify the more typical features and underlying patterns that characterise the state of being an artisan. For this purpose I have drawn on the material collected in the course of my field-work. The first section below scrutinises the circumstances and relationships inside the workshop. The link between the artisan and his workshop is examined by considering my interviewees' closeness to their units as well as ties between the business and the family. Another facet of artisanship is the management of small businesses, which is investigated by looking at partnerships with respect to decision-making and the division of labour. The success or otherwise of the way they were managed is related to the incidence of loan-taking. In section 2 the focus is on production: what is being produced, and how production is organised. Section 3 discusses the issues of work and labour relations, in particular the artisans' own labour-input, how the work is organised in the workshops, the situation of the various categories of workers there, the importance of skill, family and kinship, and the relations between the boss and his employees.

In section 4 the focus shifts to the nexus of relationships that link the artisans and their businesses to the outside world. This involves an examination of the interviewees' relations with agents external to the workshop with whom they engage in economic exchanges – i.e. customers and competitors. Relations with the state bureaucracy, as well as with fellow artisans, are also discussed.

## 1. Inside the workshop

### *1.1 Artisans' involvement*

The first point to be made here is that artisans are absolute rulers in their workshops; they report only to themselves (and their partners, if any). Their work involvement in their enterprises can be assessed in terms of two quantitative indexes: the duration of the artisans' own workday, and the closely related number of shifts they work there.

All my interviewees are busy in their workshops for a good part of their time either at the work-bench, or in outside activities.<sup>1</sup> On average, the business proprietors sampled laboured over 11.3 hours per workday. A quarter of them spent another half to one hour at home on duties such as planning, telephone calls, or paper-work. This uniformly long workday should not, however, obscure the already mentioned significant variation in the content of their work, with the outstanding element being the artisan's personal involvement with the actual work.

The intrinsically different type of work performed by different types of proprietor underlies the number of shifts (one shift is approx. eight hours) during which workshops operate. What could be termed one-and-a-half shifts (roughly 12 hours) was reported by about half the artisans, against a quarter for the small and larger employers. When the reported number of shifts is translated into hours of work, however, the resulting figures deviate considerably from that of the work hours per day reported by the interviewees.

The explanation of this lies in the meaning given to the word 'shift'. The interviewees understood it to refer to the work performed by the unit's labour force as a whole. Artisans running a one-man business did report the extra hours (the half shift) they themselves work as the only workforce. On the other hand, some artisans and the small

employers who employ labour on a regular basis do not normally assign overtime work.<sup>2</sup> If necessary they usually meet their extra labour needs by doing the work themselves,<sup>3</sup> and mentioned only the one regular shift worked by the whole labour force. In other words, the number of shifts has been both over- and under-reported. By way of contrast, the larger employers, whose labour contribution differs from that of the artisans and small employers in that they do not work themselves manually, pointed out that during these extra half-shifts they employed some or all of their workers.

It is evident that the artisan's relationship to his/her workshop is very close. The artisan-worker and the workshop are hard to differentiate, as the confusion over the number of shifts and number of work-hours indicates. This continuous involvement and physical presence in the workshop is a constant element of artisanship. It defines it, and affects all the various facets of the activity of an artisanal business, whether inside or outside the workshop. It is no exaggeration to say that an artisanal enterprise carries the stamp of its master artisan,<sup>4</sup> and it may be said that being an artisan is a distinct way of life.

As was discussed in the previous chapter, the family constitutes the base from which individual members attempt to set up their small business and provides them with all the support it can muster. One form of such support is the frequent participation of kin as partners in artisanal businesses, as well as as workers. This is yet another tie uniting the family and the business, so that, for certain purposes and depending on circumstances, a good number of artisanal units cannot be considered as separate from the families concerned. In matters cardinal for defining distinct entities, such as the existence of distinct economic functions embodied in separate budgets, the two cannot be differentiated.

Indeed, if we take a look at the budgets for the family and the enterprise it becomes apparent that for most of the artisans (53.6% of machinists, 81.5% of garment-makers, 64.7% on average) there is no distinction between them. This of course means that there is no distinct economic function either, and the family and business are so intermixed that they are virtually one and the same. It will be remembered that artisanal units in garment-making are mostly under single proprietors. Here we see that family and business are virtually indistinguishable when the business is owned by a single person or by partners who are junior members of the same family, and so have to comply with the wishes of the senior partner/patriarch. This suggests not only the allocation and distribution of funds being under a single command, but also that the revenues of each of the family members have been pooled.

By comparison small employers and larger employers by 2/3rds have distinct budgets, which indicates a more clear separation between family and firm, despite the close links which may otherwise exist between the two entities.

## 1.2 *Managing the workshop*

### 1.2.a Partnerships and decision-making

Partnerships are quite common in all the units sampled and serve several and varied purposes. They involve the pooling of the small amounts of capital that result from savings, as well as of skills and more broadly of labour power. Partners are usually kin (mostly close kin), with one of them teaching the craft to the other(s). Other partnerships were set up among work-mates pooling their resources, or through the co-option of craftsmen by their bosses. In no instance has a partnership originated from the merger of two or more distinct units, even though this could make good sense economically.

A characteristic feature of partnerships is that in almost all cases the shares are distributed among the partners equally.<sup>5</sup> The origins of this equality – which both prevents strife within the nuclear family and facilitates reproduction in its own image – may lie in the rural inheritance norms that call for roughly equal shares for all close heirs (Daskalopoulou-Kapetanaki 1993: 294). This tradition will have been brought to the cities by the artisans' families of orientation migrating from the countryside. In any case, equal shares accord better with the ethos of independence sought in artisanship. It is not possible here to more than mention this point, which requires and deserves further research.

The fact that the partners' shares in the business are largely equal bears the implication that all will require full participation in decision-making. It can also be responsible for consensus and unanimity in the reaching of decisions. Moreover, equal property rights have contributed to artisans giving their businesses a legal form, which then increases the need for unanimous decisions if the company is to continue as such.

Table 9.1 lists the distribution of the legal forms of the companies in my sample.

The legal forms of companies designated as E.E. and O.E. characterise artisan and small-employer partnerships that empower each partner with equal rights and responsibilities. This means the business cannot but operate on the basis of unanimous decisions, or the company, whether E.E. or O.E., comes to an end.<sup>6</sup> By contrast, E.P.E. and A.E. companies (corresponding to the western Ltd. and S.A.), which in the main concern larger-employer firms, allow the administration to proceed by majority decisions and provides for limited liability. The companies listed as personal are, of course, owned by a single artisan proprietor.

**Table 9.1**  
**Legal Form of Company at Interviewing, by Type of Proprietor**  
 (Key: M=Machinists, G=Garment-makers, T=Total, N=100)

ARTISAN			SMALL EMPLOYER			L. EMPLOYER			TOTAL		
M	G	T	M	G	T	M	G	T	M	G	T

Legal Company

Form

Personal	15	22	37	4	4	8	1	3	4	16	29	45
E. E.*	4		4	1	1	2		1	1	4	2	6
O. E.*	21	3	24	5	4	9		4	4	26	11	37
E. P. E. (Ltd)	1		1	1	1	2		4	4	1	5	6
A. E. (S. A.)				1		1	2	1	3	3	1	4
Undeclared**		2	2								2	2
Total	41	27	68	6	10	16	3	13	16	50	50	100

\* For E.E. and O.E. companies see text below.

\*\* It is illegal not to register a business at all.

The implications of the partners having an equal voice in the administration and overall operation of an artisanal business are far-reaching and pervasive. This was reflected by the extreme cautiousness with which interviewees discussed the decision-making process and the handling of eventual disagreements. Partners are well aware - some from first-hand experience of a previous business failure - that an exacerbation of differences may put a more or less severe strain on the partnership; if this were to result in the dissolution of the business, it would seriously disrupt their means of making a living. In consequence, partnerships are, as a rule, conducted on a basis of cautious diplomacy.

The interviewees invariably pointed out that the way to reach unanimity is to talk things over with their partner(s) in a spirit of good will, in a co-operative and friendly way, building on their mutual trust, and never losing sight of their common aim of improving the position of their business. Conversely, any unilateral move must be avoided

if it might conceivably be interpreted by the partner(s) as threatening. Disputes being systematically avoided, many of the interviewees could describe the spirit prevailing between themselves and their partners as 'harmonious'. They valued flexibility, a willingness to make concessions and compromises, a conciliatory attitude, and a readiness to explore new ways if their desirability could be argued convincingly.

Some of the respondents said that when they disagreed with their partners they would, if possible, defer a decision, leaving the issue to 'mature'. While the threat of break-down of the enterprise is quite sufficient motivation for a peaceful resolution of disputes, in a few cases seniority and/or paternal authority were also mentioned as affecting the handling of disagreements and decisions. Only two of the larger employers spoke of decisions being taken by a majority.

#### 1.2.b Division of labour among partners

What are the criteria for agreeing on a division of labour among partners? Those mentioned by the interviewees included seniority and gender, the pre-existing work-load and the time available for it, inclination and speciality, previous work experience or education/training. Whenever no particular arrangements for task allocation exist, the work exigencies by themselves oblige the partners to follow rudimentary divisions of labour.

As illustrated by Table 9.2, the sample's larger employers allocated tasks among the partners more frequently on the basis of merit than do artisans. This reflects the role that impersonal, achievement-oriented credentials play in determining division of labour in modern capitalist business organisations.

The diverse criteria of task allocation found among artisans do not, however, always facilitate the best profits. They frequently show



(i) the family hierarchy being transferred to the workshop, (ii) an effort to meet the partner's inclinations and preferences (this came out very clearly in the course of the interviews), or (iii) certain people being given priority for non-economic reasons. Since this disregard for profit maximisation is in fact typical of the artisanate, we must try to find the reasons behind such apparently irrational choices.

**Table 9.2**  
Criteria of Task Allocation Among Partners, by Type of Proprietors (N=49)

	ARTISAN		SMALL EMPLOYER		L.EMPLOYER		TOTAL	
	N	%	N	%	N	%	N	%
<u>Criterion</u>								
a. None (no task allocation acknowledged among partners)	2	7.1					2	4
b. Seniority and gender	4	14.3					4	8.1
c. Work-load/time availability	3	10.7					3	6.1
d. Inclination	4	14.3	1	10			5	10.2
e. Specialisation in the field	12	42.8	7	70	9	81.8	28	57.1
f. Exigency of the work	2	7.1	2	20			4	8.1
g. No response	1	3.5			2	18.1	3	6.1
<b>Total</b>	<b>28</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>11</b>	<b>100</b>	<b>49</b>	<b>100</b>

Percentile figures rounded to the nearest digit; computations mine.

It seems to me that although artisans do not actually object to higher profits, their doings are motivated more by other objectives. Priority is given to not rocking the partnership boat, since disruptive conflicts could mean the loss of the business and so of the means of existence.

Artisans who acknowledge the importance of past experience and special skills in sharing out work-tasks with their partners said that task allocations are never rigid. In fact, partners routinely rotate in

their particular manual jobs. Usually it is a question of which of them is available at that moment to deal with any particular matter. As one respondent said of himself and his partner: 'we can do the same things, so work allocation between us largely depends on what we've got to do already' (interview No. 203). This means that specialisation among partners is minimal.

If division of labour is one of the purposes of partnerships in artisanal enterprises, it must also be recognised that it is restricted by the limited extent of the business operations. This is especially evident in workshops not employing outside labour, in which objective limitation and the need to maintain the enterprise reinforce one another.

The impact of the size and its effect on the overall purpose of the enterprise is seen in the case of small employers. These, are more ready than artisans to adopt profit-maximisation criteria when considering divisions of labour with their partners. Today their continued operations and existence generally appears more secure than that of artisanal units or when compared with their own past (all of the small employers sampled in machining and most of those in garment manufacture started their entrepreneurial careers as artisans). It would appear, therefore, that there is a correlation between unit size and reasonably safe prospects, and this in turn determines an important aspect of the internal organisation of the unit, namely how the partners divide the work among themselves.

In two-partner concerns, in which both partners-proprietors are active in the workshop, it is the norm for one partner to be responsible for the more commercial side of the business and for handling relations with the external world; the other then concentrates more on actual production and the day-to-day operation of the workshop. Where there are

more than two partners (in 25 cases, or 50% of all partnerships), the division of labour between them tends to be more detailed, particularly with respect to the administrative and commercial aspects.

### 1.2.c Managerial competence and financing

None of the artisans in either trade who are responsible for managing their small businesses have had any relevant specific training. Such aptitude as they have developed for it was acquired empirically, on-the-job, and a question of trial and error. On the other hand 19% and 44% respectively of the small and larger employers were given some training pertinent to management. As noted earlier, it was particularly in garment-manufacturing that quite a number of small as well as larger employers have a commercial/entrepreneurial background, and can therefore meet the task of business management more effectively.

Although the artisans are noticeably lacking in managerial skills, a sizeable number of them (39% of machinists, 48.1% of garment-makers - an average of 42.6%) summarily dismissed the suggestion that they might need to pick up such skills. Among the small and larger employers, 37.5% refused to acknowledge any such necessity. The reasons given in the two cases differ considerably. The artisans' denial has to do with their lack of dexterity in matters of entrepreneurial flair and skills, which lack they acknowledge only indirectly. In any case, they are clearly daunted by the idea of learning such skills and want to have nothing to do with them. The employer groups, on the other hand, appeared quite content with the managerial skills already at their command, and believe them sufficient to confront whatever issues may arise.

Those who did acknowledge their need for better managerial skills expressed very different attitudes, in accordance with their status as larger employer, artisan, or in-between. Small employers with a managerial function, as well as larger ones suggested positive measures such as self-education, attending relevant seminars, hiring a specialist, or passing the matter on to their children who are expected to pursue the appropriate studies. Artisans, on the contrary, when asked how they intend to acquire these skills, replied by saying 'I don't know' - appearing to be quite satisfied with or at least resigned to their situation remaining as it is. From this I infer that although artisans often say that they look forward to their business expanding, they lack the ability for the required step-by-step planning. It looks as if by growth they simply mean more of the same, which would explain their apparent disregard for the development of the commercial side of their enterprises. Their limited managerial competence is certainly reflected in the way they deal with the financing of their concerns.

New businesses which survived the highly unstable starting-up period, still had and have to confront the issue of financing their ongoing operations. With the exception of a few of the larger-employer firms that have access to banks, the great majority of the enterprises sampled continue to rely on self-financing from the routine returns of the business. However, some of the interviewees did report taking out loans. The main source mentioned for such loans were the banks that advance low-interest 'artisans' loans'; there was rarely any mention of the specialist state organisation for small businesses (EOMMEX) that is empowered to advance guaranteed loans to artisans. Only five cases gave other sources of loans, for four of them it was kin, and for the fifth a money-lender.

The pattern that has emerged is, firstly, that larger employers are taking out loans regularly, small employers and artisans, in that order, do so less often. Artisans usually reported only one loan per workshop business,<sup>7</sup> while larger employers have so far taken out three or more loans each during the existence of their enterprises; the small employers fall in-between.

Secondly, fewer garment-producers take out loans than machinists.

Thirdly, the purposes the loans were applied for were given as follows: to acquire the workshop building, buy raw materials, purchase machinery, and to obtain liquid capital. The first two were only rarely mentioned; it was the other two, acquiring machinery or working capital, that were the usual reasons cited for getting a loan. Most of the artisans used their loans to buy mechanised equipment. This accent on supplementing the productive capacity of their workshops is perfectly consonant with the artisans' overall situation and work orientation. The larger employers took out their numerous loans mostly as working capital, which accords well with their more entrepreneurial orientation.

This leaves the amounts of the loans to be discussed. This is not known in all cases, because not all interviewees were willing to give actual figures. It may be inferred from the various comments they made, however, that the loans were considerably smaller for artisan proprietors than for small employers; those for the larger employers (who are in fact capitalists) being the highest. This also indicates that artisans managing their own businesses have not been very successful in obtaining (the more extensive) bank financing. On the other hand, given the artisans' background, it may be that for them the small number of loans taken out already represent an achievement.

## 2. Features of Production: Type and organisation of output

Machining and garment-making are very broad designations which give only a rough idea about the activities involved. Let us therefore take a closer look at what is actually being manufactured.

The machinists make a variety of goods and perform a range of processing jobs. In terms of the type of their product, the machining units sampled, may be grouped into four categories:

- (a) design and manufacture of dies and moulds (10 units),
- (b) construction of specific machine-tools (22 units),
- (c) general manufacture of machinery and fittings (8 units),
- (d) miscellaneous other constructions, plus accessories, parts, small tools (10 units).

The garment-makers' businesses often produce complete articles, but some specialise in processing particular parts of garments. For instance, sewing-only put-out work dominates 14 units, all of them artisanal except for one small employer. Garment-making can be classified in five categories, namely:

- (a) men's clothing (13 units),
- (b) women's clothing (21 units),
- (c) children's clothing (3 units),
- (d) mixed types of clothing (9 units),
- (e) other miscellaneous clothing (13 units).

The type of product made largely determines how it is produced. Garments are usually made in small batches, but in machining there is greater versatility. There, the products of categories (a), (b), and (c) are what the tradespeople call 'constructions': they are made a bit at a time and then assembled, and the manufacturing processing involves considerable manual skills.<sup>6</sup> Items such as a die, a piece of quarry

machinery, or an accessory part, are manufactured in accordance with the customer's needs, and this implies continual change in terms of design and specifications from one order to the next. When an order is placed for a small number of identical items of machinery the machinists again make them on a one-of-a kind basis, by building up each piece from its components. However, because of their (often outdated) tools and machinery, they are not able to meet exact specifications. Mass-production methods would, of course, solve this problem, but necessitate very major investments as well as large orders, neither of which is available at the level of the individual workshop. Besides, it is almost certain that from a technical and organisational perspective artisanal units could not cope with the organisation of mass production.

Some of the items of the machinists' (d) category can, however, be mass produced - for instance nuts and bolts, gears, various metal accessories, and so on. These products are considered relatively easy to make since they require materials (tin, low-quality steel, aluminium alloys) whose processing by well-established and available technologies is not complex. In fact, the specifications for such products were either set by the original (foreign) producers, so that machinists only have to copy them, or furnished by the customers. This meant that machinists are not required to design them themselves, nor to develop a market for such items. Products of this type usually under-cut imports of similar goods, and only occasionally leave some room for exports too. Since, therefore, the market is available and large enough, and the required technology for standardisation/mass production is not difficult to achieve, the necessary funds have been raised to finance such projects.

Having said this, it should be added that while machinists (particularly artisans) primarily make their products on a one-of-a-kind basis (70%), and secondarily in small-batches (22%), garment-makers

manufacture theirs in small-batches (80%). As might be expected, small and larger employers operate small and somewhat larger production runs.

With respect to the organisation of production, only a few of the larger-employer businesses use mass-production techniques. In these instances a few highly skilled core workers are employed as well as the services of in-house or contracted professionals and a large number of less skilled workers. It is more usual for most small and larger employers, and of some artisan garment-makers too, to produce in stages. This means that up to a certain stage of completion the workers cooperate in processing goods by applying certain divisions of labour among themselves, and are then re-deployed for the next stage, and so on. Broadly speaking, the less skilled workers are directed by craftsmen acting as foremen, and/or by the proprietors themselves; expert professionals are brought in only rarely.

The mass of the machinist artisans, however, who construct their machinery and dies one at a time or in small batches organise production according to each particular item, with the master artisans themselves performing the most complex work. In each case the other workers assist them with less skilled but often more taxing work. If other skilled craftsmen are hired, these duplicate the role of the master artisan, and they too are at the centre of the manufacturing process. Single master artisans without any employees of course undertake the completion of an order all by themselves.

The sources of product designs and specifications are pointers to how the work is organised. On the one hand, about half of the artisan machinist identified themselves as such sources, which suggests continuous transactions from perception and execution, from start to finish. Artisans in both the industries examined here put a premium on customers providing them with designs that become the basis of a large



part of their output; the specifications they work<sup>to</sup> are those generally used in each trade. On the other hand, the larger business units have acknowledged the impact of the market and of established practice in product manufacture, and have become more involved with standardised items and come nearer to mass-production.

### 3. Work and Labour Relations

In this section additional material is presented on the work done by the interviewees themselves and by members of their families, as well as concerning the issue of skill. Non-family workers are also discussed, as are labour relations in the workshops.

#### *3.1 The artisans' own labour input*

At the time of the interviews, the artisans were spending most of their working time in doing manual work. Those in machining said that on average they spent about 65% of their working time in production (including supervisory work), and the remainder in administration and management. The garment-makers work in production for about 73% of their working hours, the other 27% is spent in administration/management. The reason given for the high number of workshop hours was the need to earn ones living and to be thrifty.

With one exception, small employers in both machining and garment-making respectively reported spending roughly 58% and 61% of their time in production, and the remainder in administration/management. Asked why they joined in the production work, half of them said it is to save paying employee wages, and the other half that they need to supervise the wage-workers.

The artisans' actual work - regardless of the size of establishment - shows a high degree of skill and competence. As discussed in

the previous chapter, it was precisely because they commanded a wide range of skills that they succeeded in becoming independent: their command of the technical prerequisites of production in their particular trade allowed them to use their personal skill and work-input to produce new articles or effect repairs.

Artisans working alone necessarily performed both the important and the trivial tasks of production. On the other hand, whenever a small business employs kin or other wage workers, it is the master artisan's prerogative to draw up and work to his/her own designs. It is s/he who undertakes the technically more complex and demanding work, leaving more ordinary processing to the other workers. This superiority expresses itself also with respect to items of newly acquired machinery, especially if they incorporate advanced technologies: they are always operated exclusively by the artisan themselves.

The practice also acts as something of a closure mechanism, of course. By restricting the know-how of complex new skills the artisan-craftsmen perpetuate the respect for their high standing that the workers traditionally accord them (and that helps them build up their authority). In parallel, their managerial activities are often presented as of vital importance, and their own knowledge of them as indispensable for the running of the firm. This inflated image of the managerial function, together with their superior status as craftsmen has, both in their own eyes and in those under their authority, allowed their role as the dominant authority of the business to become ideologically convincing and acceptable (see Antony 1977), and so has legitimised their position in the workshop.

Among the larger employers, half of those in garment-making acknowledge being occupied with production for about 20% of their time. Even so, only a fraction of this time is spent performing the highly skilled

(manual) work of pattern designing, laying out, and cutting the fabrics into variously-sized pieces (which paid workers sew together into diverse garments). Most of this 20% of the time is in fact occupied with supervision of the workers. The remaining four-fifth of their working day is allocated to administrative/ managerial work - which is also the task that keeps the other half of the larger employers in garment-making busy full-time.

### 3.2. *Workshop employees*

#### 3.2.a **General**

At the time of the interviews, among artisans, 10 of the businesses in machining and 2 in garment-making did not employ wage-workers,<sup>9</sup> but most respondents said they employed one or more workers. In 92% of the cases the wage-workers were taken on for an indefinite period once they had passed a short trial period, but each of the three categories of interviewee had their own approach to hiring workers and their own set of criteria.

For the artisans, hiring a worker is more than choosing a pair of capable hands. Of major importance are also personal knowledge and evaluation of the potential worker's character, his skills or attitudes, and the relationship with him/her. This kind of assessment is based either on recommendations from the applicant's workmates, relatives, friends, etc., or on prior knowledge: a personal relationship was reported in 50.6% of all cases. Impersonal means of recruitment such as newspaper advertising (utilised mostly for labour-intensive garment manufacturers seeking unskilled or semi-skilled workers), or the official Manpower Employment Organisation (OAED), are the least popular among the artisans for recruiting personnel. They were reported by only 21.6%, (the other approx. 28% did not hire workers at all). The larger

employers, on the other hand, rely heavily on impersonal means of recruitment (60%), and much less on their colleagues' suggestions (23.3%) or other methods (16.7%). The small employers occupy an intermediate position: particularistic (personal) ways were reported by 44.4%, impersonal ways by 40.7%, other means by 14.8%.

Wage employees work a regular 40-hour week, and in a large number of units (44%) they also do overtime - quite regularly in 13% of the firms, and infrequently in 31%). In the smaller businesses and in garment-making, overtime is more irregular and less frequent than in the larger units and in machining. Among the larger-employer firms the incidence of overtime ranges from 77% in garment-making to 100% in machining, while the respective percentages for the categories of artisans and small employers, are 66.7% and 40% in garments, and 39% and 26% in machine production. This size-linked pattern arose from the fact that in the smaller units, with their limited work-loads and labour requirements, the artisans' own plus any available family labour can, if necessary, be utilise for long hours and at a low cost (as shown later on). This is sufficient to meet the labour-input requirements of artisanal units and reduce the need to employ hired hands part-time or full-time. In the larger establishments the greater scale of operations requires more than the working proprietor's own and his family's labour, and wage workers must be hired on a regular basis.

The situation with respect to paying the hired workers is as follows.<sup>10</sup> As a rule, all the interviewees respondents pay their workers once a week (amounts calculated on a hourly basis). This applies to 90% of artisans in machining, and 93% in garment manufacture, with the respective figures for small employers being 95% and 75.3%, and for larger employers 21.1% and 75.3%. The remainder of the employees receive a monthly salary, and a sprinkling of individuals are paid a commission.

The fact that salaries are paid in only the larger-employer firms related, of course, to the (legal and practical) needs of larger companies for a number of administrative staff and clerks, all of whom traditionally receive salaries. However, some of the production workers in these larger establishments also receive a salary. This unusual procedure is part of a policy aimed at improving labour relations by extending to selected skilled manual workers the monthly salary that signifies more secure employment and enhanced status (indicating that the worker is 'respectable').

In the context of the sample's artisanal workshop, paid labour is classified in terms of either the level of *skill* or *kinship*.

### 3.2.b Skill

For the purposes of this research I initially developed a six-fold scheme distinguishing between craftspeople, the skilled, the semi-skilled, the unskilled, apprentices, and a sixth category of 'others' that included scientific and clerical personnel. Subsequently, however, the first two were collapsed to form the composite category of the skilled, and the next two the unskilled. This became necessary not only in the interests of conciseness, but also because my artisan and small-employer groups always spoke in terms of the time-hallowed tripartite division of apprentice, worker, master/artisan.<sup>11</sup> These are the categories that in the end were adopted in this work.

Before presenting the material on workers' skill, I should also note that the artisans sampled tend to employ a single term for a plurality of major worker categories. So they do not differentiate between unskilled and semi-skilled, but describe both indiscriminately as unskilled. Similarly the skilled and the craftsmen are both routinely described as craftsmen or masters, the terms being interchangeable in

everyday speech. Now obviously the collapsing of distinctions among workers of varying levels of skill is not due to the absence of separate and specific words, because these do exist and are widely known. Neither is it a matter of courtesy or flattery, though sometimes this may play a part. It is rather that collapsing the distinctions has to do with the organisation of work in the two trades, with the artisans' attitudes to their wage-workers' skill level, with power games between the wage-workers and the artisans, and with the social conventions vis-à-vis skilled work.<sup>12</sup>

From the replies obtained in the interviews two sets of pattern emerge for the employed workers' tasks and skill level, which shed some light on the work organisation in such small enterprises. As shown in Table 9.3, in the machining trade the artisanal workshops engage a much higher proportion of skilled workers than do the larger businesses - 70% and 48% - and also take in most of the apprentices. The small employers' workforce was that 37.5% unskilled (and partially skilled). The larger employers also have a contingent of scientific and clerical workers (37% of their workforce), the other two categories hardly at all. These data agree with the kind of goods being made in machining shops. Multi-skilled workers/craftsmen are needed more often in the small shops that concentrate on one-of-a kind or small-batches products and on repairs, that are engaged, in other words, with continually changing specifications and designs. At the same time, these are the best places for workers to develop a large range of skills. The larger units, which produce in bigger batches and have a higher standard of quality and precision requirements, need to have scientific personnel as well as some clerical staff (due to their size). I should mention that in these larger firms the production workers are for the most part semi-skilled but (as I found out) out of courtesy referred to as skilled. In contrast

- for reasons given above - the largely semi-skilled workers in small employer enterprises are considered as unskilled by their master-artisans who directly involved themselves in 'constructions' as well as 'production', and who possess a craft perspective and an experienced opinion about the performance of workers.

**Table 9.3**  
Employees Classified on the Basis of Skill, by Type of Proprietor  
 (Key: M=Machinist, G=Garment-makers, T=Total)

		ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
		M	G	T	M	G	T	M	G	T	M	G	T
<u>Skill level</u>													
(a)	N	67	22	89	34	23	57	34	124	158	135	169	304
	%	69.8	36.0	56.7	47.2	30.3	38.5	48.6	52.5	51.6	56.7	45.3	49.7
(b)	N	11	34	45	27	45	72	8	89	97	46	168	214
	%	11.4	55.7	28.7	37.5	59.2	48.6	11.4	37.7	31.7	19.3	45.0	35.0
(c)	N	18	3	21	8		8	2		2	28	3	31
	%	18.7	4.9	13.4	11.1		5.4	2.8		0.6	11.8	0.8	5.1
(d)	N		2	2	3	8	11	26	23	49	29	33	62
	%		3.3	1.3	4.1	10.5	7.4	37.1	9.7	16.0	12.1	8.8	10.1
T	N	96	61	157	72	76	148	70	236	306	238	373	611
	%	100	100	100	100	100	100	100	100	100	100	100	100

(a) Skilled workers, (b) unskilled, (c) apprentices, (d) other (clerical and scientific personnel)  
 Percentile figures rounded to the nearest digit; computations mine.

In garment-making, the predominant employment pattern is that a smaller percentage of skilled and a larger percentage of unskilled workers are hired in the artisanal and small-employer units than is the case for machining; in the larger-employer units the pattern is

reversed. Also, the two larger types of business hire clerical personnel, and some larger employers firms employ design specialists.

Garment-making still is a labour-intensive operation and for the most part the work consists of following the instructions given. Apart from some expertise in sewing, most workers need not know much else, and this accounts for the high percentage of unskilled or partially skilled employees in this trade. In the smaller units the proprietors themselves often design some of the garments they manufacture and also do the more important work, such as cutting the fabrics, there is no need for the workers to be versatile and/or skilled. On the other hand, in these larger units the special role that in the small ones is reserved for the artisans is taken over by hired skilled personnel (which accounts for their larger number).

Respondents in both industries reported a major shortage of skilled labour. This was especially acute in the artisanal establishments (over 72%), but roughly half of the remaining interviewees also mentioned it. In machining this shortage is general; in garment-making it has more to do with the low wages offered in artisanal businesses and was seasonal. A number of proprietors (about 30% of machinists and 20% of garment-makers) said they take on apprentices as a way of countering this shortage and to safeguard a steady supply of workers. However, this does not solve the shortage; as shown in Table 9.3 the number of apprentices is very small.

### 3.2.c Kinship

Wage-workers may also be classified in terms of kinship ties with their employers. They are either ordinary workers hired from outside, more (three out of four) or less close family relatives, or fictitious kin (godfather, best man - both known as 'coumbari', godson, etc.).



Fictitious kin are not numerous, but their presence in a workshop is often of critical importance because they are usually competent core workers, multi-skilled and frequently craftsmen. They can be depended on to perform a variety of skilled jobs, and do not need direction or supervision in the performance of their work. They frequently enjoy a substantial measure of work autonomy and discretion, and can fully replace the master-artisan if necessary. Their presence in the workshop in fact means doubling the skilled-labour capacity.<sup>13</sup> However, just like the other wage-workers they were subject to orders given by the master-artisans; they were not involved in 'co-exploitation' (Hill 1986:17-18).

Ordinary kin workers are entirely dedicated to the artisan. Their mutual trust has positive consequences for the work input and labour costs of the enterprise. About 66% of the kin-workers are reportedly being paid ordinary wages, just like the other workers, but approx. 24% receive only a small allowance, while the remaining 10% may draw money from the business up to a certain limit. Meanwhile the duration of the kin-workers' day is not limited to the roughly 7.5 hours of the ordinary wage-workers. Instead it was reported to be 8.8 hours in machining, and 9 hours in garment making (fluctuating from max. 9.7 hours in artisanal units to min. 7.9 hours in small-employer businesses). A standard week means 44 hours for kin-workers in machining, and 45 hours in garment-making; for ordinary workers it is only 38.5 hours. In other words, family members work 5.5 hours or 17%, and 6.5 hours or 17.3%, in machine and garment production respectively, longer than ordinary workers, and on average are paid less.

An additional advantage of having kin-workers in an enterprise is that they can help *control* the ordinary workers.<sup>14</sup> Together with the working proprietors (whether artisan or small employer), the kin-workers form an alliance that give precedence to the enterprise over their per-

sonal desiderata of work and remuneration, precisely because they perceive their individual interests as being identical with those of the business and in part compensated by non-material rewards. Since the members of this alliance, which I shall call the 'artisans' block', work next to ordinary wage-employees, they assume an active role in monitoring and controlling them.

The deployment of kin as workers is extensive. The distribution of real and fictitious kin was as follows:

	<u>Machining</u>	<u>Garment-making</u>
artisanal units with kin	48.7%	77.8%
small-employer units with kin	83.3%	60.0%
larger-employer units with kin	0.0%	53.8%

In machining, kin are found especially in small-employer and secondly in artisanal businesses. In the more labour-intensive garment-making they work mostly with the small artisans and less so in the other two types of business. The hiring of kin and the extent of the practice appears to be at odds with the interviewees' answer to the question of whether they preferred hiring relatives to other workers; 78% of them had said *No*. This apparent contradiction was resolved when the respondents explained that by 'relatives' they had understood kin other than members of their immediate household; close family are considered as inherently entitled to be part of the business.<sup>15</sup> This is another indication of the identity between family and small business, which nevertheless has different implications for the business part of the equation depending on the type of enterprise.

As might be expected, the percentage of kin workers is greater in smaller units (see Table 9.4).<sup>16</sup> Their importance becomes self-evident when considering that the artisans' block numerically exceeds the ordinary workers, and makes it feasible to operate the business economically

**Table 9.4**  
Breakdown of the Workforce by Kinship, and Labourer - to - Unit Ratio, in Units with Kin-Workers, by Type of Proprietor

		<i>Breakdown of the Workforce</i>							
		Total work-force in all units	Plain workers in units with kin	Kin in units with kin	Fictitious kin in units with kin	Working proprietors in units with kin	All wage workers in units with kin	Artisans block	Work-force in units with kin
A	M N *	171/41 4.2	43/16 2.7	18/14 1.3	9/9 1.0	35/20 1.7	70/20 3.5	62/20 3.1	105/20 5.2
	G N *	90/27 3.3	24/12 2.0	35/21 1.7	- -	23/21 1.1	59/21 2.8	58/21 2.8	82/21 3.9
SE	M N *	88/6 14.7	41/5 8.2	15/5 3.0	3/2 1.5	12/5 2.4	59/5 11.8	30/5 7.6	71/5 14.2
	G N *	94/10 9.4	36/6 6.0	7/5 1.4	2/2 1.0	8/6 1.3	45/6 7.5	17/6 2.8	53/6 8.8
LE	M N *	77/3 25.7	- -	- -	- -	- -	- -	- -	- -
	G N *	258/13 19.8	106/7 15.1	16/6 2.7	2/1 2.0	11/7 1.6	124/7 17.7	29/7 4.1	135/7 19.3
T	M N *	336/50 6.7	84/21 4.0	33/19 1.7	12/11 1.1	47/25 1.9	129/25 5.2	92/25 3.7	176/25 7.0
	G N *	442/50 8.8	166/25 6.7	58/32 1.8	4/3 1.3	42/34 1.2	228/34 6.7	104/34 3.0	270/24 11.2

NOTE: The line indicated by an asterisk (\*) presents the labourer to unit ratio for each cell.

Figures rounded to the last digit; computations mine.

(Key: A=Artisan, G=Garment-makers, LE=Larger employer, M=Machinist, N=Number of responses by number of units, SE=Small employer, T=Total)

and cope with competition. It may also explain, at least in part, the resilience of small businesses to economic crises. Kin-workers clearly form one of the major assets of an artisanal, or small-employer enterprise. They are mobilised and deployed at will, work hard for long hours, and cost far less than hired workers. Without them a good number of artisans would have gone under. In times of hardship, they redouble their work load and effort, still producing more at significantly lesser cost than do ordinary wage-workers. In this way they offset at least some of the advantages of their larger-employer competitors, who have to meet the costs of overtime or new investments. Another important aspect of kin-workers is that even if though their level of technical dexterity might be lower than of ordinary workers, their moral incentives is such that it prompts them to unstinted hard labour to keep an ailing business going. It is also frequently thanks to them that artisans can expand to become small employers.

This situation certainly shows that the close connection between the household and business in SCP is not limited to family support at the time an artisan sets up independently, or to a logistical and/or notional identity between the two. It continues with the vital role played by family labour in the survival from the 'simple reproduction squeeze',<sup>17</sup> and the furtherance of SCP. It would also seem to involve what S. Cook has called 'endofamilial accumulation' (1976, 1981, 1984a, 1984b), i.e. the process of conversion of unpaid family labour into capital which up to a point helps small businesses to survive and even expand (see below, this chapter).<sup>18</sup>

### *3.3 Labour control and labour relations*

The high ratio of members of the artisans' block to ordinary wage-workers given in Table 9.4 implies that the latter are under an

enhanced form of 'simple' control, i.e. the direct personal power and authority of the employer over the employees (Edwards 1979: 25). The similar numerical strength of the two sides allows the artisan-block members engaged in production to work side by side with ordinary workers. Whether or not they act as taskmasters (which would depend on their own level of skill), the arrangement certainly lets them keep a watchful eye on ordinary workers. The mere presence at the next work-bench of kin-workers who identify with the proprietors rather than the ordinary employees will have its effect. It will also disrupt any attempt by workers to assert their interests collectively, and render any expression of their dissatisfaction and dissent practically impossible. The 'direct, arbitrary and personal' (*ibid.*: 34-36) features of this enhanced simple control can be reduced whenever the artisan or another skilled kin-worker (real or fictitious) is the taskmaster, because in such cases it is the implicit criteria of workmanship and craft that are observed and regulate the tempo of the work. Otherwise there will be little restraint of arbitrariness. In addition, an element of 'technical control' inherent in the use of machines also plays a part to regulate working.

In the larger employer firms, which have a higher ratio of ordinary wage-workers to members of the proprietors' families, there is less personal supervision of the workers. Besides, the artisan-specific rationale for a close control of workers - to prevent any attempt by a skilled worker contemplating to become independent from luring away clients and/or to steal 'trade secrets' - makes little sense in the larger enterprise. The larger firms are using more technical and bureaucratic types of control today, but the increasing reliance on foremen and technical devices notwithstanding, most of the larger employers sampled still personally exercise a measure of simple control

over their workers and continue their paternalistic approach towards them.

### 3.3.a Allocating work

In the artisanal enterprises units, workers are assigned their tasks on the basis of their speciality and/or the existing workload, which determine the order in which the jobs are done, as well as on the basis of worker availability. It should be kept in mind that wage-workers in artisanal units are often multi-skilled, which explains the rather *ad hoc* work-allocation in obedience only to the imperatives of market demand. With job allocation always premised on the worker being able to perform the job, whatever that might be, the process is less erratic than it would appear. The larger employers allocate work-tasks on the basis of a worker's (single)-skill speciality, and/or according to a daily/weekly work plan; they also rely on the judgement of foremen. The small employers' criteria are similar to those of artisans.

Having said that, I want to add that virtually all the small producers sampled, but especially the artisans, show *functional flexibility* in their enterprises. This is to say that the tendency for artisanal units to employ multi-skilled workers means that these can be put to a variety of jobs, with the deployment of multi-task workers helping to compress costs. All of the small producers have achieved a *numerical flexibility*, employing only the exact number of workers required at any time - the 'accordion' principle. Well before these terms were coined or became fashionable in the post-Fordist discourse (Piore and Sabel 1984, Brown 1992: 224-27) the corresponding practices (flexibility and those related to family labour) contributed to the artisan's adaptability and survival. An adverse aspect of this situation

is that, with the erosion of guild-type paternalism, small units employing non-unionised wage-labourers, can easily become sweatshops.

### 3.3.b Mediation, problems, social dealings

Three additional aspects of labour relations in small businesses are discussed in this section. The first is whether the sampled employers intervene in disputes among their employees, the second investigates the type of problems that tend to arise between them and the employees, the third looks at non-work relations between the two parties by examining three variables: whether employers meet socially with their employees, whether they lunch with them (commensalism), and whether they allow them the use of the workshop machinery for their own purposes.

Just over 60% of all proprietors said they do intervene in the disputes among the hired workers in their enterprise. The reasons they gave for such intervention suggests that their main objective is to avert more violent clashes. They want to give tempers a chance to cool down, and to find some compromise solution to help bridge any differences between their employees. In all cases the proprietors were less motivated by a paternalistic attitude towards the workers than by a practical concern to restore peace and productivity in the workshop. Be that as it may, such 'neutral' mediation, with the proprietors in the role of the arbiter, only enhances the paternalism.

Aside from disputes among the workers, problems also arise of course between the proprietors and their workers. These are financial, related to the work and/or more technical, personal, etc. Their rate of incidence varies from one type of business to the next. Most of the artisanal proprietors in machining, and a good number of those in garment-manufacture reported that there are no problems worth speaking of between them and their employees. This could mean either that they

have managed to completely dominate their workshop, or that pressure from the skilled workers has forced them to adopt a fraternal approach. Both interpretations are in fact found in the pertinent responses.

Many of the owners of the two smaller categories of enterprise in both trades reported that they do come up against what they call technical or more broadly work-related problems. What they actually mean is not technical issues as such, but rather difficulties stemming from the fact that their workers have undergone the same kind of training as they themselves and are often their equals in skill. Such workers will hold quite definite views on how best to proceed in their work, and so of course do their artisan bosses. The so-called technical problems, therefore, and for that matter those of a more avowedly personal nature, stem from the difficulty the proprietors have in distancing themselves from their craft brethren and/or erstwhile work-mates and imposing their own views on them.

At the same time none of those proprietors feels comfortable with his/her employer status and in dealing with the employees admitted that they find it hard to assert their prerogatives, given the common social background they share with the wage-workers. Also, they are hampered by the absence of any clear superiority on their part in terms of work skills, which would provide some justification for a hierarchical order in the workshop; this would be much easier if most of the workers were unskilled, but usually this is not the case. (Scase and Goffee, who observed the same difficulty in a situation structurally similar to the one under scrutiny, suggested that a way out of this was for the employers to adopt a fraternal attitude towards their workers.)

The larger employers too meet problems vis-à-vis their workforce, but in their case the issue is more straightforwardly how to increase productivity. They feel no qualms about asserting their authority.



Concerning social relations outside work between employers and employees, these do indeed exist in the artisanal and small-employer establishments of both trades, who unlike larger employers often reported having lunch with their employees. In view of the symbolic significance of commensalism uniting those involved and the intimacy this fosters this information indicates that relations between especially the artisans and then the smaller employers and employees are not only close but also warm and friendly. This is borne out by the social occasions that bring the two parties together. Many owners of the smaller businesses visit their workers at home and vice versa, or they go on private outings together; the larger employers rarely meet with their workers socially, if at all, and then only formally.

Another friendly gesture over and above the requirements of ordinary labour relations is employers granting their workers the gratis use of the workshop machinery for their own purposes. Since this implies a job on the side, it is an indirect permission for the worker to earn some extra money - which puts them under some obligation to their employer, of course. It is again with artisanal and small employers that this practice is mostly developed. Since in all three instances of non-work relationships it is the employers rather than the employees who take the initiative, this is further proof of fraternal/paternal benevolence in the conduct of artisan employers.

#### 4. Relations with the World Outside the Small Business

In this section the relations are examined that the interviewees regularly entertain with the outside world. The first area of focus is purely economic, looking at customers and competitors and the strategies vis-à-vis both. A second area of focus concerns relations between the respondents and state agencies and state-dominated apparatuses, and

their attitudes about them. A last subsection briefly touches on the relations of artisans among each other.

#### 4.1 Customers

In all types of business units and in both trades (although less so in machining than in garment-making at a ratio of 62% to 88%), the bulk of customers are specific individuals and/or companies known to the respondents personally. This is no doubt related to the fact that for the most part the enterprises sampled do not retail their products to impersonal markets. They have no separate show-room and/or retailing shop to display the goods produced, a few of the larger firms in garment-making excepted.<sup>19</sup> If products are on show at all, it is so that prospective customers can look at them while they are being produced in the workshop, and/or installed in other clients' establishments. For the most part, goods are disposed of wholesale on the basis of orders placed, or the work done is subcontracted.

**Table 9.5**  
Market Product Appeal, by Type of Proprietor (in per cent)  
(Key: M=Machinist, G=Garment-makers)

	ARTISAN		SMALL EMPLOYER		LARGER EMPLOYER	
	M	G	M	G	M	G
Greater Athens	75.0	72.0	53.0	48.0	33.3	44.8
Rest of Greece	24.0	28.0	40.8	45.8	43.3	39.5
Abroad	1.0		6.2	6.2	23.3	15.6
Total	100	100	100	100	100	100

Percentile figures rounded to the nearest digit; computations mine.

Generally speaking, the products manufactured by the interviewees are destined for their local market.<sup>20</sup> The artisanal enterprises particularly address themselves to their own local markets, while the larger employers at the other end of the range do so to a markedly lesser extent and instead concentrate more on the national market. Just a few of the small employers, and more so the larger companies destine their products for the international market, as shown in Table 9.5, above.

Responses received to the question 'Who are your customers?' are presented in Table 9.6. They indicate that the size of customer firms are industry-specific, with the market differing considerably between the two trades.

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**Table 9.6**  
Size of Customer Firms, by Type of Proprietor  
 (in per cent; more than one response given)  
 (Key: M=Machinist, G=Garment-makers)

	ARTISAN		SMALL EMPLOYER		LARGER EMPLOYER	
	M	G	M	G	M	G
Large	65.9	7.4	83.3	20.0	100.0	61.5
Medium	63.4	33.3	83.3	80.0	66.7	46.2
Small	90.2	85.2	50.0	70.0		53.8

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Percentile figures rounded to the nearest digit; computations mine.

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The data in Table 9.6 indicate that in machining, producers of different types (and sizes) had firms of all sizes as customers. In the present context this may show that the artisanal units are to a certain extent integrated with the rest of that industry, which contrasts with the situation in garment-manufacturing in terms of type of producer and

size of customer. This is the more remarkable in that customers in machining come largely from outside the industrial branch, while in garment-making they belong to it. The higher concentration of smaller customers among the clientele of machining artisans, and the inverse tendency observed for the other types of producer, calls for an explanation.

As shown earlier, the smaller machinists specialise in the lower-profit, labour-intensive, production and/or repairs of one-off jobs; less often they produce in small batches. This would suggest that while the integration of the artisanal and other small employers with the manufacturing industry as a whole is real, it is only peripheral: their role is limited in meeting the demand for jobbing goods and services.<sup>21</sup>

Among garment-makers, the segregation of producers and customers according to size seems to be related to the structure of this industry, and to the fact that divisions of labour between firms within this particular industrial branch are more developed. Again, of course, the artisanal firms have a subsidiary role, that of the labour-intensive putter-out, condemned to have larger same-trade units as their sole customers.<sup>22</sup> The latter also often act as wholesalers and/or retailers.<sup>23</sup>

Differences in the market situation of the two trades as well as between the various types of business underlie the ways in which my respondents secure their customers. On the one hand, the artisan machinists pointed out almost unanimously (92.7%) that their good reputation in the market is crucial for attracting customers, and spoke of customers well satisfied with the quality of their workmanship. They also noted (48.8%) that friends and acquaintances can be useful for mediating customers, but low price was not in itself considered of major importance (it was mentioned by only 19.5%). Finding customers appears

to be less a matter of price, but of being known as a good craftsman. Same-trade small employers and larger employers said they use similar ways for attracting customers, but for over 50% of them advertising plays an additional and very important role.

Far more garment-making artisans emphasised the importance of low price (51.8%), and delivery on time was the second most often mentioned factor (37.0%). Reputation in the market and the mediation of friends or acquaintances were mentioned by less than a third of respondents (29.6%). This permits the inference that, in contrast to the situation in machining, skilled wage-work is not in great demand among the artisanal businesses in garment-making. In fact, the emphasis on low price would suggest that even the smallest of units may be sweatshops at least some of the time.<sup>24</sup> Small employers and very much so larger employers, on the other hand, do depend on their name in the market, on advertisements and fashion-shows, on sales representatives, and on 'sampling' in order to find their customers. In other words, they rely on methods that are more 'bureaucratic' and more suitable for addressing a larger clientele.

#### 4.2 *Competition*

All three interviewee categories considered as competitors chiefly establishments of a size similar to their own, as shown in Table 9.7 (A). The pattern, like that for customers, was the same in both trades.

The way the various respondents deal with the subject of competition has not emerged very clearly (with one exception). The machinists, especially the smallest among them (see Table 9.7 (B)), emphasise the importance of 'quality' (read skill). Most of the garment-makers, in view of the large market for their goods, but also the multitude of producers, opt for lower prices to make themselves competitive. An ex-

ception are a few larger employers who have taken the initiative by specialising in new models.

The majority of the interviewees consider their usual ways of dealing with competition effective, but round 40% of the artisans, 18.7% of the small and 62.5% of the larger employers acknowledged that they are not. Asked what they intended to do about it, some gave specific remedies, quite a number of artisans/small employers in both trades flatly stated they do not know what to do, and others made vague references to the need for more up-to-date machinery and said the state should intervene to change the situation; they disavow all responsibility of their own.<sup>25</sup> It was quite obvious that the interviewees have no intentions of upgrading their businesses themselves.<sup>26</sup> They seem to

**Table 9.7**  
Respondents' Identification of Competitors (A), and  
How they Deal with Competition (B), by Type of Proprietor  
 in per cent; more than one answer given  
 (Key: M=Machinist, G=Garment-makers)

	ARTISAN		SM. EMPLOYER		L. EMPLOYER	
	M	G	M	G	M	G
(A)						
Artisanal units (1-9 workers)	82.9	77.8	83.3	80.0	33.3	24.3
Medium-sized units(10-49 workers)	24.4	33.3	16.7	60.0		39.2
Large enterprises (50+ workers)	7.3	3.7	33.4	10.0	33.3	15.4
Foreign competition	31.7	7.4	66.7	40.0	66.7	53.8
No competition	12.2	7.4				
(B)						
Improving on quality	80.5	55.6	50.0	70.0	66.7	61.5
Punctual delivery	46.3	37.0	66.7	50.0	33.3	46.1
Price	46.3	70.3	83.3	80.0	33.3	69.2
Specialisation & new lines/goods	22.0	14.8	50.0	40.0	66.7	84.6

Percentile figures rounded to the nearest digit; computations mine.

consider this to be the job of the state, or at least expect state financing and overall active support. While the larger employers too tie the future of their businesses to external factors, they at the same time expressed positive ideas about what they themselves might do and what alternatives are open to them. So for instance it was suggested to hire expert advice, to study business administration, or to improve their organisational skills by attending relevant seminars, etc.

#### 4.3 *State agencies*

Artisanal and other small producers in the overall group of small and medium enterprises are frequently referred to in the literature as agents of the informal economy (Tanzi 1982; Gaertner and Wenig 1985; Alessandrini and Dallago 1987). In my own research too I came up against evidence that there is quite extensive recourse to informal practices.<sup>27</sup>

One case in point is putting-out agreements. These are in most of the cases and most of the time oral, i.e. informal, which implies substantial under-reporting of revenue and rampant tax evasion; only 7 respondents said that their putting-out contracts are always in writing. Furthermore, and despite what interviewees said, it appears a good number of the units (in garment-making) taking in put-out work are not registered at all. Another instance of informal practices that came to my attention concerns the systematic avoidance by the employers of the compulsory contribution to the workers insurance fund (IKA). The way this is done is by false declaration of the number of workers in their shops (which also helps with tax evasion).<sup>28</sup> In fact, the 'benefit' of this practice is three-fold. In addition to reducing insurance payments it often means that the wages paid are below the basic minimum prescribed by law, especially where foreign (usually illegal) workers, are concerned. Lastly, these declarations can be used to 'prove' that

the enterprise has much less work than it actually does, and that will reduce its tax burden.

Illegal employment and non-compliance with the minimum wage rate goes hand in hand with the workshop buildings being unsuitable, with exits blocked, with hazardous machinery, and a complete lack of any kind of safety equipment, to mention these violations only. State agencies (such as the inspectorate of labour) periodically inspect most of the larger businesses, as the interviewees told me, but failed to make an appearance in 72% of artisan units. Safety inspections by agencies such as the fire brigade are unheard of. Evidently, the official agencies get out of performing their duties whenever they can, and where they do do them, they do not check that their recommendations have been followed, and take no serious action against repeated violators of the law.

Then, take the case of bids for state and local authority tenders. Several of the larger and a handful of artisanal firms said that they had managed to obtain some of them (all in all about 19%, of whom 10%, or roughly a quarter of the stratum's total, were machinist artisans). At the formal level their firms were properly qualified for the work and made the lowest bid. But those who got them, as well as those who did not, were unanimous in denouncing the arrangement for the tenders as dishonest. Not a few of them pointed out that there are certain cliques to which one must belong to have a chance of being awarded a tender, and that kickbacks to officials are the order of the day and an absolute prerequisite. To be sure, no concrete evidence of any of this was produced, but the information given was very consistent, so that I think that in at least part of the allegations may be taken to be true.

Extensive collusion was said to exist also on the matter of taking out loans from the largely state-controlled banks and the specialist state organisation for small and medium manufacturers (EOMMEX). The al-



legations were similar to those noted above. While certain interviewees may well have exaggerated when explaining their failure to obtain a loan, the overall pattern of information is again too consistent to be disregarded. What is certain is that the officials concerned know perfectly well (but do nothing to stop the practice) that small producers regularly take out an 'artisan's loan' (which carries lower, state-subsidised interest rates), supposedly to purchase machinery (the purpose of these loans), but actually to finance their day-to-day activities.

The above instances seem to indicate that informal practices are largely tolerated at central state level, and that some local officials go a step further by using that tolerance as the basis for continuous informal and unlawful practices, in the manipulation of which they excel. The reason for the central state being tolerant of informal practices has been quite openly expressed by ex-Minister of Finance D. Tsovolas, when he pointed out (see Ch. V) that without resorting to informal practices, SMEs cannot manage to survive on their own, and this would create unwarranted social tension.<sup>29</sup> His point may be seen as an explicit elucidation of the thoughts governing the actions of many other high state functionaries unwilling not to be burdened by the so-called political costs of unpopular decisions. In consequence, it appears to be perfectly acceptable to tolerate informal practices, keep some check on them, but on the whole overlook them.

Aside from this deliberate policy towards small businesses, the state also, for reasons that cannot be examined here, tolerates the plain incompetence of its agencies as well as their steady, low-level corruption (extensively reported by the interviewees), which are also contributors to the re-emergence, spread and survival of artisanal and other small firms. Indeed, incompetence and corruption may be seen as a

by-product of the state's tolerance and indirect support of informal practices. Such tolerance by itself, unaccompanied by energetic interventions of the central and local state, is quite insufficient to effect the upgrading and development of small firms that has so often been proclaimed as desirable by successive Greek governments.

There are, of course, some specialised organisations with the declared aim to assist the artisans and other small entrepreneurs contact the state largely through them. One is EOMMEX (Greek Organisations for the Small and Medium Manufacturing Enterprises); the other is TEBE (Professionals Artisans and Merchants' Fund), a social security organisation. However, artisans reported distrusting them. In fact the EOMMEX does not prioritise the smallest of units, i.e. those with a workforce of up to five, and plays an active part in the organisational outflanking of the artisans by larger of the SMEs.<sup>30</sup>

#### 4.4 *Other artisans*

My artisan and other small-employer interviewees often expressed admiration for the technological achievements and organisational arrangements of larger-employer firms. Whenever one of the former undertook some work for the latter, s/he was proud to have been found worthy of election. Mostly, however, work is subcontracted among small enterprises not so very dissimilar. It would seem that artisans and small employers have a preference for doing business with others like themselves. Why should this be so?

As mentioned earlier (see Ch. V), the Greek economy as a whole and particularly the two industries surveyed, are dominated by a large number of very small units. This in itself largely explains why they do business with other very small firms - they are available - but it does not explain why they should actually prefer to do so. My personal view

is that artisans and other small proprietors, are all too aware of the frailty of such as they. Large and often foreign firms are felt to be threat to their existence. This makes them think of themselves in terms of an imaginary community (Anderson 1991), of the small 'us', against 'them' and, suitably bolstered by popular tradition and political ideologies, such a voluntaristic response makes practical sense. The corollary of this defensive ideological construct is a form of activity that F. Parkin (1974) has identified as a solidaristic attempt at social closure. In the case of my interviewees it expresses itself in extending solidarity to others of similar size and circumstances, and excluding the alien larger units. It is also worth noting that a somewhat more formal extension of mutual solidarity among the 'small', is found in Greece today in the form of various attempts by regional associations of small merchants and manufacturers to 'buy local'.

In more general terms, a considerable volume of business activity seems to depend on a loose and informal *social* network of very small producers, retailers and consumers, usually but not always centred in a particular industry or locality, and gives to those involved a sense of purpose and self-respect. This support network facilitates the continued operation of existing SCP units, and by cultivating the social acceptability and desirability of the 'small', has also functioned towards their propagation. Indeed, being a small businessman is widely perceived in Greece as a definitely positive social value.<sup>31</sup>

Artisans and, to a somewhat lesser extent, small employers, very often have similar origins and work backgrounds; some were work-mates and friends in the past. As independents, they co-operated in giving each other put-out work, and recognise that most of their competitors are also their peers. Their interactions are not only economic, but extend to socialising in non-work environments. Artisans and small

employers – the former slightly more than the latter (85.3% and 81.2% respectively), and machinists slightly more than garment-makers (87.2% and 81.0% respectively) – report meeting their peers in the evening, exchange home visits, and dine out together. Only 37.5% of the sample's larger employers did likewise. Furthermore, associating socially with colleagues is regular practice for one-third of the respondents, which indicates that keeping up fraternal relations between artisans is quite common. This social intimacy affects economic transactions, too. It is typical for an artisan proprietor who does not own a particular piece of equipment to put out the work to be done with it to an artisan who does possess it 'so as to help each other, on a friendly basis' No. 246). It seems clear that a sense of community still binds together independent artisans and small employers in the two industries with which we are concerned.

### Conclusions

The most prominent patterns that emerge from the material presented and discussed in this chapter are as follows.

1. Among the three categories of manufacturer sampled, the artisanal proprietors work for the longest hours. For most of that time they perform skilled manual work, but they also execute various managerial-administrative tasks in the course of running their business. As they become older they increasingly slow down their manual work and occupy themselves more with tasks away from the workbench.

2. Artisanal proprietors without partners and working alone, do not consider the business and the family household separate. The former is perceived as an extension of the latter, and in some respects, such as a joint budget, they are fused. This testifies the artisanate being more than a question of occupation, but a whole way of life.

3. Artisanal partnerships are often entered into as a way to muster skills and enhance the workshop's productive capacity, as well as its capital. Formed to enhance the artisans' chances of success, they also aim at improving the partners' finances. Partnerships usually involve close kin; less often it is work-mates who join forces, or a wage-worker is co-opted as partner by the master artisan. Shares are normally distributed equally distributed, which promotes unanimity of decisions. The unanimity element is also reflected in the division of labour among the partners. A concerted effort is made to insulate the partnership from outside interference, since otherwise the business might crumble, and of course to align it with the more strictly business-oriented needs of the enterprise.

The lower-class origins of the artisans in both trades under scrutiny restricts the general traits they command and along with it their general outlook. This is seen in the case of artisans with managerial responsibilities who, unlike their counterparts in larger units, are completely opposed to attempting to improve their managerial skills, although they were not particularly successful in securing the essentials for improving their unit's position. Apprehensive of something they do not control, they are content with their situation to remain as it is.

4. Machining artisans, alone or in collaboration with partners and/or other workers, manufacture their goods mostly on a one-of-a-kind basis. By contrast, in garments-making production is in batches, division of labour is more developed, and the antecedent greater specialisation and co-operation are evident.

Chronic shortages of suitable pieces of machinery are commonplace; those available are usually of old make. Attempts to replenish them does not close the gap with larger manufacturers, who retain their edge by

more frequent purchases of new and/or high-tech pieces of machinery. The artisanal proprietors also have some technical difficulties with modern machinery, which reflects the limits of their formal education.

5. Artisanal workshops often hire wage-labour on the basis of personalistic-particularistic criteria. Hired hands are classified as either apprentices/unskilled, or skilled workers, or master craftsmen. In machining, which as a rule employs skilled workers and apprentices, they are mostly paid weekly wages and work regular hours; they do less overtime work than their counterparts in larger businesses who, may be paid a monthly salary. The bigger establishments employ a large number of unskilled workers, and only they have scientific and clerical personnel. This distribution correlates with the type of goods manufactured in each business category. In garment-manufacturing, employment also reflects the organisation of work in each category of enterprise, but here the ordering of the patterns were reversed.

6. Aside from non-kin employees, many of the workers are members of the artisan proprietors' families, for the most part close relatives, and also fictitious kin. Kin workers are an invaluable asset since, being strongly committed to the business, they work harder and for less money than do non-kin employees. Fictitious kin are trusted core workers able to take the place of the master artisans. Both categories of kin exercise an important control function over plain workers. The latter are frequently sweated but, as they are skilled and practised mutual self-supervision they have little need for taskmasters. In overall terms, the relation between the type of worker hired and how the work is allocated shows that the functional flexibility in these small enterprises is an important element in artisanal survival.

7. As employers, the artisan proprietors exhibit paternalism but also elements of fraternalism towards their more skilled workers. The

latter is an expression of the discomfort they feel as employers when the employees are their equals in terms of skill.

8. Artisans more than the other types of small proprietor know their customers personally, which means that they can cultivate them socially and befriend them, which of course retains them their custom. The artisans' close relationships with their customers has to do with the fact that, (unlike the larger manufacturers), they mostly address local markets because of their organisational and financial limitations.

9. Artisan machinists receive orders from a wide range of other-branch industries. For them it is good workmanship and the network of acquaintances that brings them their customers. In artisanal garment-making, the customers who often intervene in production with supplying specifications or demanding quality control come mostly from within the trade, through involvement with extensive putting-out schemes. These are due to shortages of specific machinery and/or lack of skills, and aimed at lowering costs. The respective patterns for the two trades can be said to reflect their different market situations and in that sense, the artisanal enterprises appear to be integrated with the rest of the economy. But when it is taken into account that for the most part the customers as well as the competitors are the proprietors of businesses not dissimilar to the artisans' own, it is seen that integration with the wider employer-economy is limited. It involves work-only subcontracting (in garments), and limited orders for items of inferior quality (in machining), and is peripheral.

10. The circumstances that small enterprises do business with other small concerns enterprises echoes the structure of the Greek economy. It also reflects a spontaneous if uncoordinated attempt on their part to cope with competition by closing their ranks. Aside from artisans and small employers preferring to place orders with businesses

like themselves, they often socialise among each other. This shows that they form something of a community, which is true for each of the two trades examined.

11. That artisans and small employers are on the whole content with their position can also be inferred from the fact that they are satisfied with the way they cope with the competition. In other words, they are not interested in expanding their businesses. For any improvements in their situation they rely on the state, which they expected to take the initiative and provide leadership. By contrast, the sample's larger employers are far less self-satisfied and, regardless of any possible state intervention, see a more active role for themselves.

12. The artisans' relationship vis-à-vis the state has another facet. Extensive informal practices have been recorded, which are largely attributable the government's unwillingness to be strict with the stratum - most probably for political reasons. On the one hand, the state displays a boundless tolerance of artisans, and on the other exhibit a covert unwillingness to assist them in any comprehensive way. These are the two facets in the state's attitude to the artisans that have helped to keep them in a state of dependency. The attendant apparatus's incompetence and even corruption among lower state officials, has convinced artisans that recourse to informal practices is imperative if they are to survive.



1. Outside activities include work-related activities that must be accomplished outside the workshop, e.g. visiting the bank, meeting customers, paying V.A.T., arranging for purchases, and so on.

2. Artisans and small employers for the most part considered overtime work to be unprofitable since it is paid at higher rates.

3. Obviously, spending long hours in the workshop is the artisans' way of coping with the competition and making up for the time spent in managing the business. To a lesser extent this is true for the small employers' too.

4. According to some definitions (e.g. Cholevas 1965; Papakyriakou 1965), a distinguishing feature of artisanal businesses is the impact of the personality of the proprietor(s) on the unit, which is premised on the assumption that artisans are physically present in the workshop for long hours.

5. The few exceptions to the rule mostly involve cases in which property transfers from older kin to younger have not yet been concluded and/or are being withheld. Where they are postponed and promised for later they are being used as means to ensure deferential behaviour by the younger kin towards their elders.

6. This is so especially in the case of the more widespread O.E. company, where the partners participate with all their property and have full liability. The all-inclusive character of O.E. firms befits the family business.

7. The artisans' fragile economic position is reflected in only 16% considering they have no need of any loans and that their own means are sufficient. Such an answer was given by 37.5% of the small employers, and by 56% of the larger ones.

8. Machinists reserve the word 'production' for the large-scale making of goods. One of-a-kind and small-batch manufacturing were called 'constructions', a word that succinctly describes the process of building up an item of machinery from individual pieces.

9. In addition, four artisans, (two from each trade) said that they used no outside labour, although they were assisted by members of their immediate family. They obviously saw no reason to distinguish the labour input by other family members from their own.

10. I was trying to identify labour costs in relation to the overall business expenses, but my interviewees were not happy with this question. Only about a third of them gave a definite answer, and one I find rather dubious. In most of these answers labour costs were said to be in the region of 25 to 30% of total expenses; in some cases 40 or 45%. Information from an analysis made by an informant shows that the labour costs of a typical artisanal unit in machining would not exceed 20% of the total costs, and this latter figure seems to me to be a rather more realistic estimate. There will be fluctuation from this mark, of course, due to type of product, price of materials, method of production, amount of family labour, quality of the workforce, etc., etc.

11. In the western countries, the distinction between skilled and craft workers revolves around the completion of a formal or informal apprenticeship, at the conclusion of which the workers are proclaimed craftsmen (Penn 1990: 126). The craftman's status was/is a closure mechanism that secures higher remuneration to craftsmen than to skilled workers. Enforcement of these craft-related privileges was/is intimately linked up with the existence of long-standing craft guilds powerful enough to sustain them. Rule, who studied skill in the early days of industrialisation in Britain, notes that restrictions of entering into apprenticeships were all-important in maintaining the number of craftsmen small and, therefore, keeping wages high (1989: 100,102). A similar point is made by R. Penn (1990) who provides contemporary evidence for Germany, the U.S., and the U.K. Apart from similarly distinguishing between craft and skilled labour, Penn makes the point that craft status may also be achieved by following an informal apprenticeship. This is possible either by means of internal career ladders found in large enterprises, or by labouring next to a master craftsman in the context of a small workshop (*ibid.*: 57, 125-26, 197). For Penn, an outward indication that the apprenticeship has been concluded is to be found in the level of wages paid: when they approach those of the craftsmen, the new status has been reached and recognised (*ibid.*: 52, 129). He also makes the interesting point that '... the social determination of skill is very much the effect of *local* labour markets and, in particular, the relative power of skilled manual workers *within [large] plants*' (*ibid.*: 58, emphasis added).

In Greece the situation with respect to apprentices (often dubbed helpers or assistants, or even 'little masters') differs from that found in the West. Craft guilds, to the extent that they existed at all, were very weak and unable to impose equivalent closure mechanisms. An indication of this is the fate of the restrictions clause introduced by a handful of guilds, which by the mid-1960s had all, with the exception of three trades (bakers, pharmacists and notaries public) been abolished by the state; since then these too have gone. As my artisans' comments made clear, apprenticeships within the same trade could be very different, as for instance in their duration. Most of the Greek apprenticeships were informal and focused on in-job training. This common characteristic ex-

plains why it is the always the level of workmanship that is most appreciated, even though interviewees also value a worker's quantitative output. So, it is level of workmanship, productivity, the range of skills, and age, that are the basis of artisans distinguishing between plain workers and craftsmen.

12. The demotion of those that could be called semi-skilled to the unskilled group may be attributable to the functional needs of small-scale businesses. Since the manufacturing of particular articles in workshops, particularly those of machinists, is neither continuous nor standardised, it is necessary for workers to be easily re-deployable, e.g. to shift from the drill to the lathe, and so on. This of course requires that they have dual or multiple skills, and is the reason why the most of the workers in machining workshops are skilled; the only really unskilled are fresh apprentices. By contrast, the semi-skilled operant is restricted to one particular activity and during slack periods can be used only for unskilled work while still receiving higher pay. This is uneconomical for the employer, which readily explains why semi-skilled workers were seldom reported to me, and not even considered a distinct category but on a par with the unskilled (what Manwaring and Wood 1985 tagged as having 'tacit skills'). In any case, wage-workers as a group having very limited power, employers can easily impose their 'political' definition of skill.

One should also take into account, as M. Rose (in Mann 1983: 356) has suggested, the particular sub-culture in the context of which skill acquires a particular meaning. In our case skill represents the level of dexterity that allows a particular type of work to be performed to a standard the tradespeople have agreed on collectively. So a 30-year-old worker habitually employed in the machining trade would be assumed by other same-trade workers to have accumulated experience, hence considered to be skilled, and therefore paid at the appropriate rate. If it so happens that this particular worker's skills are inadequate, if they are not versatile enough in terms of the norms of the trade for good craftsmanship, or his work is substandard to what may be expected from a worker of his age, then his artisan boss and mates will not refer to him as semi-skilled but rather as unskilled, regardless of any training/apprenticeship s/he may have undergone. In the case of the present research it would appear that the definition of skill in everyday use within the trade is at odds with the official nomenclature of unskilled /semi-skilled/skilled. The latter may have its uses in other contexts, for instance in analysing the workforce in mass-production industrial organisations, but makes little sense to the practical experience of both artisans and workers in the machining trade.

13. It had been their high skill level that originally earned fictitious kin the attention and respect of the master-artisan, who then personally befriended them. The special rapport between them rests on them being members of the same craft. This by extension puts such persons on an

equal footing with the artisan, and so makes them eligible for becoming the artisans' fictitious kin. In return for job security, better pay, a more responsible position, and suchlike, these skilled workers pledge their loyalty and work hard. The various functions of the fictitious-kin relationship are largely fused, with personal, emotive and religious elements discernable, as well as economic and social ones. In brief, fictitious kinship in the present context involves a personal alliance of persons occupying different positions but with broadly similar backgrounds and in the same trade.

14. 'Control' has been defined by R. Edwards as 'the ability of capitalists and/or managers [and/or artisans and their agents, we may add] to obtain desired work behaviour from workers' (1979: 17).

15. The main reason mentioned by the interviewees for not wishing to hire their more distant kin was that such employees tend to think they are entitled to intervene in business matters. Restraining them is difficult without triggering a clash of all the kinfolk. There was unanimity that 'relatives and work don't go together, and if they do, there's hell to pay'.

16. The actual number of kin may well be higher than the figure reported. I infer this from the fact that the number of kin (both natural and fictional) reported to me concerned primarily the interviewees' own relatives, although they had been asked to enumerate their partners' kin also. Therefore, the real number of kin working in the sampled units is likely to be substantially higher, which would mean that their impact as group is greater too.

17. H. Bernstein has discussed the simple reproduction 'squeeze' in the context of African peasantries. His notion seems to me to be applicable in other instances of SCP too, even though the factors behind the squeeze may be somewhat different.

The simple-reproduction squeeze is a result of 'increasing costs of production/decreasing returns to labour'. This situation is brought about when the domestically produced use-values, by which peasant communities traditionally catered for their needs, are replaced by an increasing consumption (personal and productive) of commodities they have to purchase. Once the peasants become entangled in such a process, a fall in the prices of their agricultural produce will soon follow. Peasant households experience this development as a deterioration in the terms of exchange for their cash crops, the sale of which must finance their simple reproduction.

As Bernstein points out, this squeeze brings an obvious response from the peasants: intensification of commodity production, or curtailment of the level of consumption, or both. The simple-reproduction squeeze also conduces to indebtedness, and to the further erosion and even break-up of traditional social institutions. In fact, as the larger peasant units

collapse, households increasingly have to reproduce as individual units, relying all the more on commodity production and exchange. This, however, also means that these SCP units manage to 'compete effectively with capitalist enterprises producing the same commodities' (Bernstein 1979: 429).

18. This recourse to non-valourised inputs, or self-exploitation, makes possible more than the simple reproduction of SCP: given a favourable conjuncture, it also allow expanded reproduction. The unfolding of this process within the context of the household Cook dubs *endofamilial accumulation*. If for the sake of argument we visualise a continuum, at the one end of which stands a one-person worker-owner unit, and at the other a multi-person worker-owner/employer plus hired-labour unit, then our group of worker-owner plus spouse and children represents an intermediate stage - Cook's endofamilial accumulation. The direction of change is from the former (individual SCP) to the latter (which echoes capitalism). The economic viability of artisanal production rests with these unaccounted inputs, and the profits they bring to the family unit are by no means insignificant. However, accumulation is rare. As Cook points out, moving beyond family labour to wage labour, i.e. to incipient capitalism, may not prove feasible for most peasant-artisan units (Cook 1978: 28-30).

19. About one-third of the machinists sampled said that they do not display their goods at all. A good part of the approx. 30% section of garment-makers who also do not exhibited their goods in their workshop, secure orders by what is known as sampling - that is, they visit their customers and show them their wares.

20. The overall local market, or the Greater Athens Area, has over three million residents. However, although as a rule the larger enterprises do address the whole of this market, the smaller manufacturers often sell their goods in a much smaller locality, for instance a particular neighbourhood or a suburb and its environs.

21. Some of the artisanal machinery shops (31.7% of them) acknowledged having public-sector enterprises among their customers, but more often than not such customers turned out to have indirectly provided only one or two order for subcontracted work.

22. Although there was no systematic set of data about the number of customers of each interviewee business, it emerged in the course of the fieldwork that over 40% of artisanal garment-makers have only a single one.

23. Garment-making artisans (77.8%), small employers (40%), and larger employers (38.5%) said that a sizeable part of their production goes to wholesalers and retailers. Most of it is sold on the domestic market,

but one-third of the larger employers' output is exported.

24. Only 37% of garment-making artisans, but over 68% of each of the other two categories of business proprietor, socialised with their customers. It would seem that when customers are chiefly interested in low-priced goods, like those made by the artisanal workshops, there is little point in trying to cultivate them personally for the sake of securing orders.

25. Pronouncements such as the following were typical: 'I can't expand because I haven't received any state assistance. My problems can't be resolved' [No. 215]; or 'It's not up to us, it's for the state to decide and to provide the necessary infrastructure' [No. 240].

26. At this point it should be mentioned that when discussing this issue with my interviewees, it was the artisans among them who time and again pointed out they have no wish to expand their businesses, nor for that matter would they know how to go about it. What they want, they kept saying, is to make a living - if possible a rather good living, but no more. This attitude is exemplified by the fact that although no questions on the matter were put to them, 15 artisans (22%) mentioned the amount of their income as *antimisthia* meaning in Greek recompense for wages, which shows that they still think like wage-workers and not like entrepreneurs.

27. The informal economy is also known under the epithets of unofficial, second, black, shadow, underground, hidden, and a host of others (Gutmann 1985).

28. All Greek businesses are obliged by law to post an official form in a prominent place (often the business administrative office) which lists all the members of the personnel. However, I observed that the number of employees recorded there was as a rule substantially below the number of workers the interviewees admitted they had hired. In the many cases where I surreptitiously checked the number of wage-workers listed against the number on the shop floor, I found them to disagree.

29. In a similar vein G. Kyriopoulos, chairman of the Athens Chamber of Artisans, has argued that tax-evasion is a way for the artisans of defending themselves against an unjust system of taxation (see *Artisans Issues* 1992: 4).

30. I have been able to consult an internal ECOMMEX document listing the criteria that a certain enterprise in the small and medium bracket has to satisfy to be granted a subsidised low-interest loan, in this case for the purchase of a small computer. Units with fewer than six employees are given very few points, which effectively excludes them from obtaining such a loan (relevant evidence also appear in Deniozos

1993).

31. This is inferred from numerous observations. All of them appraise small business proprietorship extremely positive. Let me give an example. After the 1993 privatisation of public transport in Athens, one of the published letters of gratitude from drivers who had become owners or part-owners of their vehicles thanked the government for establishing the former wage-employees as proprietors. The positive evaluation of small-scale property, and the fact that it is part of both right- and left-wing populism in Greece, has not yet been investigated, and may prove an interesting area of research.

## CHAPTER X – LIMITATIONS OF ARTISANSHIP (Research Report 4)

### Introduction

In what follows material pertaining to the limitations of artisanship is presented and discussed. The focus is on three areas. The first concerns the expansion of artisanal units and restraints to their growth. Particular attention is paid to innovativeness as a major cause for expansion, and to factors hampering the upgrading of skills and the acquisition of complex up-to-date machinery.

The second section investigates the artisans' participation in voluntary and compulsory organisations (Artisans' Chambers). The emphasis is on the restricted representation of their interests and how they are outflanked.

The third section takes up the respondents' own evaluation of their position. The material allows us to look at their motivation, their priorities, what their work means to them, and their future expectations. The pattern of their attitudes suggests that their limited perspectives have an effect on their present activities and overall situation.

### 1. Difficulties of Expansion

#### *1.1 Business expansion*

A little over half the respondents,<sup>1</sup> (the machinists more so than the garment-makers) acknowledged that their business activity had expanded in the two years prior to the interviews (see Table 10.1). This was somewhat puzzling, since that period was marked by a general downturn in economic activity. But when considering the scarcity of skilled workers in machining (see Ch. IX), which means more demand than



workshop production can handle, the expansion is seen to reflect an adaptation to the needs of the situation. It meant the acquisition of more modern machine-tools and other equipment for increasing output, rather than adding to the labour force. Given the economic difficulties of the conjunction, it favoured more repair work as well as the production of spare parts and cheap substitutes which, (especially in machining) required multi-skilled workers (e.g. the artisans themselves). Semi- or un-skilled workers are of little use for making repairs or manufacturing one-of-a kind pieces of machinery. In consequence, the emphasis was on increasing the productivity of multi-skilled wage-workers and the master artisans by means of more up-to-date machinery and longer hours of work.

**Table 10.1**  
Expansion of Business Activity (during the two  
years prior to the interviews), by Type of Proprietor  
 (Key: M=Machinist, G=Garment-makers, T=Total)

		ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
		M	G	T	M	G	T	M	G	T	M	G	T
Yes	N	26	9	35	5	8	13	2	9	11	33	26	59
	%	63.4	33.3	51.5	83.3	80.0	81.2	66.7	69.2	68.7	66.0	52.0	59.0
No	N	15	18	33	1	2	3	1	4	5	17	24	41
	%	36.6	66.7	48.5	16.7	20.0	18.8	33.3	30.8	31.3	34.0	48.0	41.0
T	N	41	27	68	6	10	16	3	13	16	50	50	100
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentile figures rounded to the nearest digit; computations mine.

While business expansion rested on different premises for each of the categories of small producers, affecting them differently and involved substantially different volumes of output, it did not lead to a major change in their situation. None of the artisans who reported expansion have transcended the limits of artisanship, nor did the business expansion in the other two categories trigger a 'lift off'. It merely helped to perpetuate their situation.

## 1.2 *Innovations and Inventions*

### 1.2.a **Innovative potential**

Inventions, and especially innovations,<sup>2</sup> are not usually fortuitous, but for the most part depend on familiarity with the pertinent methods and ways of working. It was mainly machinists who reported that they made innovations. Their knowledge of the capacities, tolerance, and other attributes of their machinery is an indication of their dexterity and technical know-how, both of which are a prerequisite for innovations. The extent to which machinist service their machinery themselves, 'play' or 'tinker' with it, is an index of how chiefly they are to have a *potential for innovation* (which may or may not be realised).

From the answers to relevant questions, given in Table 10.2 below, it appears that it is mainly machinists rather than garment-makers, and primarily the artisans and/or their partners among them who personally service and repair their mechanised equipment. Also, all of them said they had made modifications without recourse to outside help. The larger employers, on the one hand, who deal with many different and some up-to-date pieces of equipment, entirely delegated such tasks to in-house skilled craftsmen and/or help from outside. The artisans and small employers also, of course, frequently have recourse to outside services.

Table 10.2

Respondents (a) Acknowledging Servicing/Repairing, and (b) Modifying their Own Machinery, both without Recourse to Outside Help, by Type of Proprietor (Key: M=Machinist, G=Garment-makers, T=Total, O/V=Other/Various)

ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
M	G	T	M	G	T	M	G	T	M	G	T

(a) (more than one option)

Yes	100.0	37.0	75.0	83.3	40.0	56.3	7.7	6.3	92.0	30.0	61.0	
O/V	29.3	100.0	57.4	100.0	80.0	87.5	133.3	107.7	112.5	44.0	98.0	71.0

(b) (100 cases)

Yes	N	28	4	32	4	3	7	2	2	32	9	41	
	%	68.3	14.8	47.0	66.6	30.0	43.7	15.4	12.2	64.0	18.0	41.0	
O/V	N	13	23	36	2	7	9	3	11	14	18	41	59
	%	31.7	85.2	53.0	33.3	70.0	56.3	100.0	84.6	87.5	36.0	82.0	59.0
T	N	41	27	68	6	10	16	3	13	16	50	50	100
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentile figures rounded to the nearest digit; computations mine.

The unanimity with which the artisans reported fixing up their machinery is, of course, a reflection of their close participation in production. Such repairs/fixing up must be considered a craft characteristic, and would suggest that there is an affinity between tinkering with machinery and making inventions-innovations. Regularly fixing up one's mechanical apparatus presupposes mastery of the technologies involved, of course. In the present instances the various pieces of machinery were not new, and will have presented no insurmountable technical difficulties. In few cases of modern electronic appliances, the respondents (artisans especially) will not attempt to deal with them but depend exclusively on outside experts. In fact, the upgrading of skills and adaptation to new technologies proceeds at a very slow pace, reflecting the empirical nature of the artisans' knowledge.

In garment-making only one-third of the independent artisans and small employers said they look after the maintenance of their machinery, and a handful reported having themselves made modifications to it. Undoubtedly the difference between them and the machinists is due to the nature of the work in each trade. In machining, the necessary skills are the same as the every-day work: the building and repairing of machinery. In garment-manufacture the emphasis is not on the machinery used but on fashion and artistic design and, since Greece is not a fashion leader, the innovative element in garment-making itself is almost non-existent. The particular items manufactured and the market structure, especially in the lower ranges of production, (in putting-out) do not conduce to the development of new lines.

Recourse to outside help was quite essential for the development of innovations in the very small firms. It has for some time been assumed that outside help for the independent artisans usually involves co-operation between people working in different trades and more or less well known to each other (see Sabel 1982: 225-26, and my Ch. III). In the present sample, however, such collaboration for substantial modifications involved some degree of friendship in only one-third of the cases (those involved were mostly machinist artisans). All the others were entirely contractual. This implies that the informal networking that played such an important role for the 'Third Italy', is virtually absent in Greece.

#### **1.2.b Blocking the exploitation potential**

Despite the commonly held belief that, aside from making repairs, small manufacturers do not innovate but only produce rather simple and technologically out-dated products, quite a large segment of respondents

said that they had developed one or more technical innovations, which typically constituted a small part of their production.<sup>3</sup> These self-declared innovators consisted of 46.4% artisans, 80% of the small employers, and all of the larger employers in machining; in garment-manufacture the figures were much more lower: 3.5%, 10% and 15.4% respectively. The innovations reported concerned product improvements and/or amendments in the processing methods. They were also related to new goods, but no new productive methods were reported. There were no organisational or commerce-related innovations.

Innovations are of two kinds: (i) original devices for use in one's own production line developed specifically to meet an order from outside, which might be a whole item or a part of the products ordered; (ii) innovations concerned more with the design of a particular item or series of items, i.e. the design and/or manufacture of special dies, or original designs in garment-making. In terms of originality the reported innovations may have not be particularly novel, but rather involve improvements to existing procedures. It seems that as a rule they were often independently arrived-at solutions to problems solved earlier in other countries, of which our innovators knew nothing or virtually nothing.

The accounts of how it was done did not substantially differ between small and large firms. Many of the innovations came about through tinkering with the tools and items manufactured; it was largely a trial-and-error process based on experience. The artisans and small employers of the sample especially referred to experience when narrating how they had arrived at their innovations, and this accords with their background and 'trait' predisposition.<sup>4</sup> Recourse to outside help was acknowledged in only four cases. Expert technical assistance, which was

supplied for a fee, was obtained for developing the invention into an innovation, but no new partnerships or enterprises resulted from this.

When probed, all respondents but one who reported innovations acknowledged that these were *not* patented. They said that the high cost of researching and developing the invention to the standard required, the dues for obtaining an official patent, and the follow-up costs (e.g. lawyers fees), discouraged them from trying to safeguard their innovations by patenting them. Besides, official patents are not considered an effective protection, since minor alterations to the innovation could make copying perfectly legal.<sup>5</sup> This seemed to me to conceal another reason why the interviewees avoided patenting: some of their so-called innovations were simply copies of (usually foreign) products they had modified superficially, if at all.

Now, the practical significance of a patent is the commercial exploitation of an innovation. This usually means mass-producing it and/or conceding it for a fee, which, however, implies investments that by artisanal standards investments are major and unavailable. Then, there is the question of the size of the market. From my artisan and small employer interviewees' viewpoint the market seems not to extend far beyond the local market, so that putting an innovation into production is potentially very risky and possibly the road to economic disaster. Even if the necessary funds could somehow become available, the innovators lack the necessary organisational and entrepreneurial skills to effect the investment, and the obvious solution of appointing an expert to undertake the management of the investment clashes with the artisans' suspicious attitude towards outsiders. As a result, those artisans and small employers who did innovate, did not have sufficiently strong economic motives for patenting their prototype. In all these cases the

expansion potential for the practical exploitation of the innovations was blocked.

In the course of developing the new idea into an innovation only a single respondent reported receiving any financial/technical/organizational assistance from pertinent state agencies or from any other official source.<sup>6</sup> Most respondents did not even apply - showing how difficult they find it to deal with bureaucracies (which correlates to their background experience as has already indicated). Those who did apply were turned down, which is of course a negative index of state assistance to the more active elements of this entrepreneurial stratum. The artisans' mistrust of the state ties up nicely with the justified conviction that state assistance would not be forthcoming, so 'Why bother to apply?'. It is this attitude that forms an effective barrier to the development of creative artisanal ideas into inventions and innovations.

Most of those who reported that they have made innovations said this has occurred at their place of work as part of and in the course of executing orders. The innovations were incorporated into the final product, or are being used in production, whether in the form of equipment or of processing-methods. In all these cases, innovating was part and parcel of the normal everyday work and quite routine - like finding a new solution for a piece of machinery or a mould ordered from them. Innovations of this kind are for many machinists an essential aspect of business and neither lead to expansion nor accumulation, nor do they change their situation in any way. They are simply ordinary occurrences to maintain their residual position in the market. If an innovative solution is put through and proves attractive to customers, its positive influence affected only the individual enterprise that developed it and will profit from it; there will be no spillover effects benefitting

other artisans. More than anything else, innovations are the achievement of individuals. If the new product should be successful then, so I was told, it was highly probable that other small local or even foreign firms would copy it.

The *function* then of innovations, which in Schumpeter fashion are so often thought to lead to the breaking of new ground and the satisfaction of new needs, did not have such effects in Greece among my sample, nor did it revealed some heroic element in the entrepreneur concerned. The purpose of the artisans' innovations was simply to carry out an order and so to keep the business in operation. In this, the artisans differ markedly from what may be called the capitalist purpose of innovating, where investments in the development and patenting of the innovation result in it becoming an important asset that make possible the firm's survival within a competitive environment.

### *1.3 Limited adaptability*

Following the path of business expansion and growth is a complex process. At the small-firm level, one positive influence is keeping abreast of the relevant technological developments, which must be adopted and applied if the small enterprise is not to become gradually marginalised and go out of business altogether. For our purposes the ability to follow developments may be assessed in terms of whether the interviewees upgraded their skills through some form of further education; used or considered using more up-to-date machinery/equipment incorporating microchips; and applied technological production developments by, for instance, engaging scientific staff or consulting outside specialists.

With respect to the latter, only larger-employer firms engage scientific staff and do so sparingly from which we may infer that the



small enterprises did not follow nor adapt to technological developments.

Additional evidence point in the same direction. The interviewees were not at all keen to upgrade their skills by attending some form of further education. The exceptions to the rule were some artisan machinists, and the majority of the larger employers in garment-making, who between them amount to 25% of the total. The former exclusively mentioned training in technical issues such as metrology, mould fabrication techniques, lasers, or tolerance and fatigue of materials; the latter focused on managerial skills such as marketing, sales, financing, office mechanisation, or administration.

The 75% (artisans and small employers) who had no further education claimed, alternatively or in combination, the following:

(1) That they do not need such courses/seminars/lectures - which mean that they are coping with problems of work, and maintaining their self-image of the craftsman/businessman in a potentially more demanding and competitive and thus threatening environment, as Watson suggests (1992: 44-45).

(2) That they have no spare time to attend them - which is plausible when considering the long hours they spend in their workshops.

(3) That the existing courses etc. do not meet their needs - a possibility that cannot be discounted.<sup>7</sup>

(4) That no relevant courses are being offered - an explanation that is patently untrue. Having said this, it should be acknowledged that (as already indicated and, as far as I can ascertain) it appears that most of the technical and administrative courses are simply translations of foreign ones, little related to the existing actual situation in Greece and the specific needs of its artisans. Those who had attended a short course on lasers told me that it had been very interesting, but

that they could not see how what they had learned could be applied in their particular workshops and markets. Aside from these more formal ways of keeping abreast of technological developments, artisanal proprietors and small employers obtain a certain amount of information on technological developments in their field from visiting trade fairs and attending demonstrations of machinery and other equipment organised by local company representatives. The larger employers who had not attend any seminars/courses, asserted that they had no need of them because their work was progressing quite satisfactorily; they were perfectly able to cope with new developments and adapt to them on the basis of the assets already at their command.

With regard to installing modern equipment incorporating microchips, very few interviewees answered affirmatively. Only 14 businesses in all even had an office computer (9 larger-employer units, 3 small employers, and only 2 artisanal proper). The proprietors of another 31 units said they intended to obtain an office computer in the future, but only the largest among them appeared to really mean it. Modern computer-controlled production machinery was used by an even smaller segment of interviewees, mainly larger employers. From among the mass of those who have no access to it, some of the machinists said that it would need a 'substantial' investment which put them off; another segment of machinists, as well as most of the garment-makers, considered the acquisition of such machines superfluous.

From the above material it emerges that the artisans' failure to adapt to technological developments also means a failure to respond to the emerging openings and challenges. The underlying causes that partly explain why this should be so involve, among other things, the interplay of market-related and hence general factors, e.g. a pre-existing marginalisation, smallness of production and market, and the antecedent

down-graded specialisation. More particular factors are the lack of available time, and being content with one's station. Organisational as well as more macro-level factors also play a role, such as the inability to compensate for individual weaknesses by establishing voluntary producers' associations and co-operative schemes, the structure of financing, state reluctance to bring about modernisation, etc. What is certain is that as very small firms cannot adapt to the changing environment, or do so belatedly, they themselves undermine their chances of improving their position and any potential they may have for expansion.

## 2. Voluntary and Compulsory Organisations

Between the artisan's workshop and the outside world stand a number of voluntary and compulsory organisations of artisans. Mediating and representing interests, they may be seen as the interface between the micro world of the artisans and wider, macro-societal concerns. How the two fields are linked and what influence they have on the artisans is investigated below.

### *2.1 Reciprocal relations*

Undoubtedly the political screenings of individuals and organisations, the outlawings and proscriptions effected during and after the civil war, which more or less acted like the pre-war exclusionist measures, were instrumental in purging artisanal organisations from the numerous leftists until well into the 1970s. Inversely, left-wing artisans usually avoided joining such 'cleansed' organisations. But the ideological segregation also affected how and to what extent these bodies represented their members' collective interest.

If they were considered 'loyal' the organisations were actively supported by the state. For instance, they were subsidised by it, which of course meant that they were also state-regulated. The price for such support was high: the unitary sectoral organisations splitting up into many separate ones, the low and mostly nominal membership, and the crippling of voluntary organisations (and of the compulsory Artisans' Chambers) in certain cases led to their transformation into personalistic coteries. As far as the co-ordination of the voluntary bodies was concerned, an inflated number of sectional organisations were in one way or another part of the GSEBE(E) - the artisans confederation of voluntary organisations. The latter for the most part was governed by an executive committee, whose members had been vetted for their political ideology, were affiliated to those in power, and were elected by highly obscure electoral methods and processes. (The situation was much the same with respect to the top leadership of the Chambers.)

It seems that these organisations were chiefly concerned with self-preservation rather than with representing their members' interests. The earlier role complementarity between voluntary and compulsory organisations was no more. As representation of interests became less and less, civil society became increasingly ineffectual, until the difference between the two types of organisation was more quantitative than qualitative. State corporatism had become statism.

The collapse of the dictatorial regime in 1974 did not bring about any very dramatic changes in the structure of the Artisans' Chamber or of the GSEBE. The procedures, electoral system, and leadership remained largely intact, the old pre-dictatorial leaderships being more or less tolerated if not outright supported by the conservative New Democracy governments of the 1970s. Opposing this and calling for a democratisation - which did not mean the same thing to all the parties involved -

was the concerted response of the parties of the Left and of PASOK. It took them about ten years to change the situation.

During those years it was the disputed legitimacy, the struggle against undemocratic organisational structures, and the leadership practices of these organisations that were the basic motive for the creation of a series of new or splinter unions and associations specific to different industrial sectors and/or geographical regions. They unanimously tilted towards the political Left and initially were rather successful in enrolling members.<sup>8</sup> Their opposition to the status quo professed to counter government policies and to promote the artisans 'real' interests. Such 'real' or 'authentic' interests and needs were mostly formulated defensively rather than in a program of positive orientation and action.<sup>9</sup> In effect, a rival structure was set up in parallel to the Chambers, which contested and gained points on all fronts. It campaigned against same-trade older associations or their right-wing executives, against the GSEBE(E) until the old leadership was toppled in 1984 by changing the law, and against the old executive cliques of the Chambers until control was wrested from them.

The new majority, dominated by pro-communist (KKE) elements with pro-PASOK forces in second place (Lytras 1991: 20, Mavrogordatos 1988: 164-65), was gained by contesting positions in various pre-existing sectional associations, by creating new ones, and using both to win places in the GSEBE(E). The key role in this was played by the parties of the Left utilising their superior organisation technology and mobilising their members and supporters, who enrolled *en masse* and conquered many of these associations by sheer force of numerical superiority. This then gave them enhanced representation in the GSEBE(E) confederacy. In the meanwhile the new organisations, via lawsuits and other forms of pressure, attempted to become members in the GSEBE(E), with mixed results.

It was only in the mid-1980s, well after the self-styled socialist government of PASOK had come to power, that significant changes were introduced to the organisational structure and voting system of GSEBE(E). The ensuing elections brought about spectacular changes in the political affiliations of its leadership. In the mid-1980's the GSEBE(E) came under the control of KKE and PASOK forces; in 1987 the KKE gained complete control of it (Lytras 1993: 137). Thereafter the GSEBE(E) was employed as an opposition springboard against the government of the day, and incidentally against the Artisans' Chamber leadership and policies with which it was in disagreement (Mavrogordatos 1988: 163-71).<sup>10</sup>

When PASOK came to office in 1981, the artisans supporting it who until then had had an oppositional role function in the voluntary organisations rivalling the Artisans' Chambers, the elected pro-PASOK supporters in these Chambers, and the Athens Artisans' Chamber as a whole after it came under left-wing control in mid-1980s, all pretty well ceased to criticise state policies and lauded PASOK's alleged pro-artisan measures. The supporters of the defeated New Democracy party tried to reconquer positions in the state apparatus via both the voluntary organisations and the Chambers. In this process they launched successive waves of polemic against the socialist onslaught, but they were not very successful with the artisans (*ibid.*).

Despite rhetorical pronouncements by either side, the representation of artisans interests' has not substantially improved. Any measures taken, supposedly to meet the artisans demands, have been only partial and addressed to individual cases rather than to the stratum as a whole; they were inherently political trade-offs, aimed to attract voters/clients for political party x or y. Their purpose was solely to build up each party's clientelistic power-base.<sup>11</sup> This is a very clear example of the political superseding and reserving the development of

the economic. Many of the artisans have come to see these developments as a pendulum of competing interests in which their own welfare is of no account at all, and which they are powerless to influence. This inevitably rather dampened their interest. In recent years they have become increasingly indifferent to what their voluntary or compulsory organisations may say or do, while the petty-bourgeois tendency amongst them towards their 'molecularisation' has resurfaced.

## 2.2 *Voluntary organisations in the two industries*

### 2.2.a **Machinists**

Most artisans today are not members of voluntary associations. Of the minority who are registered members in some trade-specific voluntary organisation body, very few can be considered active, since they do not fulfil the minimum criterion of membership, which is to vote and pay the dues. The machinists sampled deviate from the norm, however, in that an unusually high proportion of the interviewees *are* active members in such an organisation. Out of the 50 machinists, 28 belong to trade-specific organisations in Athens and Piraeus (23 artisans, four small employers, and one larger employer).<sup>12</sup> It is noteworthy that the pertinent associations are specifically intended to be artisans' unions, yet the current chairman of the important greater Athens Union of Artisan Machinists is a fully-blown larger employer/small capitalist.<sup>13</sup>

The existence of more than one sectoral voluntary organisation is due to the incidence of machinists being regional. The two organisations are not antithetical but regularly co-operate in the promotion of issues of common concern. Members of KKE and PASOK as well as other left-wingers were particularly active in the creation of both associations, but the remaining members, as well as the elected executive staff, are affiliated to all of the major political factions. Nevertheless, the two

associations are widely (and correctly) considered as being largely KKE-controlled. Their opponents (interviewees and others) argued that these machinists unions as well as similar organisations in other industries are being used as transmission belts for political propaganda by KKE. An important segment of the interviewees and members of the association, both ordinary members and elected on the Athens union executive, are loyal KKE-members or otherwise affiliated with the party, and most of them acknowledged that their politics do have an influence on their union-oriented activity. Needless to say, the role played by other major political parties (affiliated with the socialist-populist PASOK and the conservative New Democracy) in the industry-specific voluntary organisations does not diverge from the 'transmission-belt' type, though of course the political objectives differ.

Machinists opposed to <sup>the</sup> board of the Athenian union informed me that out of the estimated 1,100 to 1,500 businesses operating in the union's area of responsibility in 1979, only 180 machinists bothered to vote. Only 90 of them turned out to then elect the chairman of the union (according to interviewee No. 211 who was a member of the association's board for 1979-82). Another machinist claimed that 'out of 1,000 workshops, only about 45 members were active in the union' (interviewee No. 202) - roughly the same proportion as above. However, according to the current chairman of the union, of the roughly 1,000 machining units in Athens, 450 are members of the union (interviewee No. 226). It is possible that both sides were telling the truth: the nominally registered individual members may indeed have been in the region of 450, and yet far fewer may have voted.

A closer approximation to actual figures may be obtained from a register of members published in 1986 for commercial purposes by the Athens Union of Artisan Machinists. This mentions only 188 members, al-



though one would have to expected many more. I was told that the reason for this small number was the low response rate among machinists. It may be inferred, firstly, that the mass of machinists did not identify with that union and preferred not to be associated with it, even though this might cost them potential customers. A second inference concerns the number of active members ready to participate in some neutral union-sponsored activity (other than voting). Since 188 enterprises were listed in the register, then if each business had on average 2 machinists/partners (as was the case with my own sample) the number of machinist members would be 376 at the most; a more modest assessment would be around 300. Thirdly, there is the matter of the actual size of the machinist businesses. The various estimates give their number between 1,000 and 1,500. If this is multiplied by two (proprietors/partners), this makes, 2,000 - 3,000 independent machinists in the Athens region (see the estimates of Table 7.1). This would give an organisational density of the union (active members as a percentage of the total number of machinist artisans) in the region of 10 to 15% - quite comparable to the national average for artisans and small professionals estimated at 15% for the year 1988 (Mavrogordatos 1988: 163).

It must be acknowledged that my sampling took place at a time when union membership and influence were at a particularly low ebb. The question is why the union has so patently failed to attract or sustain members. More to the point: is this an isolated instance, or are artisans as a whole not amenable to organised representation?

Like other small producers, machinists working in the isolation of their separate workshop and in a competitive market, must do almost everything by themselves, or at least actively participate in all workshop-related activities. Their immediate circumstances virtually force them to assume an individualistic stance. Their mode of work makes

them avoid activities that are both time-consuming and geared towards collective rather than their own immediate interests. However, such an explanation, which refers us to what has been termed petty-bourgeois individualism, does not suffice. At best it only indicates that certain (however important) structural determinations influence the machinists' outlook, attitudes or predispositions, in a way broadly analogous to their influence on the *privatised worker* (see Giddens 1993: 228-29; also the discussion in Newby 1979: 106-07). The latter's particular outlook, or image of society, is derivative of the influences exerted by local circumstances but, though plausible and tenable, not inevitable, since the emergence of other factors could have shaped it differently.

It seems to me that the machinists' relationship to their union is better understood if considered in a wider context. This means taking into account the element of artisanal individualism as well as the machinists' experience of the Athens union, in how far it realised their hopes and expectations, and how this came to relate to their attitude to the state (already touched upon in the previous chapter).

After 1974, machinists were attracted to the union by the prospect of something being done about their problems. The personalities of some of the more militant amongst them, who had suffered imprisonment and/or exile during the dictatorship (and whom I interviewed), added to the attraction, since their past struggles guaranteed their unselfish dedication to the cause. The new union's express purpose of discussing issues of concern, of proposing solutions, co-ordinating action, and promoting the artisans' interests - in a word, its avowed readiness to representing the machinists' concerns - looked authentic and attractive. Accordingly, a large number of machinists joined it. At a later date, the union even created a supply co-operative to facilitate bulk purchases of

materials, often imported, which was another indication that it was looking after its members.

However, the most important problems affecting machinists - whether loans and funding, modernisation of equipment, zoning and relocation, protection from foreign competition, participation in state bids, upgrading of skills, etc. - could be addressed and solved only by involving the state in one way or another. To pursue their particularistic concerns, the sensible thing for the machinists was to strive to reason with the responsible state officials, but the over-politicisation of state-related activities (due to the prevalent system of clientelism), largely ruled out any reasoned approach. The alternative was to exert pressure on the state to advance their affairs, but for this to be effective they were too few, their importance in the economy and society was insufficient, and they had too little spare time to devote to fighting for their collective interests. In these circumstances they opted for uniting with the other sectoral associations and the Chambers of Artisans to form a sufficient large body to carry some influence and compel the state to take notice. In this they were not particularly successful.

Within this larger picture, drawing the union into the partisan politics of the opposition Left and PASOK (by political propaganda via the 'transmission-belt'), was not conducive either to clearing a path that could bring some concrete results for the members of the machinists' union. This was hardly surprising, since the union's militant dissidents focused on criticising the conservative governments of the 1970s and early 1980s for not addressing the machinists' problems and for serving the interests of big capital. This approach, garbed in hotly militant rhetoric, helped to sever what channels of communication there had been, with the result that state functionaries did not recog-

nise the said union. In the absence of any understanding with the responsible state apparatuses, union officers saw the solution of the machinists' difficulties to depend on broad changes, such as a change in government or even of the social system. Many machinists slowly became disillusioned by the political nit-picking and squabbling between the various union factions and the union's inability to achieve any concrete results. Having become estranged they pulled out quietly. To a large extent their rejection of the union was due to union politics and to the dominant faction of the executive who identified with the KKE.<sup>14</sup> The ever-dwindling members of members created a vicious circle of weakness, which more and more reduced, the union's ability to represent the machinists.

A considerable part of the electoral success of PASOK in the 1981 and 1985 elections was due to the many small business-proprietors and artisans who supported it. In return, PASOK as the ruling party attempted to consolidate its electoral base by granting them favours and being more open than the previous government to parleying with the various small producers associations. In this sense the machinists' union got a reprieve, but the fact that it was not controlled by unionists of PASOK persuasion, and moreover expressed criticism of the new government's management of artisan affairs, led to the rupture of relations. This took the form of outright rejection as a possible partner in discussions with the government,<sup>15</sup> and led to its further isolation by the machinists.

Not only the union, but also the supply co-operative it had sponsored fared badly. The interviewees, including members of the union board, said that the co-operative had failed to become a vehicle for artisan development because it could not attract enough members or funds.

This meant that attempts to supply materials at reduced prices were sporadic and insufficient.

When it became obvious that the union could not deliver in the here and now what it was supposedly striving for, even left-wing machinists lost interest in it. It seems to me that the union failed because it let itself be involved in party politics, which is to say that once again the machinist artisans did not manage to organise autonomously. For most machinists the union's failure is a clear indication that attempts at collective action are futile, and that all such organisations are powerless and transient. This conclusion has helped to reinforce the machinists predisposition to seeking individualistic solutions to their problems. At the same time, it has hardened their stance to expect 'rain and sunshine' from the all-powerful state and those who controlled it - hence the statolatry.

#### 2.2.b Garment-makers

The garment-makers sample almost entirely follow the norm of non-participation in voluntary organisations. Only exceptionally do the independent artisans among them become members of a voluntary sectoral organisation. At the other extreme, most of the larger employers interviewed do belong to such bodies. Of the 50 interviewees in garment-making, 12 are members of the Athens Association of Garment Manufacturers (only three were artisans, one small employer, and eight larger employers). The Association has about 430 members situated 'mostly in Athens'; about 300 have paid their dues and so may be considered as active. This figure indicates a very low participation when considering that, according to interviewee No. 019,<sup>16</sup> the sector's enterprises in the Athens region number approx. 4,500, a figure to be compared with the even higher estimates cited earlier in Ch. VII.

The above-mentioned Association is connected with similar such bodies in other cities, e.g. Thessaloniki and Patras, and concentrates on informing, co-ordinating, and representing its members. Interviewees who are members of the Association gave a very positive appraisal of its activity, and pointed out that it is the only one such body the state agencies listen to. Critics, on the other hand (non-artisans, and non-members) complained that it is a self-serving organisation that should be opened up. Artisans and most small employers either consider it to be devoid of interest to them, or they do not know of its existence.

It was a leading executive member of the Association who gave me useful information about the Association and the sector's development. He said that the garment industry, which developed mainly after 1970, consisted of first-generation entrepreneurs. These had been attracted by the favourable conjuncture (high profit expectation) from various other branches of the economy. He held that those they were neither capitalists proper nor high-level experts in the field, nor were they textile manufacturers. 'Textile production is more industrialised' in the sense of mechanised-automated, while 'garment-making is more artisanal, labour intensive'; only about 5 to 10% of garment-makers have a background in textiles. He said that most newcomers to the industry are middle-of-the-road businessmen and middle and low-level managers.<sup>17</sup>

My interviewee suggested a triple grading of firms in the industry. Roughly 100 export-oriented enterprises are followed by an intermediate stratum of about 400 firms producing for both export and the internal market (at a ratio of 60-40). He implied that these two categories consist of rather large firms. His third grade is the unspecified mass of small artisanal enterprises that address the domestic market. The Association caters almost exclusively for the larger enterprises of a capitalist character and a few firms in the small-

employers' group. The bulk of the artisanal and small-employer businesses of my sample, which do not export but address the local market, are left outside the Association. Since none of the interviewees mentioned any other pertinent association or union, it appears that most of the garment-makers sampled (like the vast majority of small firms in that particular industry) do not belong to any relevant voluntary organisation at all. There is no representation of their interests, and they are entirely without a voice.

Particularly disadvantaged by this non-inclusion in collective organisation and action have been those working on piece-rates, who are usually without any form of insurance. Since they are often women of unsettled family background they can not rely on familial support, the traditional bulwark of small-commodity producers, at times of hardship. In addition, the threat of subcontractors withdrawing their informal contracts effectively disposed of some early attempts at autonomous organisation. Other, similarly early, hopes at being incorporated in an Athens-wide union of employed garment-makers also faded because of the fear of artisans taking in put-out work that they might be blacklisted by those who supplied them. In any case, the said union had the undesirable feature of being KKE-controlled and vociferously political. Also of some weight against unionisation was the indifference bordering on hostility of the male-dominated trade-union leadership, who consider women artisans taking in put-out work not as their class brethren but as 'nagging' and 'unstable petty-bourgeois females'. As a consequence of this failure to promote horizontal organisations, small firms working on piece-rates are completely powerless.

### 2.3 *The artisans role in their Chambers*

The Artisan's Chambers are compulsory organisations.<sup>18</sup> Their legal status that of public-law corporations, expresses their close involvement with the state. It was the state which brought them into existence, provided them with the legal framework that made membership in them effectively compulsory, subsidise them, and intervene in many other ways in their operation, such as for instance by legislation on their internal structure (as in the 1980s). In other words, the state bureaucracy maintains a controlling role in the Chambers, and uses them to penetrate and coerce civil society. In return, the Chambers have the task to advise the government on issues pertaining to their members.<sup>19</sup>

Despite compulsory membership in Artisans' Chambers, a segment of artisans in my sample (5 machinists, or 12.2% of all machinist artisans; and 11 garment-makers, or 40.7%) and one small-employer in garment-making were not registered. They had avoided doing so by refraining from applying for a loan, by holding off from any direct imports or exports, by not forming a legal company to conduct business, by not keeping official accounts for the inspection of which a Chamber certificate of membership is required, and by generally avoiding all situations for which official certificates are required (which certificates are the main reasons why other small businessmen did register with their Chamber).

Judging by the number of those who voted in Chamber elections, it appears that active artisan participation in the Chambers is limited. Among the artisan proprietors, 23 machinists (56% of the sub-sample) and 4 garment-makers (14.8%), exercised their voting right in the Chambers.<sup>20</sup> Among the small employers, 5 machinists (83.33%) and 4 garment-makers (40%) did so, while among the larger employers the respective figures were 3 (100%) and 7 (53.8%) – a relatively high



figure. If this pattern applies more generally, and taking into account the earlier mentioned estimate of about 2,000 members voting out of the 45,000 in the Athens Chamber elections (see Ch. VII, footnote 2), it would seem that a disproportionately large number of non-artisans, who nevertheless are members of the Artisans' Chambers, elect their own candidates and largely take control of them. This is nothing less than an organisational outflanking of true artisans, which clearly manifests their difficulty, and indeed inability, to organise their own representation.

**Table 10.3**  
Assessment of Artisans' Chambers, by Type of Proprietor  
 (Key: M=Machinist, G=Garment-makers; in per cent)

	ARTISAN		S. EMPLOYER		L. EMPLOYER		TOTAL	
	M	G	M	G	M	G	M	G
Positive	26.3	17.6	16.7	22.2	66.7	46.1	27.6	28.2
Negative	47.3	58.8	33.3	55.5		30.8	42.5	48.7
Neutral	26.3	23.5	50.0	22.2	33.3	23.0	29.8	23.0
Total (%)	100	100	100	100	100	100	100	100
N	38	17	6	9	3	13	47	39

Percentile figures rounded to the nearest digit; computations mine.

The interviewees were asked their opinion about the Artisans' Chamber to which they belong (in Athens or Piraeus), and their assessments were grouped as positive, negative, and neutral. As the distribution in Table 10.3 shows, larger-employer firms much more often than smaller ones considered the Chambers in a positive light, and inversely saw them less often in negative terms. Most of the smaller businesses, on the other hand, did not assess the Chambers favourably, but said they were performing poorly and inefficiently. Antagonism between con-

tending political factions was one of the main reasons why the respondents, taken as a whole, thought of the Chambers in negative terms; only a handful criticised them for being very close to the state.

This close relationship with the state from the very start promoted the Chambers' dependency on it. Instead of becoming, as officially stipulated, the mechanisms for co-ordinating and overseeing strategic planning on artisan affairs, their dependence on central state financing and laws that could only be implemented and/or circumvented by Ministerial decisions, subjugated the Chamber executives to the government of the day. On the other hand, also because of their close relationship with the state, the Artisans' Chambers can be used for propaganda purposes by political parties contemplating the conquest of the central state. One way of doing this is to get their members elected to the Chambers' boards. The forum can then be used to 'expose' the government's reputedly anti-popular and anti-artisan line and to promote their own as pro-people and pro-artisan. In fact, rather than considering their Chambers a source of advice, successive Greek governments as well as the opposition have succeeded in implicating them in the all-out power struggle between them (see Mavrogordatos: 1988: 55-56, 181-89).

In consequence, the Chamber executives have become either mouthpieces of the government in power, or opposition springboards for attacks on it. The Chambers' original task of interest representation is now hopelessly entangled with partisan intrigue and machinations. As the interviewees remarked, even simple and ordinary decisions can become political issues which, of course, adversely affects the level of services rendered. Such negative development continuously worsens the already low level of services provided by the Artisans' Chambers, and further aggravate an already intolerable situation.<sup>21</sup>

Quite clearly, this situation nullifies the Chambers' claim that they represent artisans and constitute the consultative body on artisans' affairs vis-à-vis the government. Furthermore, it has destroyed their credibility and estranged them from their artisan members, as is seen in the very poor participation of members in the elections for councillors.

A good number of my interviewees have come to the conclusion that the Chambers have abandoned their proper objectives and ought to redefine their purpose - but precisely how, they could not say. Even the few respondents who, due to their party-political affiliation with the majority of the Chambers' leadership, are verbose about it and appear quite willing to assess it positively, were hesitant about their trade-related reasons for identifying themselves with these organisations. Quite plainly, the interviewees could not see how, in the particular circumstances, the Chambers can help the advancement of their businesses. In my own view it is this very uncertainty that gives away the fact that the Artisans' Chambers have never had more than a very limited role to play, and have now run into a protracted identity crisis.

This is not to deny that, as one councillor (interviewee No. 019) for the Athens Chamber of Artisans noted, the Chambers were never designed as mechanisms for putting forward their members' claims. Their tasks are limited by official statutes, which is the pretext for their formalism and their docile compliance with governmental decisions - and which necessarily limits the number of persons that can take an active interest in them. In effect, there is a packing capacity constraint. I would suggest that if the Chambers acted more independently, which would necessarily entail raising actual *claims*, their members would be ready to identify with them and help to support and promote them. Existing

capacity constraints could then be tackled by organisational re-arrangements.

The Artisan' Chambers have not solved the problem of representing the very small proprietors, and formulation of policies to be pursued remains slanted towards the larger so-called 'artisanal' enterprises. As things stand, it is obvious that ordinary small artisans are structurally prevented from fully participating in the Chambers. They are not only constrained by lack of free time and administrative skills, but they are not sufficiently motivated to play an active part in them, e.g. by running for office. In other words, their resentment of the existing situation, which is on record, goes hand in hand with an unwillingness to commit themselves to change what to them seems a situation replete with powerful but alien interests. The larger employers, on the one hand, who still fall within the inflated official definition of artisans and are therefore members of their Chambers, have more time to spare, more relevant training and experience, and are better equipped to reflect on and plan broader problems - they possess organisational skills and experience of manoeuvre in committee meetings, as well as the glitter of (relative) success. They also show a greater willingness to participate, since their market situation (which as indicated earlier, is geared more towards addressing larger firms and more impersonal markets), fits well with the connections and advantages they may expect from the Chambers. It was undoubtedly factors such as these that brought the participation of such pseudo-artisans and virtually excluded the true ones.<sup>22</sup> In other words, the former have succeeded in outflanking the latter, both numerically and organisationally.

#### 2.4 *State bounty for select organisations*

The Artisans' Chambers are not only recipients of central state, financing but are also used by the Ministry of Commerce as a channel for the distribution of modest sums of cash to select voluntary organisations. The boards of the Chambers also assist some voluntary organisations independently (various numbers of the *Artisans' Issues* magazine). Obviously the purpose of such transfers of funds is not, as proclaimed, simply to aid these particular associations' development, but to reward certain organisations politically associated with those in power. This indirectly results in a measure of state control over civil society. Assistance has also been distributed in other forms, e.g. the *gratis* allocation of office facilities to such organisations (according to the official publication of the Athens Artisans' Chamber *Artisans Issues*, No. 49-50).

There is a recognisable pattern with respect to the sums involved: a small first-level organisation will normally receive an annuity of 100,000 drs, a national sectoral/trade federation 250,000, a body with a more significant membership (such as OBSA) 500,000 drs, while the GSEBEE, the third-level confederation of all voluntary organisations, receives instalments of one or two million drachmas. Since the sums are clearly pre-determined on the basis of the level of each particular organisation, these hand-outs are not accidental but part of a deliberate policy. This betrays a particular relationship between the Chambers and the central state administration, with the Chambers accepting a role in controlling civil society.

The significance of such dealings lies in that, on the one hand, they have corrupted the voluntary character of these organisations by making possible and/or promoting their bureaucratisation. On the other hand, they have cultivated an ethos and practices that tolerate and

indeed promote the use of the Artisans' Chambers to support the favourite voluntary organisations of whatever government is in power (Mavrogordatos 1988: 182 argues along similar lines).

With respect to the voluntary organisations that receive such assistance, the state's incorporation of artisans does not seem to have led to their board members re-thinking the position and role of their organisations. Judging by the complaints from such board members, they appear to be concerned only with receiving larger state grants. This indicates that the absorption into the state-corporatist nexus has made the voluntary associations dependent on state assistance, and are fast losing their autonomy. At the same time, the concomitant bureaucratisation has estranged them from their ordinary members. This has brought an erosion of their 'tribunean' function,<sup>23</sup> in their bargaining position, which has estranged the members still further, and so means still weaker interest representation of artisans and further dependence.

The role of the Artisans' Chambers themselves, both in their direct dealings with voluntary associations and in terms of administration and the economy - e.g. supporting sectoral trade fairs, exhibitions, and other commercial activities, issuing the membership certificates, that are a prerequisite for taking out loans and for exporting or importing<sup>24</sup> - almost inevitably render them an arena of economic and political confrontation. The more control over them makes it possible to intervene and influence their members' business dealings, the greater the interest of the political forces in using them as stepping-stones to state power. In the process artisans not only do not benefit, but their interest representation crumbles.

Generalising from the case of the artisans' compulsory and voluntary organisations, it can be said that Greece has very few voluntary organisations that do not seek and gratefully receive financial hand-

outs from the state. In consequence, civil society is weak and adulterated, since its dependency has robbed it of autonomous scope and action. Indeed, civil society in Greece has to all intents and purposes virtually surrendered to the state, in a manner broadly analogous to the times of Turkish overlordship. The Ottoman state was not an increment of society, but itself constituted society. Also, it did not direct some form of progress from above, but strove to maintain the existing relations in perpetuity. In turn, those positioned within the various state apparatuses shared in the power and were perceived as being in a condition of bliss and grace (see Sarris *op cit.*). In modern Greece, too, it would appear that to a significant extent both individuals and groups are concerned with who is to receive the blessings of state bounty, and who is to be excluded from its 'liberality'. The state and its personnel meanwhile are busily perpetuating their dominance over society. With respect to artisans this practice means entrapment of their organisations which facilitates the stratum's organisational outflanking.

### 3. Self-Image and Future Prospects

The present section will look at the attitudes of the sampled interviewees to their trade, their place in it and in society; what expectations they have for the future of their businesses, persons, and families; how they envisage the reproduction of their positions, and the likely role of their descendants in that process. The survey will help us ascertain whether they anticipate to break out their current situation, or are completely bounded by it. The findings will be useful for a more comprehensive assessment of the stratum.

### 3.1 *Appraisals of self and position*

With respect to self-appraisal, my concern was to identify to what social category the interviewees feel they belong and what they think about their work. Their opinions of their own position were gauged by the suggestions they put forward on what prospective independents ought to do to succeed in a same-trade career.

The subjective approach to class consciousness was a useful way of ascertaining the self-image of the respondents. They were shown an open-ended list of social categories, classes and other social groups, and asked to state to which they think they belong. Table 10.4 shows that the category 'artisan' was overwhelmingly chosen by those we too identify as artisans, as well as by small machinists. The categories 'working person' and 'small and medium' [entrepreneur] appealed to well over a third of the artisanal proprietors and to two-thirds of the small employers, half of whom also identified themselves as 'middle class'. 'Small and medium', was the category chosen by most larger employers (and by all of those in machining) with 'entrepreneur' in second place (but again wholly subscribed to by the larger machinist employers). The designation 'middle class' was appropriated by half of the sample's larger employers.

There were no noteworthy discrepancies between the categories with which the respondents themselves identified and what has been designated as their objective class position. This consonance reinforces the pertinence of the latter.

The category that seems to me to be of particular interest is that of 'small and medium'. The pattern of responses indicates that it appealed to all categories of interviewees, especially so to the larger employers who - the reader is reminded - are capitalists. It would appear that the 'small and medium' category has special meaning for those



who see themselves as belonging to it. The larger employers among them routinely address and involve themselves with organisations for the 'small and medium' (e.g. EOMEX, Artisans' Chambers, etc.), convinced that this is their right and at least partly unaware of their usurpation. The artisans and the small employers who also identify with the 'small and medium' category do so because that is what they are and that is what they are designated as, and because they have not realised the take-over of their organisations by the capitalists. Besides, since (as we have seen) they can not actively participate in such organisations, they have come - each one of them individually - to regard domination of these apparatuses by the larger employers as proof of their own inferiority, which leads them to withdraw still further.

**Table 10.4**  
Respondents' Self-selection of Social Category, by Type of Proprietor  
 (Key: M=Machinist, G=Garment-makers)  
 (in %; more than one option)

ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
M	G	T	M	G	T	M	G	T	M	G	T

*Social Category*

1	31.7	29.6	30.9	50.0	30.0	37.5	15.4	12.5	32.0	26.0	29.0	
2	2.4		1.5	16.7	20.0	18.7	100.0	61.5	68.8	10.0	20.0	30.0
3	41.5	37.0	39.7	66.7	40.0	50.0	100.0	76.9	81.2	48.0	48.0	48.0
4		11.1	4.4							6.0	3.0	
5	80.5	70.3	76.5	83.3	30.0	50.0		23.0	18.7	76.0	50.0	63.0
6	24.4	14.8	20.6	50.0	50.0	50.0	66.7	46.1	50.0	30.0	30.0	30.0
7	7.3	25.9	14.7	16.7		6.2				8.0	14.0	11.0

*Social categories:*

- 1: Working people
- 2: Entrepreneurs
- 3: Small and Medium [entrepreneur]
- 4: Workers
- 5: Artisans
- 6: Middle class
- 7: Other (included are one, two or three mentions for each of the categories: proletarian, home-worker, producer, family-man, good mother).

Percentile figures rounded to the nearest digit; computations mine.

With respect to their businesses, most interviewees indicated that they were generally satisfied with it. The contentment was especially high among the machinists (and total for the larger employers among them) - as see Table 10.5 A. This must be attributed to the stronger craft-element in their work as compared to garment-making, and that it is geared more to problem-solving. (Sewing is comparatively routine and monotonous.) This hypothesis is confirmed by the answers to what satisfies the interviewees most in their work (Table 10.5 B). All categories of machinist, said that they take pride in their craftsmanship, and that they value the (technical) challenges in the course of that work which demand creative solutions. The garment-makers rank lower in their choices of pride in workmanship and creativity, although the former was chosen by 40% - between 76% who mentioned money, and 34% who are pleased to have their own business (the majority of the latter being small employers).

The views expressed about what qualifications prospective independent artisans ought to have and what they should beware of if they want to be successful, allow an appreciation of our sample's priorities and key issues. At the same time these appraisals are an expression of the artisans' attitude to their own trade and position.

The machinist artisans laid heavy emphasis on the importance of skill for young artisans wanting to set up independently; skill was stressed by 33 out of the 38, or 86.8% of the sub-sample. The suggestions they made for potential newcomers also largely revolved around the indispensability of good workmanship. They did not give pride of place to the possession of capital, and there were not many references to financial matters (in 13.1% of the sub-sample's responses). It almost looks as if they regard capital and financing as the incidental result of business performance, which itself depends on the all-important good

craftsmanship. The craft element, something the artisans really grasp and appreciate, is therefore the criterion of business success as well.

**Table 10.5**  
Respondents' Contentment with their Business, and Reasons  
Given for Work Satisfaction (by Type of Proprietor)  
 (Key: M=Machinist, G=Garment-makers, P=Partially, T=Total)

ARTISAN			SMALL EMPLOYER			LARGER EMPLOYER			TOTAL		
M	G	T	M	G	T	M	G	T	M	G	T

*A. Content with Business (out of 100)*

Yes	N	35	16	51	5	8	13	3	6	9	43	30	73
	%	85.4	59.3	75.0	83.3	80.0	81.2	100.0	46.1	56.2	86.0	60.0	73.0
P	N	5	7	12	1	2	3		5	5	6	14	20
	%	12.2	25.9	17.6	16.7	20.0	18.8		38.5	31.3	12.0	28.0	20.0
No	N	1	4	5					2	2	1	6	7
	%	2.4	14.8	7.3					15.4	12.5	2.0	12.0	7.0
T	N	41	27	68	6	10	16	3	13	16	50	50	100
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*B. Reasons Given for Work Satisfaction (in %; more than one option)*

1	68.3	77.8	72.0	50.0	80.0	68.7	66.7	69.2	68.7	66.0	76.0	71.0
2	17.0	17.6	14.7		40.0	25.0	33.3	38.5	37.5	16.0	24.0	20.0
3	29.2	33.3	30.8	16.7	50.0	50.0	33.3	23.0	25.0	32.0	34.0	33.0
4	63.4	37.0	52.9	66.7	50.0	56.2	66.7	38.5	43.7	64.0	40.0	52.0
5	97.5	25.9	69.1	66.7	40.0	50.0	33.3	23.0	25.0	90.0	28.0	59.0
6	17.0	3.7	11.7							14.0	2.0	8.0
7	24.4		14.7	33.3		12.5				24.0		12.0
8	14.6	18.5	16.1	50.0		18.7		53.8	43.7	18.0	24.0	21.0

*Reasons (grouped from the responses given to an open-ended question):*

- 1: money
- 2: social position (elevated)
- 3: pride in setting-up a business, being your own boss
- 4: creativity
- 5: pride in own craftsmanship
- 6: research opportunities
- 7: challenge
- 8: miscellaneous

Percentile figures rounded to the nearest digit; computations mine.

The emphasis on skill and craftsmanship is somewhat less among the artisans in garment-making (mentioned in 19 out of 27 cases, or 70.3%), and greater importance than among machinists is given to the possession of capital and to broader financial issues (mentioned by 33.3%). This seems to reflect the different roles capital plays in two trades: in garment-making (but certainly not in machining) it is quite possible to set up a small business without the founder having to be a craft-worker.

The small employers in both trades laid less emphasis on the personal skills of would-be independents, and more on the ability to work hard. On the other hand, they did stress the importance of capital when suggesting what business strategies newcomers should follow. The larger employers did not mention personal skilfulness at all, and concentrated altogether on business strategy, on 'not missing the target, that's to say profit-making' (interviewee No. 221). This suggests that as business survival becomes independent of the proprietor himself having a hand in production, the road to success is seen as more dependent on economic calculation and the market. For some of the small and certainly for the larger employers (but not the artisans), 'success' is not the same as survival through manual work, and this is an important difference.

### *3.2 Future prospects and the reproduction of artisans*

The targets the interviewees set for their enterprises show that many of the artisans amongst them intend to expand their business; the remainder are content with keeping things as they are. For those envisaging growth, it was seen more as a defensive strategy, as a reaction rather than a choice meant to ensure survival in view of the expected intensification of competition. Many of the artisans said that this eventuality worried them, and made them feel insecure when they thought of the future. They hoped to deal with the situation by upgrad-

ing their machinery and resorting more to mass-production, but these were still just vague plans. It seems clear that they are not seriously oriented towards breaking out of and superseding the conditions that characterise simple-commodity production. This lack of serious preparation for the future of their business implies that after all, and despite the concern they had voiced, the artisans are not all that much troubled about it and/or think they will manage - by reverting to wage-labour if worse comes to worst, or because the smallness of their enterprise will cushion them against competitive pressure from large manufacturers. These, reasons, as well as the existing constraints to expansion (technological, organisational, subjective, etc., already discussed earlier) imply that whenever targets get set for the future they are very loosely adhered to. At best, the anticipated expansion may bring a measure of belated modernising the equipment so as to catch up with competition. At worst, the plans, tentative in any case, will be abandoned.

By contrast, the larger employers are much more prepared to plan a course of action, although they too are preoccupied with the uncertainty as to how things will develop as the result of stronger competition due to the country's full integration with the EU. Some of the small employers as well as other interviewees think of expanding via commercialisation but the prospects for doing so are few.

It may be argued that if this is what those standing between the SCP and CMP think about expansion, or those who want to move from one type of productive unit to another, or who find commercialisation a feasible strategy, artisans by implication have virtually no real chance of changing their situation through becoming capitalists, either via production or commerce. They are certainly aware of the severe difficulties of an overall expansion, in other words of the transition

towards the CMP, and this in part part explains why they do not harbour any aggressive plans for the future. We may conclude that in consequence the mobility trajectory of the vast majority of artisans and small employers, is based on individual skill (the reader is reminded that most of the smaller employers had wage-earning backgrounds and became proprietors by largely relying on their own skilled work), reached its highest point when they became independent proprietors and masters of their own business. It cannot go further than that.

One way of handling the problem of what to do with business enterprises when their proprietors retire is to transfer it to the next generation which is a process of intergenerational continuity. In fact, 42% of the interviewees said their offspring would take over their business or a share of it. A further 37% thought retirement was too far away to make any plans and had not thought what to do with their business. However, a 13% group composed solely of artisans said they will sell their business to their partner or to workers, who can thus raise themselves to the status of business proprietor; a further 8%, again all artisans, announced that they will never stop working. When they die the business goes too.

If the potential for intergenerational continuity actually materialises at the high rates the interviewees mentioned, this will mean that the artisanal stratum will reproduce itself to a significant extent. It would also indicate a tendency of the artisanate becoming less and less capable of upward mobility. On the other hand, many of the artisans anticipated or were in the process of watching their children becoming educated. This may mean that eventually their offspring will enter the family business in a white-collar capacity. If the parent's unit is large enough, this 'combination of formal education, manual skills, and practical experience [would be] ideal for the creation of

dynamic flexible enterprises' (Piore and Sabel 1984: 293). But of the one-hundred businesses surveyed, *only one* fits this description (one of the larger machinist concerns). In default of this solution, the educated offspring may opt for white-collar work elsewhere, which would mean severing her/his ties with the family business. In such a case the life of the parent's business will come to an end, and that would confirm that the purpose of its establishment and maintenance was not accumulation but providing a living for the artisan-proprietor and family.

The explanation of why the interviewees want or do not want their children to follow in the family tradition allow us a further insight into their views on their work and their expectations.

Artisans and small employers in both trades emphasise the 'settled' character of their occupation. The artisans in particular said that by joining them their offspring were guaranteed a job and, by extension, a livelihood. Read backwards this reveals that they are preoccupied with survival and subsistence - which is understandable in view of their background. The same element, but also a more positive appraisal of the wealth-creating potential of their businesses, as well as the psychological aspect of continuity, are the prevailing themes in the answers given by the larger employers and to a lesser extent by the small ones too.

Gender plays an important role in the preferences and dislikes expressed. Machinist respondents with daughters exclude them from joining their workshop, while those with sons welcome them with open arms. On the other hand, in garment-making girls are considered as very suitable for the trade, while no obstacles are put in the way of boys who wish to join.

The widely noted concern of the interviewees for their children's education deserves further comment. It is a marked feature of Greek

society to pursue education for the purpose of eventually obtaining credentials that will be used to secure an appropriate non-manual position (Tsoukalas 1982; Theodorakopoulos 1978). What is remarkable in our case is not that the better-off among the sampled should want to educate their children, but that there are some (only a few, it is true) indications that artisans and semi-artisanal small employers are doing likewise. Given the universal high esteem for graduates in Greece, this suggests a raised status for them and by extension for their family.

A final point on the ambitions artisan families have for their children, since this reflects how they perceive their own position. According to Cavounidis (1985), these ambitions often take the form of dreams of upward social mobility which, she points out, is considered so important that parents feel compelled to make sacrifices to help their children achieve it. Cavounidis reports that the garment-maker artisans she researched in Nea Ionia (an industrial suburb of Athens) thought manual work as anathema, and aspired of a 'clean' career in the service sector for their children. This view seems to me partial and exaggerated. When in my own research I was given similar answers, it was only from some of the garment homeworkers who formed the last link in the chain in putting-out networks; they resented the hardship, the sweating, they suffering. Their views reflect the more proletarianised and unprotected segment in the category of independent artisans, those whose position is not substantially different from that of ordinary wage-workers; it does not extend to the remaining garment-makers who were content with their work and position.



Similarly and even more so, machinists place a premium on hard manual work. Since their independent position was achieved precisely by means of hard work, hard work must clearly involve an element of upward mobility. It is difficult to see how they themselves would denigrate it so totally as Cavounidis says they do when she reports them to consider their life's achievements with contempt, as anathema, and so vehemently despise it as a work prospect for their children. The work must certainly have been exhausting at times, and of course they would hope their children to have a future which could dispense with such hard labour and might even raise them further up the social ladder. But, dreams and wishes aside, there is ample evidence that artisans appraise their children's future and their own position and type of work far more realistically.

### Conclusion

1. Prior to 1990, about half of the artisan-proprietors and many more of the other two categories of interviewees experienced a rather moderate economic expansion, due to different reasons, and manifesting itself in different ways for each producer group. With regard to the smaller establishments it was not sufficient to change their overall situation, or even minimally prepare them for an eventual 'lift off'. The status quo remained unaffected.

One reason why that expansion was so moderate lies in the very limited innovative activity of small businesses, particularly those of garment-making artisans who do not innovate at all. For them, economic growth is more than anything a matter of external market influences that have proved exploitable. But even the artisan machinists, who do have an aptitude for innovation could not make good use of favourable circumstances. This may be attributed to the absence of a number of exter-

nal factors, such as a co-operative social network, the relevant legal framework and state assistance, suitable business practices, etc. In addition, the structures of the industry as well as the market had an adverse impact and effectively blocked the emergence of innovations.

Even when it was possible to develop innovations, they were more an individual achievement and less a social process; accordingly, their impact was not widely felt. In any case, the high costs are forbidding and, in combination to the irrelevance of existing support schemes, do not make innovations a viable option to pursue. The existing innovative potential has remained undeveloped and, since it cannot be employed for expansion and accumulation, it is being used *ad hoc* for the simple survival of small craft-work units.

Artisans and other small producers showing no inclination to upgrade their technical and organisational-managerial skill level also affected expansion adversely. Neither are they modernising their machinery and equipment, or only very infrequently, nor do they strive to bring their production in line with contemporary technological developments. In other words, they demonstrate a marked *difficulty in adapting to change*, which I attribute to their background (educational and social). This means that artisans are not able to face up the competition aggressively, and whatever expansion they might undergo will rest on such rickety foundations that it is bound to topple at the first puff of adversity.

2. Voluntary organisations to some extent and Artisans' Chambers more so have at least in part been sustained and influenced by extensive state intervention. This means that the producers' associations, in which participation is slim, have not been allowed to promote their members' interests autonomously. The situation is similar with the Ar-

tisans' Chambers, where state intervention is also heavy. As a matter of fact it is not at all clear whether interest representation was ever the real reason for their existence and continuing operation, or whether from the beginning they were intended as a mechanism for controlled incorporation. This feature of state intervention is no doubt related to the fact that there has been no collective action by artisans. In this, the isolated circumstances of their economic life should be considered an inhibiting factor.

State intervention in artisanal affairs lags substantially behind what artisans themselves say they require. They were certainly never given any strategic guidance towards a "Third Italy" type of incorporation or any other clear plan for their future. Despite these serious drawbacks and considerable misgivings about the state's benevolence, for the artisans the state and its various apparatuses remains the only authority that can offer any kind of solution to their problems. However, seeking assistance from the relevant state apparatus, has made them become engulfed in a dependency nexus.

State tutelage of artisans is founded on a mixture of incorporative and/or exclusionist tactics. These had for long been instrumental in channelling, guiding, countering or thwarting any civil-society type of organisation, depending on whether it was loyal to the government of the day. Moreover, artisans were and are systematically outflanked, largely because of the state's definition of who may officially be considered an artisan. The impact of this can be seen in the gap between the social composition of the Artisans' Chambers membership and that of their boards, by who has access to loans and other services, and by the overall direction of Chamber policies.

Organisational outflanking has also been evident in the many voluntary organisations whose politically motivated leaderships remain

true to the logic of statism. In fact such organisations are frequently used to conquer positions in the state apparatuses so as to assist their own political party. All in all, artisans lack an autonomous voice and as they cannot represent themselves, must leave their interests to be mediated by others.

The constraints imposed by the combination of organisational and political tutelage has effectively discouraged the artisans from any kind of collective action. As separate and isolated individuals /enterprises they have no option but to have recourse to such authorities as seem likely to be able to help. The result of this orientation is even stronger individualism combined with statolatry.

3. The artisans self-appraisal gives us an accurate assessment of their current position and potential. Their hopes are modest. The artisans see their position as an achieved end-station with which they are quite content, (an appraisal that is in conformity with their non-proprietor background, work trajectory, and age), and their future aspirations are strongly determined by the wish to consolidate themselves in their position. Expansion towards capitalism is not only a practical impossibility, but due to lack of capital and technical and managerial skills and also because of their advancing age they do not even find it desirable. This means that only through their offspring, intergenerationally, might artisans be considered as having a potential for accumulation, but in practice they do not appear to really harbour any such hopes. They were only a few instances in the sample of an educational-status intergenerational mobility, which means little in terms of upward class mobility. On the other hand it appears that a substantial minority of artisans has placed or intends to place their

children in their businesses. Such reproduction of the artisanal stratum increasingly from within indicates processes of closure.

In this chapter it has been possible to establish that the artisans sampled have been affected by a number of constraints setting limits to their (individual) expansion towards full-blown capitalism. A number of these constraints originate from social environments exogenous to the artisans and which operate at both micro and macro level. Their impact trickles down until it bears upon the isolated artisan and his/her unit. On the other hand, other constraints may for analytical purposes be identified as arising from grass-roots level, from the circumstances in which individual artisans find themselves, from their background, from the work and market situation, and from the micro-organisational and other features of their enterprise.

Taken together, individual micro and macro situations/constraints interact to delineate what actions are possible for artisans. The rupture of these limits by less than a handful of them does not invalidate them. But while it confirms their general applicability, it at the same time demonstrates that human ingenuity may manoeuvre through and even shake off the rigidity of structures.

## Notes to Chapter X

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1. The reader is reminded that information obtained from the interviewees is arranged on the basis of the categories into which these have been allocated: artisan, small employer and larger employer. The latter are fully blown capitalists and are contrasted to artisans; those designated as small employers are of a mixed type (see Ch. VIII).

2. For present purposes *innovation* is defined as:  
'the successful introduction into the [national] market of new or improved products that have been invented or perfected by [an] enterprise, and/or the application in production of new or improved processes [and designs] invented or perfected by the enterprise' (Babanasis *et al.*: 914).

(By contrast *invention* entails the development of an idea for a product, short of its introduction into the market.)

The usefulness of this working definition of *innovation* is that it restricts the term to production only, excluding organisational, market, and other types of innovation. It also facilitates minor and incremental innovations, and comparisons relevant to our subject-matter.

The particular definition was formulated in the context of a research project in the micro-electronics industry in Greece in which I took part. In the formulation of this definition a number of works on innovation were consulted, including E. M. Rogers (1962), *Innovation* (mentioned in Kok and Pellenbarg (1987: 147), M. D. Thomas (1987), Nelson and Winter (34; p.48), and C. Freeman (1988; 1989).

3. The vagueness concerning the number of innovations interviewees have developed (they showed that this was more than one by using the colloquial term patents in the plural), and the extent of their use, indicates that they do not hold them in great esteem.

4. 'Experience' was the key-word in 12 out of the 22 available accounts on how innovations were developed, of which 9 pertained to artisans and 3 to small employers.

5. Until a few years ago the Greek patent law offered only very limited protection. This has changed with the passing of a new law which has aligned the country's legal patent and copyright framework with that of the European Union. Nevertheless, interviewees continued to consider the protection of patents as very restricted, and this negative appraisal continues to influence their attitude and actions.

Respondents who said that they innovated, and in particular machinists, claimed that if they showed their innovation to a fellow machinist, in all probability he would not copy it out of camaraderie. I

was told that this was not merely a manifestation of craft solidarity, but because an experienced machinist, having seen a particular item, can identify the person who has crafted it; this meant that copiers can be identified. When somebody has made an innovation of some importance, almost everyone in the industry knows whose product it is and what machinery is made with, so that in a sense and informally 'one registers one's name, one builds up one's professional reputation (interviewee No. 242). Accordingly, public opinion among the machinists would act as an informal mechanism of social control isolating the copier, who is considered as scum and ostracised. Therefore, such unofficial patenting, i.e. recourse to among *confrères* honour, easy identification, and the threat of isolation act as disincentives, and curb the temptation of unauthorised copying of innovations. The situation is entirely different with foreign products however, against which no formal or informal restrictions apply.

In view of this tradition, machinists were not worried about being copied by their like. They were, however, concerned that some impersonal 'big' and powerful corporation, preferably foreign, able to afford kick-backs to employees of a state organisation such as the patent office, might obtain the blue-prints of their invention in order to modify them. Such conspiracy stories widely circulating amongst machinists, betray an attitude of awe toward the 'big' and the 'foreign'; compared to them the smaller machinists feel inadequate. To their way of thinking, even just applying for an official patent is the surest way for such imaginary competitors to steal their solution.

6. The exception was a larger employer unit in machining with a workforce of 54 that was organised and well-connected, and utilised the most up-to-date technologies. The company received some technical assistance from ELOT, the state-agency for standards.

7. In fact some of the courses/seminars being offered definitely are not intended for artisans, for instance those concerned with disseminating Taylorist principles of work such as seminars on time-and-motion measurement (*Artisans Issues*, various numbers); or those whose subject-matter is too theoretical and technically complex, and so irrelevant to their needs.

8. Members signed up as individuals, not as business representatives as was the case with the Artisans' Chambers.

9. Very prominent among such themes was the claim that Greece's full EEC membership would mean bankruptcy for many thousands of small uncompetitive businesses. They would not, so the opposition parties argued, be able to withstand the unfettered foreign competition and would crumble in the absence of tariff protection and other state support. Other negative subjects mentioned were the disarray within the TEBE and its lack of service to artisans, or the difficulties in securing loans. Some

positive action as well as broader issues were also raised, but these too only as part and parcel of the anticipated destruction of artisanal and other small businessmen (see various issues of the journal *News of EBE*).

10. In the middle to late 1980's, the KKE-controlled GSEBEE obtained notoriety for offering pay increases in excess to those demanded by the socialist-controlled workers' co-federation (GSEE) during the annual negotiations on pay raises between employer and employee associations. The GSEE was keeping in line with the socialist government's austerity program. A contretemps came about when the employer organisation offered to pay more, but the employees' representatives wished to receive less (Mavrogordatos 1988).

11. When I was conducting my pilot study I interviewed the spokesman for artisans and various shopkeepers for the KKE of the Interior (Greece then had two Communist parties, the other being more Moscow-oriented). He acknowledged that his party was taking an active role in organising industry-specific proprietors' associations, not because it considered them a revolutionary force (even though envisioning the middle strata as future allies), but simply because the party had members and supporters among them and had to preserve them as such. If his party were to be seen as unconcerned with their interests, there was a real danger of them defecting to other parties that exhibited a higher level of active interest. He claimed that the other parties had similar motives - which I think was probably correct.

It should be mentioned that the KKE, which professed an insurrectionary approach to what it termed 'socialism', was trying to assuage the small proprietors' fear of being expropriated if that party should come to power one day. The KKE went to some lengths to appease such anxieties by absolving artisans and their like from the stigma of being exploiters of labour, and insisted that the fact that they employed hired labour did not and could not alter their position as more or less permanent allies of the 'vanguard' working class (Kortzidis 1991: 3-6).

12. Out of the 28 machinists who said they are members in a voluntary sectoral organisation, 25 belong to the Union of Artisan Machinists' of Athens and the Environs, two of the other three to the Union of Piraeus Metal-workers, and the last to the Union of Piraeus Iron-workers.

13. The take-over of trade and craft-based associations and unions by small capitalists appears not to be rare. Lyberaki also notes that in the Athens-based Producers Union of Metal Products and Construction two factions have emerged, the 'dynamic' one (for which read small capitalists) and the 'traditional' producers; the former has succeeded in dominating the union's board (1991: 208-11).

14. That was the view of the opponents of the union leadership, but



union-board members too acknowledged that the close relationship with the party had alienated many machinists. As one of them, a KKE-member, said: 'Being pro-KKE party-partisan is hardly evidence of the unions industry-specific character' (interviewee No. 244).

15. I was told by a militant ex-chairman of the board (and a KKE member) that on one occasion when he was chairman the union executive had managed to meet with the responsible Minister to discuss issues of importance to the machinists. But just before the beginning of deliberations the Minister disputed their contention of being representative of the trade by pointing out the extremely small number of voters in the union elections. Some heated exchanges followed and promptly put an end to any possible progress. This event intensified the problem of limited participation, and led to even more embittered disputes between contending political factions, which in turn further alienated members from active participation.

16. Interviewee No. 019 participated in the board of the Association of Garment Manufacturers and was also a member in the Health Council of the Labour Inspectorate, therefore could be considered a reliable source and might well be in possession of some inside information.

17. My informant noted that the non-specialist origin of garment-makers has reduced the probability for a nucleus of fashion designers to emerge. Yet, the development of indigenous fashion designs appealing to the international market is considered to be of paramount importance, and absolutely necessary if the industry as a whole is to cope effectively with the ongoing processes which only further enhance competition: namely, the restructuring of the industry world-wide, and the transition towards unmitigated international trade liberalisation. This discrepancy seriously hampers future prospects for the sector.

18. One would expect that, because of the compulsory membership in Artisans Chambers, the much more numerous very small concerns would dominate. However, the larger and stronger members are usually better able to organisationally outflank the smaller and weaker (see Mann 1986). In the case of the Artisans' Chambers, the inflated definition of 'artisan' which allows up to 49 employees in this category has made members the owners of manufacturing concerns meeting that upper mark of the official definition, which are out-and-out capitalistic. Other criteria of inclusion are a broadly defined personal involvement of the business proprietor(s) in the enterprise, and an upper limit to the annual gross turnover, which is reviewed annually. Furthermore, a number of even larger firms have been identified as members of the Athens Chamber of Artisans, in direct contravention of even the inflated definition of what is 'artisanal'.

These top-heavy 'artisans' are in reality small and medium-sized capitalist proprietors. By joining the Artisans' Chambers they can and

do use their power to outflank the mass of the much smaller and true artisanal units. In consequence, the mass of artisans is subordinated and under-represented in favour of the much more powerful and vociferous larger businesses - which as shown later in this subsection, have been extremely successful in controlling the Chambers. They in fact have reaped disproportionately more benefits than they are entitled to under their Chamber membership.

19. The official tasks of the Chambers is the study of problems affecting their members, on the basis of which they offer advice to the government. They also support their members by providing them with a number of services.

20. The reader is reminded that the machinist artisans interviewed were exceptions to the norm for trade-specific organisations.

21. Respondents regularly complained about the bureaucratic entanglements in which they were caught up, even for the most trivial matters. Some of them said that red tape is a self-perpetuating device, of the Chamber officials; others attributed it to the Chambers' organisational ineptitude.

Red tape goes hand in hand with closure tactics, which at times assume a highly pretentious legalism and formalism. I personally witnessed this lethal combination in operation during my vain attempts in 1986-87 to obtain basic information from the Athens Artisans' Chamber about the number of its members and such-like.

22. The evidence comes from my investigation in the 'Who's who' of the elected councillors in the Athens Artisans Chamber.

23. On G. Lavaus' concept of tribunean function see Diamantopoulos 1989: 137-39).

24. Membership certificates also entitle a small business to exemption from paying V.A.T. when buying machinery and to taking out low-interest artisans' loans.

## CHAPTER XI -- CONCLUSIONS

This dissertation has been an attempt to answer the question why contemporary artisans in Greece, instead of declining as was expected, have made a very significant come-back. As a result of this, a substantial segment of manufacturing has remained in the hands of petty producers, despite the country's overall capitalist development. In this concluding chapter I shall present a resume of points that explain the specificity of Greek artisans.

At this point I should note that the pattern of answers obtained in the course of the field-work from artisan interviewees in machining and garment-making is broadly similar; industry-specific variation does not substantially affect their formation or basic features. This means that the basic profile of artisanship that has emerged has wider applicability. The pattern of answers also verifies that indeed larger employers are qualitatively different from artisans, in social terms they are small capitalists, while small employers do indeed stand in-between.

Despite the disparity of the circumstances to which the term artisan has been applied, it does make sense to use it for describing independent manufacturers who own their means of production and who take part themselves in the production process. Artisans invariably were and are apprenticed in their trade, and their chief resource is possession of the skills that allow them to work with the tools and machinery that are customary or generally available in their craft at any given historical period. Since artisans depend on their own and family labour, they are involved with simple-commodity production (SCP), and do not

practise or aim at accumulation; the objective of their manufacturing is to acquire a basic standard of living. In class terms and despite internal (craft-based) fragmentation, artisans may be regarded as a stratum that is part of the petty bourgeoisie (see Ch. I).

Social formations that developed late did not follow the classical capitalist episode of change. In some instances as older forms of production were being pushed out of existence by capitalism, simple-commodity production sprung from their remnants. In others, pre-existing or newly emergent simple-commodity producers responded to the advance of capitalism by redoubling their own efforts, mobilising the nuclear family's labour and on occasion that of extended kin too, by cutting down on their own consumption and by intensifying the production of commodities. The outcome of all this, conditional on the particular context and the conjunction, is that frequently capitalist firms coexist with SCP businesses, and sometimes the latter even compete successfully with the former.

In Greece, in the turmoil of the 1940s, during the country's occupation by the Axis powers and the civil war afterwards, artisans almost doubled their numbers, and in a way strengthened their position. The ruination and disarticulation of domestic large manufacturing and the economy as a whole at first provided them with fresh opportunities, because they could make repairs and produce a variety of different goods. Until the early 1950s, reconstruction in Greece was much slower than in other war-ravaged countries of Europe, due to the civil-war, to the economic elite concentrating on commercial and financial activities,

regime instability, and the particular development choices that were made. Such economic recovery as was achieved involved a reconstitution of the lop-sided pre-war industrial structure in exacerbated form. This situation again advantaged the artisans, who once again could fill the gap and meet the needs of the pauperised populace for cheap light goods and repairs.

Becoming an independent (self-financed) artisan during that period meant opting for an occupation that could potentially sustain those with skills who were suffering from the drop in real wages, unemployment and the overall vicissitudes of those violent years. It could also be a refuge from political persecution (by migration to the relative anonymity of the big cities), and an individual escape from capitalism. All in all, the artisanal resurgence in Greece was a spontaneous and uncoordinated process triggered by the particular structure of the situation.

The artisans' proliferation in Greece is due to more than the country's limited and lop-sided industrialisation. It is also a result of the lateness of the attempt to industrialise. The particular *timing* of the more systematic of these attempts in the late 1940s/early 1950s meant that latecomers to the industrialising experience (such as Greece) found it very difficult if not outright impossible to follow in the footsteps of earlier industrialisers. The late developers, especially if they were small and/or weak countries, had to manoeuvre in an international context where a number of more powerful and advanced capitalist countries had already imposed an international division of labour appropriate to their own needs and purposes.

Moreover, in Greece the situation was aggravated by the fact that planning, whether by the state or individual capitalists, was programmatically self-defeating. As a side-effect of their choice to base the task of industrialising the country on the Marshall Plan, they seemed deliberately to abstain from mobilising the available indigenous resources. Under the Marshall Plan (see Ch. IV) Greece could do very little on her own, and industrialisation was left in the hands of foreign investors - who did not respond to the invitation, or did so only belatedly. Meanwhile national markets were thrown open to foreign imports of goods not produced in the country, making local manufacture of similar goods non-competitive and their development problematic. The process was nevertheless pursued for reasons that had to do with those in power wishing to be seen by their foreign political mentors to adhere to the economic ideologies of free trade and a free market, perceived to accommodate the problem of modernisation by the diffusion of market forces. The timing of Greece's development effort and its relative lateness, therefore, as well as the particular path followed thereafter, should be understood as important structural constraints to the scope of development, and *inter alia* as providing ample market opportunities for the artisans.

By the early 1950s reconstruction in Greece was more or less complete, and state authority had been re-imposed. Since the anticipated large-scale industrialisation seemed reluctant to materialise, the artisans' continuing expansion became more noticeable. The state was finally obliged to recognise that they helped to keep down unemployment, supplied markets with a wide range of cheap goods, and that were even ideologically of some importance, since they exemplified the vitality of the free-market economy. Their existence could be said to strengthen the social base of the regime. So, while state officials mistrusted artisans

who originated from the insurgent working class, and held fast to their view that the coming industrialisation was certain to bring their demise, they half-heartedly acknowledged their existence.

Despite the economy's expansion, industrialisation (largely foreign-induced) did not come about until the 1960s. By focusing very largely on the technologically unsophisticated branches of light manufacturing, it had few backward linkages, was capital-intensive, produced limited value-added, lacked research and development and so was not the least innovative. At the same time it did not lead to either extensive proletarianisation of the labour force, nor to any diminution of the artisanal sector. As a matter of fact, the artisans experienced yet another expansion, which reflected the successful mechanisation /modernisation of their workshops. The extensive type of growth that Greece was undergoing in the particular (quasi-protectionist) circumstances made it possible for highly inefficient larger firms to survive and prosper. Competition in this live-and-let-live atmosphere was very limited, because it was economically unsound for the large manufacturers to compete for the minute market share of the artisans, who were therefore left undisturbed for the most part.

The expectations that Greece's Association Agreement with the EEC and the opening-up of the economy to market forces would instigate modernisation and greater competition were not realised, because for political reasons the link-up with Greece under the Colonels' dictatorship was frozen until 1974-75. Restricted foreign competition meant that artisans could continue to supply their little market niches and co-exist peacefully with larger producers. This situation continued even after 1975 until at least 1985 (Mitsos 1989), despite periodic crises of

accumulation, and despite Greece's progressive accession to the EEC and the very gradual insertion of an element of competition into the country's economy as a whole. Again, the refusal of the artisanate to lie down and die should be attributed to the existing situation in manufacturing, where challenging the domain of artisans in certain branches and low-grade markets would have been not only arduous and unsound for individual capitalist units, but also an undertaking without government support. In addition, the view could not be discounted that small enterprises, especially the newer ones among them, could cope with crises more effectively than larger firms because of their greater flexibility (Lyberaki 1988).

While it is true that capitalist firms have attempted to incorporate certain artisans through subcontracting, such attempts have been limited to putting-out in some branches only. In fact, it was not possible for relations between the two sides to have progressed much beyond that, because the capitalist sector, impaired by organisational backwardness and the virtual absence of whole branches indispensable for a true broadening of industrialisation (e.g. machine manufacturing), possessed only very limited endogenous dynamism from which the artisans might have benefited. An example of the impotence of indigenous capitalist firms to forge ties with artisans and obtain their collaboration is that all the machinery used by the latter is imported, because Greek manufacturers cannot make it. This contrasts with the situation in advanced capitalism, where the indigenous capitalist sector supplies artisans and where systemic impulses for constant change generate opportunities for the very small independent businesses. The latter provide specialist products or services, including high-tech goods and services. Since in Greece no genuine high-tech opportunities can occur, businesses



of this kind that do spring up provide only labour-intensive putting-out links, as with the garment-makers researched.

The character of the development process in Greece and the expansion difficulties encountered by capitalism have been such that they provided artisans with plenty of market opportunities. Given the merely tentative drafts for or complete absence of any real program for a long-term strategic restructuring of industrial development, there was nothing to stand in the way of a continued proliferation of artisans. Their numbers have grown steadily, and they have acquired permanent importance as a source of employment. As artisans maintained their position and proliferated, they showed artisanship to be a viable alternative to capitalist manufacturing in Greece not only in times of overall expansion, but in times of economic crisis too.

A look at the official state plans concerning the artisans' role in development since the 1950s (see Ch. V) shows an unusual degree of consistency in sustaining the stratum as such, while simultaneously eroding its independence. On the one hand, the state not only tolerated artisans, but even extended to them a measure of support (e.g. tariff protection, minimal taxation and interference, some provisions for small loans). On the other, it encouraged their involvement in putting-out arrangements, for which it advocated their specialisation within a framework of dependent incorporation - quite obviously this line of action gave priority to larger establishments, to which the small ones could be functionally useful.

This approach was not dictated by some deliberate strategy aimed at a modern artisanate playing its autonomous role in the development process. No such strategy existed, neither then nor now, largely because

the artisans have never been the subject of in-depth investigation, due no doubt to the entrenched evolutionist belief that they would be swept away anyhow by some forthcoming industrialisation, and/or by foreign competition. Since they are perceived as having no future, why bother with them?

The lack of the state's clear perspective on the artisans is reflected in the confusion surrounding their very definition. While in Italy and Japan - the only two advanced industrial countries with large small-firm sectors successfully incorporated with the rest of the economy - artisans are clearly defined as a homogeneous legal category; in semi-peripheral Greece, where they play a relatively greater role, they are not. By not acknowledging their specific quality with a proper definition, successive governments and the pertinent state agencies could avoid the political, economic and eventually social implications and responsibilities a clear identification of the stratum would have brought in its wake. As it was, the state's outlook remained conditioned by partly contradictory tactical considerations only, which explains why state policies for the artisanal stratum frequently did not produce the desired results.

The state's handling of artisans pursued two main purposes. First, for the sake of convenience, they were made use of to fill various gaps in supply and to keep down unemployment. For the latter reason especially, certain state policies extended some positive help towards the stratum's maintenance, thereby also defusing any potential political embarrassment the demise of the artisanate might entail. However, while in a number of western countries a large number of the newly established self-employed have benefited from special pertinent government schemes, in Greece the state did and still does nothing to help newcomers set up independently. In this sense, artisans in Greece are entirely self-made.

Secondly, the advancement of putting-out schemes purported the artisans' dependent incorporation into the mainstream economy. It was expected that putting-out, by establishing a form of 'functional dualism' (de Janvry in Jaffee 1990: 56-57), would facilitate the growth and restructuring of capitalist firms and, by reducing costs, increasing profits, and making them numerically more flexible, eventually render them more competitive. The expendable artisans were to be used as development fodder. On the other hand, putting-out was also supposed to increase the specialisation of artisans - a process which would inject them with a modicum of economic efficiency while undermining their independence. This too would assist with restructuring and, moreover, had the ideologically convenient (but quite unrealistic) potential of transforming some of them, through growth and/or mergers, into larger entrepreneurs. Putting-out was seen as a recruiting ground for future small capitalists.

Since the 1950s the state has been playing an increasingly larger role in regulating artisans, but without much positive success. The limited role allocated to artisans in development is paralleled by the institutional role they were given, which is unsupported by any specialist apparatus and institutional arrangements specifically to artisans. In a way, the state's persistent incompetence has been the saving of the artisans. If the plans for them had been put into effect and incorporation had been more actively followed through, the artisans would have come under much greater pressure. At the same time the social cost in terms of closed businesses and unemployment would have been unacceptably high, contradicting the concept of development, contradicting the free market ideology, and likely to entail adverse political consequences for those in power. So whatever was *said*, nothing was *done*, in order to avoid upheavals that could have exposed the economic develop-

ment as a ruthless project of capitalist expansion. In the meantime the artisans could profit from the 'soft' treatment they were receiving to secure new market niches, consolidate, mechanise, survive, and multiply.

The symbiosis of a capitalist and an artisanal sector poses the question of their articulation. It is noteworthy that the expansion of Greek manufacturing as a whole has meant the expansion of both its capitalist and artisanal sectors (see Ch. V). One result has been the cultivation of certain links between them, and this applies to both branches focused by my research. These links are limited to capitalist businesses operating putting-out schemes, mostly of the work-only subcontracting kind. In a few instances, mostly in northern Greece, foreign or indigenous capitalist firms have managed to pass on some of their dynamism to the artisans, and have been instrumental in their establishment and progress (see Simmons and Kalantaridis 1995).

The norm, however, has been that the artisans' proliferation takes place while each sector continues to address different markets, coexisting with the other on a live-and-let-live basis. As mentioned already, field-work data shows that the bulk of artisanal transactions is with other very small units, and that their main competitors are again businesses similar to their own (see Ch. IX). In any case, there is very weak complementarity between the two sectors. The artisans are obliged to import virtually all their mechanical apparatus and very often their raw materials too (e.g. steel from Germany, fabrics from Italy), and the capitalist firms do not as a rule purchase the artisans' products.

If this situation of two more or less disconnected sectors existing side by side is identified as dualistic, this would imply that the

more advanced sector is draining the backward one. On this I have several comments.

To start with, there is no evidence that there is any drain, any transfer of resources from the backward artisanal sector to the advanced capitalist one (see Ch. VI). In fact, the supposed 'milking' of artisans - through the Greek state for fiscal reasons attempting to increase their taxation and control their informal economic activities - seems to be a false alarm; at least up to 1994. It could even be argued that, given the artisans' numerous informal practices which of course spell tax evasion, and the various concessions from the state, that apply to them just as to the capitalist manufacturers, artisans are actually at the receiving end of the drain, which is sapping other segments of the population.

Secondly, the contention of dualism does not take into account that the pullulation of artisans owes much, if perhaps indirectly, to side-effects of capitalist manufacturing and activity - such as new skills, techniques and technologies, financial institutions, expanding commodification, etc. This influence is particularly noticeable in the operation of the simple reproduction squeeze, which, as a result of stronger competition, is exerting pressure on the artisans to mechanise and overall modernise their businesses in order to cope with it.

Thirdly, although the two sectors are still quite distinct technologically, there are indications that the gap between them is narrowing. One of the main reasons for this is that in Greece both sectors are concentrating on the manufacturing of established products using well-known techniques. Technological improvements and new financial arrangements (e.g. leasing) now make it more easily possible for artisans to turn out items of new machinery that technologically are no different

from those in operation in the larger production companies, and so will narrow the technological gap between them and the capitalist firms.

On a more fundamental level, the reasons why SCP in Greece has not developed a more positive complementarity with capitalist units should, I think, be sought primarily in the historical processes that shaped indigenous capitalism (see chs IV-V). The preservation and expansion of SCP and the poor performance of capitalism are due to the inability or unwillingness of indigenous and foreign capital to invest in manufacturing at the stage when this was most necessary. It is this basic characteristic of underdevelopment of Greece and other peripheral countries that engendered the opportunities of which artisans availed themselves. In this sense the artisans' proliferation was an unanticipated by-product of peripheral capitalism. This is not to discount Mouzelis' doubts about the prospects of industrialisation today, even if sufficient capital should become available (1978: 40), because lop-sided development (like all development) has its own dynamic. The gap cannot be closed simply by adding long after the event what was missing at a much earlier stage.

We see, therefore, that the dualist thesis does not apply to the Greek situation, and that the links and the complementarity between the two types of manufacturers are different from those existing in the advanced countries. Not only are their relations limited but, since they are often mediated by the state, they are also largely indirect. A critical instance is the artisans having to import their machinery due to the absence of a comprehensive machine-tool industry in Greece. This as well as the severe limitations and in effect underdevelopment of all the so-called high-tech branches in Greece, seriously hampers the technological modernisation of artisans to make them organically complementary to the indigenous capitalist manufacturers. The reason for this

backwardness of the supposedly more progressive of the two sectors is that capitalist producers too lack proper research and development departments and/or facilities, and so cannot innovate. Besides, artisans often find it difficult to understand technological developments. In this plexus of relations characteristic of the semi-periphery there is no indigenous capitalist technological dynamism. The lack of domestically produced machine tools being compensated for by importing them could be said to be a transfer of some of the dynamism of global capitalism to the local market of the domestic artisanal sector: the two exhibit features of a positive complementarity. In this sense there is no negative complementarity or negative articulation, nor dualism proper at the national level. Instead, one may go to the other extreme and talk of elements of a positive complementarity between the two entities, but this would require redefining the notions of dualism and complementarity to take into account the impact of processes of globalisation.

Aside from the timing, the specific circumstances and market opportunities, is there something distinctive in Greece's social structure that promotes independent small businesses? This can be answered affirmatively: a key feature of Greece's social structure used to be the independent family smallholding in the countryside, in other words the agent of rural SCP. The influence of this organisational form (characterised by a supportive network of family and other primary relationships, and necessitating some elementary entrepreneurship) on migrants of peasant extract was such that its coherence and purpose were kept intact in the urban setting. Its ideological discourse considered the poverty-free ideal espoused by rural simple-commodity producers as identical with a self-sufficient family-based existence in the towns (see Ch. VI). When

this attitude came to permeate the urban context, it provided a ready-made model for small businesses and the people operating them - a situation resembling the link between share-cropping and urban entrepreneurship in Italy (see Ch. III).

In my own research this continuity between rural and urban SCP is manifested, on the one hand, in the large segment of both machinists and garment-makers who had an independent peasant/small-holding family background, and were assisted by members of their primary group, which shows that such a support network exists and functions as part of their social capital. On the other hand, the survival culture of the rural family-based SCP and that of the urban poor, is reflected in the practice of the artisans I sampled to start work when they were still children, and in their adherence to such a culture and a wish for independence; in this artisans in both trades researched exhibit similarities with the small employers but differed markedly from the larger employers (see chs VIII-X).

This involvement begins with long apprenticeships to learn the skills required for the new life. Also, quite a number of artisans came from urban families with definite entrepreneurial dispositions. This not only provided them with an organisational model, but also with a variant of the survival culture, according to which ownership of an independent business in all probability means being able to make a living, as well as representing a very positive social value indeed (see chs VIII-X).

Greece, unlike more advanced industrial countries such as Britain, has never known a politically-inspired movement such as the 'enterprise culture' to propagate the virtues of small property (see Ch. II). It would in any case have been entirely superfluous, because in the rural and urban popular cultural traditions, the ethic of independent business proprietorship has survived the capitalist onslaught. People could and



do draw inspiration and organisational assistance from it to embark on an independent small-business career; this is a characteristic specifically Greek.

Another feature of Greece's social structure at the micro level that encourages artisanship is the very existence of particular craft-work and artisanal traditions. Since craftsmen and artisans, along with the whole industrial system in Greece, lack generational depth (Cavounidis 1985), these traditions may not have the binding force of long-established practices, but field-work research does indicate that socialisation in the craft is not limited to passing on technical skills and know-how but also embraces a range of ethical values and a subculture that are part of being an artisan.

As my research has shown with respect to both garment-makers and machinists, these traditions were inculcated into the younger generation in the course of their long apprenticeships, and while they laboured for wages before setting up on their own. As a rule, all potential artisans were apprenticed on-the-job. Whenever artisans attended school, they did so for a substantially fewer number of years than the small and particularly the larger employers. Of course, artisans' limited exposure to education has circumscribing them in a lasting way, while their reduced educational opportunities indicates the existence of a class barrier. Their practical experience was acquired by working mostly in a sequence of small firms similar to those the interviewees later established themselves. Even younger workers of an artisanal family business had to work alongside the other employees for a number of years before they were made partners. This gave them the opportunity to learn a wide range of skills that later enabled them to handle a wide range of different items, and made them more flexible than their counterparts in larger firms who were turning out more specific goods.

Once someone was acknowledged as a craftsman, the options open to him/her were the following: to become independent, to work in the primary sector of a large firm, or to become a core worker in a small unit. The first option, which was pursued only after the newcomer had eight to ten years experience of wage-working, carried and carries by far the greatest prestige, and is regarded within the craft as normal. Besides, a number of craft traditions exist to facilitate independent artisanship - such as assistance newcomers received from their ex-bosses, the patterns in partnership formations (an important organisational vehicle for setting up an independent business), help from work-mates (indicating the operation of a 'buddy' system) and/or close relatives, and in the master co-opting partners from his/her core workers (see Ch. VIII).

Craft-based links appear to be kept up to some extent by independent artisans, and exert an impact on the market by facilitating economic associations and an informal code of personal conduct. In fact, the bulk of the artisans' economic transactions involve other artisans or other small companies. This does not mean that artisans have transcended their antagonisms and effected synergies, as has been the case in the Third Italy (see Ch. III). On the contrary: attempts to obtain collaboration among artisans through some organisational means have invariably failed. This must be attributed as much as to their marked individualism, and by extension to their difficulty to organise themselves effectively, as to the unsatisfactory character of the relevant state intervention.

So far we have touched mostly on external factors influencing the continuing reproduction of artisans, and on features of the social

structure. Of equal importance is the element of personal agency for an artisan establishing herself/himself as an independent.

Anyone can try to become an artisan, but only the multi-skilled wage-workers (or the sons/daughters of artisans) can attempt independence, promising both extrinsic and intrinsic rewards, with any likelihood of success. It should be remembered that success does not consist only in the practical returns from owning and operating a small business. A major aspect of success is the social value attached to being one's own master, and the upward mobility this implies. Having become an independent master artisan is an end in itself - a view shared by aspiring artisans and both their family and craft milieux.

In the sample studied, the family's contribution to getting the new business set up rarely extended beyond providing purpose and psychological support; it was typically too poor to make a financial contribution itself. Skilled workers aspiring to independence must have savings of their own, or draw bills of exchange for repayment from income from their own work. It is obvious that possession of the appropriate skills is absolutely crucial. Where there are few or no financial assets and only a mastery of the required skills, starting-up often involves partnerships with family members and/or trusted co-workers, especially when the initial requirements are unlikely ever to be met by a skilled worker's savings. Whether they proceeded on their own or in partnerships, it was always the skilled themselves who initiated and carried through the transformation of their social position. It was individual agency and not collective effort/action that was the key to artisanal independence. The experience has strengthened the artisan's self-reliance in the safeguarding of her/his interests, further reinforced by cultural aspects, and structural position, while the exigencies of the work limit spare time for collective purposes. The in-

teraction of these factors also inhibits co-operation with competitors, as well as combining with other artisans to promote mutual interests. Instead, the artisans pursue an individualistic course, both to achieve and maintain their independence, which has resulted in their fragmentation as a social force, and in the last resort in their isolation. As unspectacular as it is solitary, the socially visible course artisans follow is an expression of their determination to be and remain strictly their own masters. This is their secret and the wider social dimension of their position and action.

With regard to the generic non-development of civil society in Greece, the artisans' rampant individualism has made their stratum chronically incapable of representing itself in any unified and effective way. The fact that artisans, in both industries researched, have not managed to muster enough strength and leadership to press for their demands explains why they are one of the social groups that has presented the fewest problems to those in power. A reflection of the impotence of the stratum to become *for itself* is that it has allowed itself to be organisationally outflanked by small and incipient capitalists as well as by the various party-political apparatuses that further disorganise it and distort its autonomy. In fact, since the organisations claiming to represent them are not at all a vehicle of their autonomous collective action, the artisans' agency has remained individualistic.

The artisans' organisational shortcomings means they have been unable to mount a sustained political challenge to press for their demands. This weakness was exacerbated by the absence of any serious attempt by parties in opposition to help set up such organisations as a

means to win the artisans vote. In terms of the clientelistic mode of incorporating the people into politics, to which all the main political parties were attuned, there was little point in setting up artisans' organisations along horizontal lines. Besides, the institutional impediments were such that local-government authorities, which often were controlled by the opposition, were unable to have any effect on artisans whatsoever; the neo-localism observed in Italy that expedited the concern with artisans (see Ch. III) was for a complex set of reasons unthinkable in Greece. All of this means that the artisans had and have a very limited political role, and as they have never become an issue of particular importance in the political contest, initiative for them is left to the state, which keeps its concern to a minimum.

The liberal state had, of course, the constitutional obligation to bring artisans, along with other social groups, into the nations' economic and political life, and in this case this process assumed a nominally corporatist form (e.g. the Artisans Chambers). But even though the state had a free hand, it not only lacked vision, but actually pursued a dual line in handling the artisans, one that both incorporated and excluded them. Exclusion was brought about by installing as artisans' spokesmen those who were artisans only in name; at the same time the corporatist framework has been retained through the Artisans' Chambers, even though they operate more as an ideological pretence than truly representative bodies.

It emerges from my empirical findings that the theories and concepts set out in Ch . I proved very useful in guiding the analysis by providing the notion of SCP which allows qualitative distinctions. They were also indispensable for deciphering the SME category by exposing its class bias, and of enduring relevance for explaining the artisans' difficulty in acting collectively.

Specifically, the SCP notion proved heuristic for distinguishing between artisans who employ no wage-labour (or only peripherally), and those who employ a relatively large number of wage-earners. The patterns for independent Athenian artisans and larger employers are consistently different (see chs VII-X), these differences being directly related to the employment situation. The concept of relations of production (which lies at the basis of the SCP notion) can be very useful not only in macro-historical comparisons, but also when examining a specific social situation at the micro-level of analysis.

The SCP terminology again proved valuable in the more empirically oriented chapters on the enormous difficulties in the way of artisans expanding their businesses and becoming small capitalists. This reinforces N. Poulantzas' point that there is a class-type barrier blocking the artisans' transformation into small capitalists, and justifies his opposition to the relatively neutral 'small and medium-sized enterprise' category (SME), which tends to minimise the qualitative difference between artisans and small capitalists. My research (chs V, X) shows that the term of SME, which is used by official and semi-official Greek government publications and state organisations, is highly misleading since it tends to obscure the small artisans' distinctiveness as an interest group.

Besides, Marx's views on the petty bourgeoisie are borne out by the fact that Athenian artisans, as my findings demonstrate, notwithstanding

their awareness of their distinct and difficult position are unable to organise themselves from a 'class in itself' to a 'class for itself'. This in turn has prevented any effective promotion of their collective interests, and renders them vulnerable to all types of manipulation by antagonistic interest groups. As I have tried to show in Ch. X, this situation is due to the artisans' particular work and market situation encouraging their relative isolation and marked individualism, as indeed Marx pointed out long ago.

On the other hand, my findings do not confirm the Marxist theory on artisans' proletarianisation or on their inherent tendency to promote capitalism. To be more precise, the continued survival and even resurgence of Athenian artisans in the context of a social formation in which the CMP is dominant runs counter the Marxist prognostication about the stratum's proletarianisation. It is true of course that, among Marxists, Poulantzas re-cognised the eventuality of their long-term survival, but less due to systemic tendencies and more because of political elites trying to stop the trend towards proletarianisation. As I have shown (chs IV-VI, X), political elites played no such role in the Greek case, so that Poulantzas' explanation for the survival of simple-commodity producers does not apply in Greece. Instead, it is more fruitful to see it in terms of the small returns accruing to agents of CMP (at least in the semi-periphery) endeavouring to expand their hold over the economy and society.

Neither do my findings support Lenin's view that SCP by its very nature, spontaneously, enhances capitalism and the bourgeoisie. The virtual inability of Athenian artisans to transcend their position, and the weak linkages between the artisanal and the much more dynamic capitalist sector (see Ch. IX) suggest that, even if Lenin's theory was true for a particular historical period, it cannot be upheld today in a more ma-

ture, albeit not fully developed, capitalist context. However, if neither proletarianisation nor capitalist transformation is at work, it makes little sense to consider the artisanal stratum as transitional, as is maintained by the theories discussed in Ch. I. Instead, it should be seen as a relatively permanent, numerically very important although relatively non-organised social stratum and quite typical of most countries that started their capitalist development late.

Overall, it seems to me that the Marxist concepts and theories of Ch. I retain much of their usefulness for the analysis of the artisans' stratum although some of them, as indicated, have not been confirmed empirically in my study. I suggest, therefore, that if they are to be upheld, this should be done selectively.

Searching for the specificity of the Athens artisanate I compared my findings to the case studies discussed in chs II and III. It emerges that Athenian artisans come from humble social origins. They typically start manual work early as apprentices, possibly attend low-grade technical school and, once they have mastered their skills, spend about ten years working for wages before they establish themselves as independents. A working-class background has been observed also among the Italian artisans, as well as among small entrepreneurs in construction work whom Scase and Goffee studied in Britain.

Social origins aside, Greek skilled workers may be motivated to choose artisanship for purposes of survival (as with homeworkers in garments), but also as a way of acquiring a better basic standard of living and to safeguard their work autonomy (as with machinists). However, the same motivation characterises the Italian artisans and British builders.



In all cases, starting-up was usually financed by personal savings. While in Italy state assistance, private firms, redundancy money, and the family's economic support were important factors, for the Athenian artisans financial assistance from their families was not important (unless they had an artisan background). Instead, they relied heavily on bills of exchange, available to them on the basis of their reputation as good workers.

In the literature, the family appears as a very important factor in reducing labour costs, given that members of kin work hard for long hours and receive little pay; my study confirms this. Besides, as in many other countries, artisanal concerns in Athens too are largely family-structured. In addition, in Greece the family members are involved in partnerships that provide an important organisational framework for small businesses; in such cases the workshop is often seen as an extension of the household. Besides from involving kin, partnerships may also be formed with colleagues (who often become fictitious kin) or with co-opted wage workers; in all cases the partners usually have equal shares, decisions are taken unanimously, and divisions of labour are established.

With respect to the labour relations in artisans' workshops these are often mediated by kinship: workers being kin have an important control function over the wage workers. Despite claims to the contrary, the latter do not choose to work in the small Athenian units because they value the allegedly informal and friendly atmosphere there, nor are labour relations in small firms particularly harmonious. A number of studies have shown that this is patently not the case. In fact, it is the younger, the unskilled, and the more unprotected workers that are oriented to this sector of the economy, which in turn explains why, as Piore and Sabel have pointed out, workers in small units are usually

sweated, which is true in both Italian and Athenian artisanal units. This goes hand in hand with a paternalistic stance by the artisan boss. However, it has also been shown that employers may well adopt a more fraternal orientation vis-à-vis their subordinates; in fact, this is widespread among Athenian artisans when the employee worker is a finished craftsman. The argument that fraternalism is not only a political tactic of employers, but also, for those who have a working class background, a way of coping with the employment situation, is confirmed in the Greek case.

The loose occupational community of artisans that can be said to exist in Athens also includes skilled wage-workers, who are occasionally assisted by the artisan boss to become independent producers. By contrast, in Italy this occupational community is rather more tightly bound. It is to be found in the industrial districts where it coordinates and integrates the individual artisanal units and affects overall economic growth.

In the above, I have compared patterns pertaining to the artisans' origins, their starting-up as independents, and aspects of relations within the workshop and trade. However, artisans' business links and practices, their limitations and their relations with the external world are also worth considering. So among Athenian artisans it is good workmanship and a network of acquaintances that bring in their customers, whom they often get to know well personally. Much of their work also involves other small businesses, either as suppliers or customers, which reflects the structure of the Greek economy. Italian artisans, in addition to good workmanship and the personalistic element, rely on superior design and production technologies, the various services made available to them collectively, and on their integration with the decentralised production network that safeguards their access to na-

tional and even international markets. However, despite their differences in attracting and securing customers, informal economic activity is as extensive among the Athenian artisans sampled as among others abroad, and is practically indistinguishable from the formal kind. Athenian artisans condone and explain it as a defence mechanism against pressures of competition and lack of state concern.

On the whole, the Greek artisans researched are not keen to expand their business activity. Their low educational level makes it difficult for them to employ state-of-the-art technologies, and so precludes them from promoting innovative ideas into actual products. In this they sharply contrast with their flexibly specialised and innovative Italian counterparts. Athenian artisans also lack motivation to expand because, having no distinct economic role that would promote synergies and an upsurge of economic activity, their doing well individually depends largely on external market influences. Therefore they remain content with the level of what they have achieved.

In terms of their collective organisation, Athenian artisans have only a rudimentary one because they find it difficult to combine their work with interest representation. This renders them vulnerable to organisational outflanking, so that for the most part they operate as isolated individuals. The lack of interest in collective organisations reflects less the absence of issues that could bind them together, than the fact that in the past such organisations have not delivered what they promised. This sharply contrasts with the Italian experience, but more recent developments there have not been incorporated in the present study and should also be taken into account.

Different patterns may also be discerned with respect to the role of the state. The Greek state, contrary to the state in other countries, has shown very limited interest in artisans and has been very slow in

drawing up policies aiming to help them. At best, the artisanal stratum has been regarded as potentially facilitating the growth of larger firms, but certainly not as an agent of overall development. Such assistance, therefore, as was extended to it may have facilitated its survival but certainly not its dynamic growth.

The discussion above does not lead us to a radically different picture from that given in the available literature, but rather confirms it. It is not, therefore, at the micro-level so much but more at the societal level that the specificity of the Greek artisans is to be found. At the risk of over-simplification, it seems to me that the re-emergence of large numbers of artisans in the post-war period combined well with the type of industrialisation that actually took place in the 1960s and 1970s and provided market openings and more broadly a structure of opportunities. This, instead of destroying the artisans, made possible their continued reproduction and led to workshop mechanisation, which enhanced their ability to further adapt and survive. From the late 1970s onward, the large number of artisans (who already enjoyed wide social acceptance because of their association with the time-honoured independent small proprietorship) were found to be a very significant source of employment at a time of almost negative economic growth, which strengthened their standing even more. The continued reproduction of the artisanate with only a modicum of state intervention, and the absence of competition in its symbiosis with capitalist firms have meanwhile brought about the pragmatic acceptance of artisans by the decision-makers. Without either specific interventions on their behalf or any major challenges, the stratum was largely left to itself and managed to survive. Whether this situation will help the artisans' future existence is an open question.

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THE QUESTIONNAIRE

Below is an English translation of the questionnaire used in my field-work research for collecting primary data; original is in Greek.

\* \* \*

ARTISANS' QUESTIONNAIRE (GREATER ATHENS AREA)

Confidential

- A) No:
- B) Date of interview:
- C) Place of interview:
- D) Duration of interview:
- E) Kind of Artisanal Enterprise: (i) Garments  
(ii) Machining  
(iii) Other
- F) Workshop Premises:

-----

1. When was the *present* workshop set up (year of establishment)?

2. Area in which the workshop is located:

3. Age and Sex of Owner(s):

Owner(s)	Male	Female	Years of Age (up to 30/31-45/over
45			
1st Interviewee			
2nd			
3rd			
4rth			

4. Size of enterprise (number of paid employees)

	Permanent Staff		Seasonal Staff	
	Male	Female	Male	Female
Workshop Only:				
Retail Shop Only:				
Office Only:				
Mixed Duties:				
Total:				

5. Father's Occupation:

6. Mother's Occupation:

7. You were born in:

Athens-Piraeus		(Go to Q. 9)
Other parts of Greece	Where?	
Abroad	Where?	

8. At what age did you come to Athens?

Years of Age:  
Did you come alone? Yes:  
No: Who with?  
Why did you come to Athens?

9. Did you ever work abroad?

YES:

NO:

Country:

For how long?

What was your job? 1st:

2nd:

3rd:

10. What kind of education did you receive?

School

Years of formal education

1. Primary School
2. High School (3 forms)
3. Vocational/Technical School
4. Technical High/Technical Lyceum
5. High School (6 forms)/Lyceum
6. Technical College
7. University
8. Post-graduate studies
9. Other

Total:

11. While being a student, were you working?

YES:

NO:

For what reason?

What kind of job?

12. At what age did you start working (years of age)?

13. Where did you acquire your skills?

1. At school:
2. At work:
3. Both at school and at work:

14. [Question withdrawn]

15. How long did your apprenticeship last (in years)?

16. Did you get paid at the same time?

1. YES:
2. NO:
3. I paid:

17. [Question withdrawn]

18. Who was your boss at your first paid work – provided that you worked there for at least two months? (Apprenticeships included as first paid work).

1. A relative Relationship:
2. A family friend
3. Someone from the same village/area/town/neighbourhood
4. Other (please specify):

19. Who recommended you for your first job?

20. a) Since you started working, for how many different enterprises have you worked? (Total number of enterprises).

b) How many years have you been in paid employment?

c) What kind of enterprises were those you worked for, what was the your status there (what sort of work did you perform), how many people were employed in each enterprise? (Start from the first enterprise you worked for).



(the present one or another one in the past)?

YES: NO:  
Why?

33. *At present*, do you do any side work?

YES: NO:  
Why?

34. Who did you consult while planning to set up the present workshop?

35. a) Provided that it is *not* a family business, what made you set up this present workshop?

b) Suppose you had chosen to do some other work instead of the workshop, what would it have been (what kind of difficulties and what kind of prospects would it have)?

36. Knowing that you were preparing for your first enterprise, your former employer:

1. Encouraged you: Why?

2. Discouraged you: Why?

3. Did nothing:

4. Knew nothing:

37. [Question withdrawn]

38. a) Did you have in the past or do you still have any partners in the enterprise?

YES: NO: (Go to Q. 45)

b) Did the present enterprise resulted from the merging of two or more artisan shops?

YES: NO:

39. *At present*, do you have any partners?

YES: NO: (Go to Q. 41)

40. Are they still the same partners?

YES: (Go to Q. 42) NO:

41. Why did the previous partners leave?

42. What was the relation at first between you and you present partner(s)? What kind of participation in the workshop do they have, and what kind of work do the do?

(1st) Relative: Kind of kinship:

Work mate:

Friend:

Participation (%):  
Kind of work:

(2nd) Relative: Kind of kinship:

Work mate:

Friend:

Participation (%):  
Kind of work:

(3rd) Relative: Kind of kinship:

Work mate:

Friend:

Participation (%):  
Kind of work:

43. How is the work distributed among you and your partners?

44. a) How does decision-making take place?

b) What happens in case of disagreements?

45. Do any relatives of yours or of your partners' work in the workshop?

*Yours:*

YES: How many? NO: (Go to Q. 49)

Partners':

YES: How many? NO: (Go to Q. 49)

46. What kind of kinship relation is there between you/your partners and your/their relatives working here?

i: iv:  
ii: v:  
iii: vi:

47. a) Do these relatives:

Get ordinary wages? No. of relatives:  
Get any allowance? No. of relatives:  
Draw money from the business within certain limits: No. of relatives:

47. b) On average, how many hours does each of them work every day?

i: iv:  
ii: v:  
iii: vi:

48. Can any members of your partners' families participate in taking decisions concerning your enterprise?

YES: NO:  
Directly: Indirectly:

49. a) What is the legal form in Greece of your company?

Personal: E.E.: O.E.: E.P.E.: A.E.:

b) Changes in its original form:

From: to  
From: to  
From: to  
- No change:

50. On setting up for the first time a workshop, did you own the handtools/machinery?

YES: Partly: NO: (Go to Q. 52)

51. If 'yes' or 'partly', how did you acquire the money for the equipment purchase? (*more than one options*)

Savings: Bills of Exchange:  
Sale of property: Loan: Other (explain):

52. If 'no' or 'partly', how did you get the equipment?

Rental: Didn't pay:

53. [Question withdrawn]

54. [Question withdrawn]

55. [Question withdrawn]

56. On setting up the present workshop was the machinery basically:

New: Second-hand: Some new, some second-hand:

57. At present,

Do you own the machinery (in %)?  
Do you hire the machinery (in %)?  
Do you get it for free (in %)?

58. What is the total Horse-power of the machinery in your workshop now? 479



..... HP

59. Do you own a vehicle for transporting goods?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_  
Van: \_\_\_\_\_ Lorry: \_\_\_\_\_ Car: \_\_\_\_\_ (No. of vehicles in each category)

60. [Question withdrawn]

61. *At present*, do you lack any machinery or vehicles?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_ (Go to Q. 63)  
Machines (kind): \_\_\_\_\_  
Vehicles: \_\_\_\_\_

62. How do you overcome this problem? (*more than one options*)  
1. Putting out work:  
2. Working harder with available machinery:  
3. I don't:  
4. Other (please specify):

63. Do you have any machinery you are not using at *all*?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_

64. Reasons for keeping this additional machinery.  
(*more than one options*)  
1. For future expansion:  
2. In case of emergency:  
3. Other (please specify):

65. Do you own any machinery, too complicated to handle?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_

66. [Question withdrawn]

67. How do you overcome difficulties arising from (a) new material and (b) new techniques/processes?  
(a) New material: 1. Insignificant or no problems:  
2. By mobilising experience and imagination:  
3. By using specialist help:  
4. Other (please specify):  
(b) New techniques/processes: 1. Insignificant or no problems:  
2. By mobilising experience and imagination:  
3. By using specialist help:  
4. Other (please specify):

68. Did you get a loan to set up this business?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_  
From: Relatives: (*more than one options*)  
Friends:  
A bank:  
A usurer:  
Other sources (please specify):

69. Did you get any additional loan(s) from a bank or from EOMMEX? For what purpose?  
YES: \_\_\_\_\_ No. of loans: \_\_\_\_\_ NO: \_\_\_\_\_  
1st loan: Bank: \_\_\_\_\_ EOMMEX: \_\_\_\_\_ Purpose: \_\_\_\_\_  
2nd loan: Bank: \_\_\_\_\_ EOMMEX: \_\_\_\_\_ Purpose: \_\_\_\_\_  
3rd loan: Bank: \_\_\_\_\_ EOMMEX: \_\_\_\_\_ Purpose: \_\_\_\_\_

4th loan: Bank:	EOMMEX:	Purpose:
5th loan: Bank:	EOMMEX:	Purpose:
6th loan: Bank:	EOMMEX:	Purpose:

70. [Question withdrawn]

71. In case you didn't get a loan, why didn't you apply for one? In case you got an insufficient loan, why didn't you apply for a bigger one?

1. There was no need/it was sufficient:
2. The conditions were tough/loans can be a nuisance:
3. My application was rejected:
4. Other (please specify):

72. Did you get any other loan(s)?

YES: *(more than one option)* NO:

Source: 1. Relatives:  
 2. Friends:  
 3. Usurer:  
 4. Client:  
 5. Other (please specify):

73. At present do you work in production yourself?

YES: NO: (Go to Q. 76)

74. How much of your time approximately do working in production, administration/management take up daily each? (in %)

1. Cannot differentiate:
2. Production:
3. Administration/management:

75. Reasons for working in production:

1. Financial:
2. Out of habit:
3. Control/supervision of production:
4. Other (please specify):
5. Doesn't work in production:

76. Did you use to work in production in *your* workshop:

<u>1 year ago</u> : YES:	Harder:	Same:	Less:	NO:
<u>2 year ago</u> : YES:	Harder:	Same:	Less:	NO:
<u>3 year ago</u> : YES:	Harder:	Same:	Less:	NO:

77. At present how many hours on average do you work for the workshop each day?

..... (hours per day).

78. Do you do any work for the workshop at home?

YES: Hours per day (on average): ..... NO:

79. How many work-shifts are there in your workshop?

One: One and a half: Two:

80. At present, is the workshop open during weekends/holidays? When it was first set up?

<i>At present</i> :	1. Often	<i>At first</i> :	1. Often
	2. Sometimes:		2. Sometimes:
	3. No:		3. No:



5. Other (please specify):

96. Do you prefer to hire relatives?

YES:

NO:

97. Why?/Why not?

98. Staff get employed usually for:

1. Definite period
2. Indefinite period
3. Other (please explain):

99. Do you intervene in disputes among employees?

YES:

NO:

In what ways?

100. What kind of problems arise between you and the employees?

101. During the last two years how many accidents took place in your workshop?

..... (if none go to Q. 103)

102. What do you think the reasons for such accidents were (*more than one option*)?

- |                                   |                              |
|-----------------------------------|------------------------------|
| 1. Neglect of safety regulations: | 4. Lack of safety equipment: |
| 2. Lack of experience:            | 5. Just happened:            |
| 3. Tiredness:                     | 6. Other (please explain).   |

103. Do you know of any worker that stopped working for you in order for you to set up their own workshop?

YES: How many?

NO: (Go to Q. 107)

104. As far as you remember, those who left in order to set up their own workshops used to be, in terms of their technical level:

- |                      |            |            |            |            |            |            |
|----------------------|------------|------------|------------|------------|------------|------------|
|                      | <i>1st</i> | <i>2nd</i> | <i>3rd</i> | <i>4th</i> | <i>5th</i> | <i>6th</i> |
| 1. Very efficient:   |            |            |            |            |            |            |
| 2. Efficient:        |            |            |            |            |            |            |
| 3. Fairly efficient: |            |            |            |            |            |            |
| 4. Inefficient:      |            |            |            |            |            |            |
| 5. Do not remember:  |            |            |            |            |            |            |

105. Do you do business with any such former employees?

YES:

NO:

106. After such employees left you (in order to become independent workshop owners), were there any cases of customers preferring your former employees' workshops to your own, with or without your recommendation?

1. I referred customers to them:
2. They managed to attract some of my customers:
3. There were no such cases:

107. Have you allowed any of your workers to use tools/machinery for their own purposes?

Often

Occasionally:

NO:

(Go to Q. 109)







144. Do you vote in the elections there?  
 YES: NO:
145. What do you think of it?
146. Are you a member of another *trade* union or association?  
 YES: NO: (Go to Q. 149)
147. Do you vote in its elections?  
 YES: NO:
148. What do you think of it?
149. Are you registered with the professionals' and Artisans Insurance Fund (TEBE)?  
 YES: NO:
150. What do you think of TEBE?
151. Do you participate in competitions or do you bid for state provisions?  
 1. Often: 3. No:  
 2. Occasionally: 4. Intend to:
152. Can a workshop like yours participate in such bidding as well as be awarded orders? Please explain your point of view.
153. Do you participate in competitions for local authority provisions?  
 1. Often: 3. No:  
 2. Occasionally: 4. Intend to:
154. Can a workshop like yours participate in such bidding as well as be awarded orders? Please explain your point of view.
155. How do you distribute your business (in %) among:  
 - Newly manufactured products: - Repairs/Services:
156. [Question withdrawn]
157. Do the orders you accept concern (rank them in order of importance):  
 1. One-of-a-kind products:  
 2. A wide range of specifications, small-batch production:  
 3. A limited range of specifications, small-batch production:  
 4. A limited range of specifications, large-batch production:  
 5. Other (please explain):
158. Is production in your workshop:  
 1. Line production:  
 2. Specialised according to product type:  
 3. Other (please explain):
159. For how long does the stock of raw material suffice in normal production periods?  
 1. I do not stock raw materials/they are purchased on the basis of orders:  
 2. For ..... months.
160. Do you manufacture any brand named products?



YES:

NO:

161. Are the design and specifications of your products (*more than one options*):
1. Exclusively yours:
  2. Mainly yours, customers induce slight alterations:
  3. Customers' basically:
  4. The dominant ones in the market/those in fashion today:
  5. Adaptations/alterations based on patterns/styles dominant in the market:
  6. Custom-made:
  7. Other

162. [Question withdrawn]

163. Your production is based (*more than one options*):
1. On the skilful handling of the machines:
  2. On the skilful handling of hand-tools:
  3. On workers faithfully following your instructions in the use of machines:
  4. On overall experience:
  5. Other:

[Q. 164 and 165 follow Q. 88]

166. Have you brought any innovation to the way of production?  
YES: NO: (Go to Q. 175)  
How many?

167. Is it (or was it) part of your production?  
YES: NO: (Go to Q. 174)

168. How did you develop the new product/device/pattern/design/solution?

169. In developing the new idea, did you get any financial or technical support from any official organisation?
- |                      |      |     |
|----------------------|------|-----|
| - Financial support: | YES: | NO: |
| - Technical support: | YES: | NO: |

170. Did you get any technical support from anyone else?
- |                      |      |     |
|----------------------|------|-----|
| - Financial support: | YES: | NO: |
| - Technical support: | YES: | NO: |

171. As a result of your co-operation with others for developing your new idea, did you form a new partnership or a new enterprise?
1. No such co-operation ever took place:  
(Go to Q. 173)
  2. New partnership: YES: (continue) NO: (Go to Q. 173)
  3. New enterprise: YES: (Go to Q. 173) NO: (Go to Q. 173)

172. What did the new partner specialise in?

173. Have you supplied other enterprises with your innovation?  
YES: How many? NO: (Go to Q. 175)



185. Why did you move?
186. Did you get any complaints from neighbours, or some union, society, local authority, etc., for noise, pollution and so on?  
 YES: NO:  
 What kind of complaints?  
 Were the police called in?
187. a) At *present*, is your workshop:  
 1. Joined to house (downstairs, next to it, etc.)?  
 2. Your home too?  
 3. Located in another place?  
 b) Are the budgets of the enterprise and the family all one?  
 YES: NO:
188. In the *past*, did your workshop use to be your home too?  
 YES: NO:  
 For how long (no. of years)?  
 When?
189. a) At *present*:  
 Do you rent your workshop?  
 Do you own it?  
 b) When you *first* set up this business:  
 Did you rent your workshop?  
 Did you own it?
190. [Question withdrawn]
191. Was there any inspection or intervention from the Labour Inspectorate?  
 YES: NO:  
 For what reason?  
 How many times?
192. [Question withdrawn]
193. Who keeps the account books?  
 1. Yourself:  
 2. An accountant:  
 3. Other (please specify):
194. [Question withdrawn]
195. Is your activity as a manager based on:  
 1. Previous education:  
 2. Previous experience:  
 3. Education and experience:  
 4. Other (please explain):
196. *Today*, do you need additional knowledge in business management?  
 YES: NO:  
 How do you intend to acquire it?
197. In case of your illness, is the workshop:  
 1. Closed:  
 2. Open: Who runs it?
198. During the annual holidays, what happens to the workshop?  
 1. I have no holidays:  
 2. Everyone is on holiday. The workshop is closed:  
 3. The workshop remains open: Who runs it?

4. Other:

199. [Question withdrawn]

200. [Question withdrawn]

201. What do you expect your professional status to be in 5 years' time?

202. Is there a target you have for your enterprise?  
YES: NO:  
Which one?

203. What do you intend to do with your business upon your retirement?

204. Do you wish your children to be in the workshop permanently and succeed you?

- |                                      |                |
|--------------------------------------|----------------|
| 1. Have to children:                 | (Go to Q. 210) |
| 2. Don't know/Haven't thought of it: | (Go to Q. 209) |
| 3. Yes:                              | (continue)     |
| 4. No                                | (Go to Q. 208) |

205. Why do you wish your children to be in the business?

206. Do you think your children respond to your expectations?

- |                         |                |
|-------------------------|----------------|
| 1. Yes:                 | (Go to Q. 210) |
| 2. Partially:           | (Go to Q. 210) |
| 3. They are very young: | (Go to Q. 210) |
| 4. No:                  | (Go to Q. 210) |

207. [Question withdrawn]

208. Reasons for which you do not wish your children to stay in the business:

209. What are your plans for your children's future career?

210. In general, are you contented with your business?

Yes: No: Partially:

211. What satisfies you most in your work (*more than one options*)?

- |                                    |                            |
|------------------------------------|----------------------------|
| 1. Money/Income:                   | 4. Creativity:             |
| 2. Social Status                   | 5. Skilfulness:            |
| 3. Ability to set up the business: | 6. Other) please explain): |

212. [Question withdrawn]

213. So far, which was the hardest period in setting up this workshop?  
Why?

Period: Reason:

214. Which class or special group do you think you belong to (*more than one options*)?

- |                        |                             |
|------------------------|-----------------------------|
| 1. Employees:          | 8. Capitalists:             |
| 2. Entrepreneurs:      | 9. Petty bourgeoisie:       |
| 3. 'Small and Medium': | 10. Wealthy:                |
| 4. Workers:            | 11. Poor:                   |
| 5. Artisans:           | 12. Craftsmen:              |
| 6. Middle Class:       | 13. Other (please specify): |

7. Proletariat:

215. When voting in national or municipal elections does each party's policy on artisans' problems affect your choice?  
a) National Elections:  
b) Municipal Elections:
216. What do you think the qualifications of a prospective artisan should be? What should s/he beware of?  
1.  
2.  
3.  
4.
217. Is there anything you would like to add?  
YES: NO:

c