Course: ECONOMIC DEVELOPMENT (6700)

Professor: LOUIS LEFEBER

Theme: THE HELLENIC EXPERIENCE (1949-1987)

Composer: NICOLAS DEMOS

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THE HELLENIC EXPERIENCE (1949-1987)

A)PROLOGUE

Following the Epictetus' advice that "the beginning of education is the examination of terms",we define some basic and profound terms,widely used in economics and especially in Development economics.

Development economics,first of all,is concerned with the economic and political processes necessary for affecting rapid structural and institutional transformation of entire societies in a manner that will most efficiently bring the fruits of economic progress to the broadest segments of their population.Essential components of development economics are;a government role some degree of coordinated economic planning and broad-based domestic and international economic policies.

Gross Domestic Product (GDP),secondly,is the commonest measure of output. There are three different ways of measuring it; by adding upall the expenditure in the economy,all the income or all the output.(In theory they should be identical;in practice they never are).

Gross National Product (GNP),thirdly,is the sum of GDP and net income from abroad.

Gross National Disposable Income (GNDI),fourthly,takes into account not only foreign investment income,but also the effect of changes in the terms of trade.

Parchasing Power Parity (PPP),lastly, explains international exchange rates between currencies in terms of the purchasing power of their home countries.

Hellas (or Greece) is a European country in the Balkan peninsula.Its population in 1981 was 9.9 million,its area is 132,000 sq. km.,its Gross Domestic Product (1986) was C$ 443.9 million and thinly populated with Hellenes,who according to Henry Miller,the philhellene American,are "pure,noble,and resigned...avidly curious and experimental....".

B)A PSYCHOLOGICAL EPIGRAM

"Hellas and Poverty are foster sisters"is a saying recorded in the 5th century BC by Herodotus.It envokes a continuous theme of Greek history;the natural poverty of the land has acted as a spur to the enterpise of its inhabitants.

Hellenes also are both inteterate politicians and flaming individualists. But in addition to the commercial skills another distinct characteristic has been rooted very deeply in the Greek soul; the heroic spirit.
And as Heraclitus' proclaimed that "the war is the father of everything", the application of the warfare between these two centers is successfully continuous for many centuries.

The polarity and uneasy coexistence between the market behaviour and the heroic behaviour(under the government's protection),constituted the major axis of traditional Hellenic life.

When the entrepreneurial essence is more powerful the Greek becomes a shrewd bargainer,telling lies or half-truths and seeing to surrender when actually triumphing and accepting risk towards wealth and success.

Similarly,when sporadically the other pole of Greek behaviour,the heroic temper,dictates life the Greek by means of self-assertion takes action by accepting risk,privation and danger that go beyond the ordinary,risking life itself for a cause that may be entirely immaterial and of no commercial life.

Historically the market spirit was at top during the reconstruction period of 1950-1967 and the years after the dictatorship until now.In contrast the heroic image was at tide in the years of Axis occupation and civil war that followed (1940-1950),and during the Colonels'junta(1967-1974).

In short,these subtle forces of inherited tradition and attitudes not only help to explain partly the Hellenic capacity for sudden change of collective behaviour but also determine the whole social texture in the years to come.

Along with this symbiotic relationship,Hellenes try to (rediscover or) find their trust to the government by allowing a left-wing administration to create a steady,many-sided and an increasingly provider of social welfare state.

This polarity between public action and private interest might follow the great cyclical pattern ,as in many other countries, of life and nature but the warfare between experiment and destiny goes on.

However,as A. Schlesinger, Jr. says, no nation is sacred and unique.S So Hellenes joined the European Community as a full member and share many of its benefits (as partially the following table shows) and face the future with integrated togetherness.

TO: Monetary benefits from

Brussels

EEC budget transfers, 1985

Figures in mn ecus (+ net benefit, — net payment)

	GDP per head as % of EEC12 average	Before British rebate	After British rebate
Denmark	153	+ 400	+ 300
Luxemburg	142	+ 300	+ 300
West Germany	138	−3100	−3500
France	126	+ 500	0
Holland	112	+ 500	+ 400
Belgium	108	+ 600	+ 500
Britain	91	−3000	−1000
Italy	86	+1200	+ 800
Ireland	66	+1200	+1100
Greece	38	+1400	+1300

Source: Court of Auditors report 1985; Eurostat. Note: Spain and Portugal joined the EEC only in 1986. They will probably be small net budget beneficiaries, so worsening all others' positions.

C) A PARATACTIC MONOLOGUE

If we accept the linear stages of economic growth theories (namely Rostow and Harrod-Domar),according to which the transition from underdevelopment to development can be described in terms of a series of steps or stages,then Greece during the 1950-1980 period passed from the third stage(take off) to the fourth (maturity).According to Rostow the conditions for the transition are the rapid increase of GNP per capita,the application of new technology to every sectorof the economic activity,the rise in the rate of productive investment over 10 per cent of national income.

If now examine the progress of the Greek economy from the neoclassical (structural change models of economic development) viewpoint and esspecilly the "patterns of development" empirical analysis of Hollis Chenery, which focuses on the sequential process through which the economic,industrial and institutional structure of an underdeveloped economy is transformed over time to permit new industries to replace traditional agriculture as the engine of economic growth we can state some major transformations of the Hellenic Economy and Society,which resulted in an exceptional growth performance with no previous comparable period prior to world war 2.

Implicitly,in the basket of these changes can be found,the demografic (perennial)struggle, with declining population growth,with zero fertility (birth)rate along with the mobilization of the population and mainly of the labour force internally and externally.

The transformation of produced output,plus the rapid rise in national income along with the ability to provide a wide range of goods as a sign of economic maturity.

The excessive urban concentration of the population and labour force. The social exploitation of the masses,along with the change of traditional habits and customs just within one generation.

The successful approach to the Common Market and the reducing of the distance between Hellas and Common Market countries,particularly in monetary terms,because although the rapid growth has brough extraordinary and sometimes unforessenable welfare gains,personal income distribution and other social indicators like health servicesand other transfer payments were ,at least, until 1980 fledging and far behind of those in the "fully"industrialized countries.

Ever since Homer's time, "scarcity of people"is another synonym for Hellas Although,in this thinly populated country the expectation of life at birth has been increased amazingly,the mortality rate has been decreased successsfully and as a result the average life for a Greek is very close to the average life for the inhabitants in more developed countries,Hellas (as the majority of many European states)faces the negative and detrimental factor of the declining rate of the population growth over the years to an average of 0,5 per cent per year.

More broadly,although the naturalincrease(crude birth- crude death rates) was higher,when net migration involved the rate of increase comes down to 0.5 per cent.

Decling population growth had,still has and more importantly will have heavy consequences for the economy.

Business will have to adapt to satisfying higher-average-age consumers;the health industry will face new challenges;service industries in general,and leisure business in particular,should boom;and most importantly the burden for the state will be extremely heavy.The elongated profile(rectangle form with narrow base) of the population-pyramid shape,as result of low fertility rates the low mortality rates,the large to medium scale external migration and the rising life expectancy will present the government with a much bigger pension bill,more expensive services and other demands from the emerging,most powerful special-interest group.

Year	Young (0-15)	Adult	Aged (65-)	Total Populatio
1951	27.9	65.1	7	100
1961	25.9	65.6	8.5	100
1971	24.8	64.1	11,1	100
1981	22.2	64.4	13.4	100
	%	%	%	%

T1: The proportion of the groups(as part of the population)

Among the aged there is a strong majority of females and widows.Like the young,old people represent for the most part an economically unproductive group.It is this group for which large public expenditures must be made to cover the cost of welfare programs,including medical and hospital care as well as general social security.

The sex ratio (number of males per 100 females) was and still relatively balanced (no distinct differences exist) although the females in the Greek society are more.

An important aspect of government policy under Karamanlis (1955) was the encouragement of migration.The government welcomed the fact that as job opportunities began to open in Greek cities and abroad,emigrants started to cascade down from the hill villages.The scale of movement became truly enormous.Athens grew from 1.37 million (1951) to 1.85 million (1961),to 2.5 million (1971),to 3.1 million (1981). Following the same pattern,Salonica grew from 459 thousand (1951),to 544 (1961),to 710 (1971),to 1.2 million [4] (1981)

Emigration abroad also grew during these years,though the full cresting of the flood tide from the villages came only in 1965,when 117 thousand left Greece to seek their fortunes in some foreing land.Between 1951 and 1961 only 3 per cent of the total population emigrated.But begining in 1961,massive emigration set in which sometimes emptied out whole villages and led to a perceptible drop in Greek agricultural production.
Disruptive side effects of this movement were felt later however.

Greece, in short, changed during the 1960s from a country where the available labour force exceeded job openings to a country in which some of the least nemunerative customary occupations were no longer being filled.

So, the transition froma labour surplus to a labour deficit society was an effect from the drastic drop in the birth rate and the massive emigration, which amounted the 25 per cent of the entire Greek work force.

And since in both internal and international movement it is the young adults and late adolescents who ordinarily predominate, nationalists began to worry about what would happen if the Greek countiside emptied out. How could Turkish and Slavic rivals be held at the bay by a nation that allowed its most energetic citizens to seek their fortunes abroad in such numbers as to weaken the muster of potential soldiers at home?

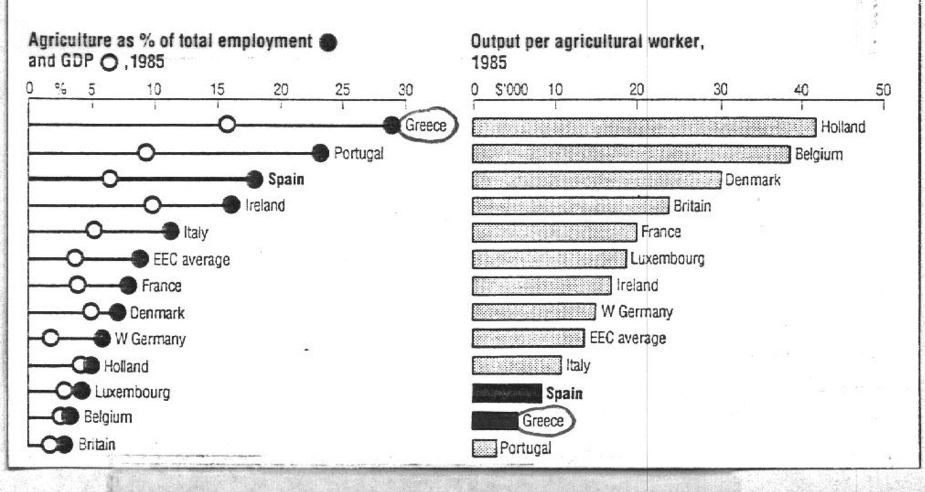
Papandreou's answer (1964) was to raise wage rates and find new jobs at home. The way to achieve such results was by a government-regulated redistribution of incomes within Hellas.

But this remedy frightened the possesing classes and tried to react forcefully by accepting the coup d'etat of April 21th 1967.

The Karamanlis government (1974-1979) commiting itself to the classical liberal doctrine, that the collective good can be properly realized in most casesonly by private individuals acting in competitiveisolation and pursuing their sectoral aims with minimal state interference boosted the economy, and secured a steady but moderate rate of economic growth by extending the market to more and more areas, bycurtailing the power of certain groups and by creating a more efficient economy without proper distribution of income.

Later, the Papandreou's socialistic government (1981) attempted to regulate production and distribution in order to achive a healthy and internationally competitive industry, a state-provided health services to every single segment of the population, an expansion ofwelfare opportunities and other social services.

Specifically, during the last decade (1977-1987) the agricultural sector metamorphosed itself in such a way that its specialized products can compete successfully in the international arena.
Many inhabitants of the rural areas, though still declare themselves as agricultural workers, which undoubtfully is untrue and distors the official statistics about employment and productivity of this sector, as the T2 shows.



T2: The agriculture in Greece and rest EEC

The most striking accomplishment of the socialistic government is that Greeks started to experience an extremely well defined and sound health system, that previous generations could not even dream of.
In sharp contrast, the Achilles' heel of the Papandreou administation is education. And many Hellenes feel that if the state doesn't take proper steps for the reconstraction, advancement and new orientation; and if Hellenes themshelves don't change attitude, Hellas might become a nation of waiters....

During the same period the level of urbanization internally grew very fast, as T3 shows.

T3: The urbanization of the population

Population living in	1951 %	1961 %	1971 %	1981 %
Urban	37.7	43.3	53.2	57.9
Semi-Urban	14.8	12.9	11.6	10.9
Rural	47.5	43.8	35.2	31.2

Rural society at the begining presented sharp contrasts to that of urban placesin such features as size of settlement, clusters, population density, occupational and social stability. These differences by the passing of time became more obscure but the simalarities remain unchanged. The centuries old habit of seeking and finding favours through personal channels of patronage and friendship existed successfully in any part of Greece and sometimes tore gaping holes in any kind of government-decreed general regulation designed to controleconomic processes.
Also the family-scale enterpise predominated in manufacturing as well as in service occupations and agricultural work.

As in many other developing countries, during the third quarter of this century the Greek government have aimed for faster growth through a policy of import substitution, by encouraging the producers to make goods for domestic consumption, rather than for export, that otherwise would have had to be imported. This inward-oriented trade strategy, with newly constructed high cost factories making low-quality goods, and with taxing Greek consumers for the benefit of owners and employers of the new enterpises, and with barriers against foreign imports had an ambiguous effect on the economic growth and combined with other factors indeed boosted moderately the growth.

But from the late 70s this trade policy has been abandoned progressively. And especially with the slow assimalition of the Greek economy to the Common Market, the government policies do not discriminate between production for the domestic market and production for the foregn market.

The "protectionist" strategy, along with the efficiency with which the Greek nuclear family could pursue gain, by a combination of hard work, shrewd exploitation of market opportunities, and rigorous saving for the future, and the large scale fundamental investments, made with the active participation of the state, and in turn the political and financial stability, was the prerequisite for the continuance of the country's economic growth.

But diminution of that rapid rate of economic growth became apparent in 1966. The exacerbated political instability constituted a major reason for the economic slow down that Greece experienced.

The rapid rise of GNP, at the beginning, and the anomalous path of growth later should not be sought in a monocausal explanation but rather to a number of reasons.

One, among the many, might be, as Olson has plainfully put it down, that Hellas by facing a very low rate of special-interest organizations, accomplished a really higher rate of growth than other countries. Since 1940 distributional coalitions have been emasculated or abolished either by foreign occupation (1940-1944) or by totalitarian government (1936-1940) & (1967-1974) Or almost totalitarian administration (1945-1949). As a result the economy grew relatively quickly.

There cannot be much doubt that totalitarianism and war reduced special-interest organizations in every country, and that these factors along with spacial ethnic qualities affected positively the growth of output.

In sharp contrast, it is obvious that since British society has acquired so many strong organizations and collusions, it suffers from an institutional sclerosis that slowed comparitevely her economic growth.

T4: Average and per capita real growth rates in selected countries for the the period 1960-1978.

Countries	GDP Average (%)	GDP Per Capita (%)
Denmark	4.1	3.1
W. Germany	4.3	3.2
France	4.8	4.0
Ireland	4.2	3.4
Italy	4.5	3.6
Holland	4.3	3.1
Belgium	3.3	3.9
G. Britain	2.6	2.2
Hellas	6.4	5.8

When the dictators came to power everything was distruptive.Being professional military men the colonels gave a rise to the heroic element of the Greek tradition,whereas before the market pole of Hellenic behaviour was allowed to attain dominance at the expense of the heroic and orthodox aspects of life.

But when the flow was over,they realized that they have to do something before the obvious and natural reaction to their regime.So,they started to increase the payments of private as well as public employees.Such increases ran ahead of the rise in the cost of living,and yet fell short of increases in productivity.What wage earners perceived therefore,was a distinct improvement in their standards of living by gift of the government.This compensated for the suppression of the right to strike and the government's high-handed takeover of labor unions.(From the employers' point of view,acceptance of government-decreed wage escalation was an acceptable alternative to having to face strikes and threats of strikes).

Suppression of strikes,in turn,facilitated the continued upthrust of the GNP; and this,in its turn,permitted upward wage adjustments and real increases in living standards.

This easy making money without accompanied by equal increase in productivity had or better enhanced the attachment of many Greeks to luxurious goods and comodities mainly imported,giving a serious attack on the balance of payments and seriously spoiled the majority of Hellenes,by accustoming them to little work,high payment and careless spirit.

Domestically,the junta made no very significant economic changes.And when they reached their nadir level,the political upheaval of 1974 had hurt badly the economy once more.

By 1976 the setback to the economic growth of the country seemed to have come to an end,and Greece attained a comparatively stable political life,a major prerequisite for economic stability.

A record tourist influx was certain to help the ever-precarious balance of payments.

In January the first of 1981,Hellas took another big step by becoming a full mamber of the Common Market.When the country started her cooperation with the CM (1961),an average Greek had only the 29 per cent of the income of an average western European.By 1980 the percentage increased to 47 per cent.Similar increase took place in the proportion for the per capita investment.Furtermore,in 1960 Greece was exporting to CM countries almost 24 per cent of the total exports;in 1979 the rate became 42 per cent.Similarly the imports were at the level of 25 per cent,and reached the level of 45 per cent.

In the last quarter of the same year,Hellenes for the first time gave a majority to a government which still tries to construct a society,which, at least theoretically,goes beyond the two extremisms of pure laissez-faire (the market can solve all problems) and traditional Marxism (the market can and must be replaced by consious planning by the associated producers for the need of society)

And as we all know, that all extremes are imperfect and that in moderation lies the greatest virtue, and as Shumpeter put it that "no social system can work which is based exclusively upon a network of free contracts and in which everyone is supposed to be guided by nothing except his short-run utilitarian interest ", the Greek government tries to create a structure which stimulates national and international entrepreneurial initiative (collective or private) and to intervene in social life by different means like by securing capital investment, reducing unemployment, expanding welfare oppurtunities, increasing social services, imroving childcare facilities, health clinics to every isolate village and by decentralizing the policy-making and administration.

Following the analysis of structural change, which investigates the economic, industrial and institutional structure, we can see clearly that since 1950, some major components of this structural change include the gradual shift away from agricultural to non-agricultural activities and more recently, away from industry to services.
The participation of the three major components into the making up of the GDP, and their gradual change is shown below.

T5: The structural composition of GDP over time

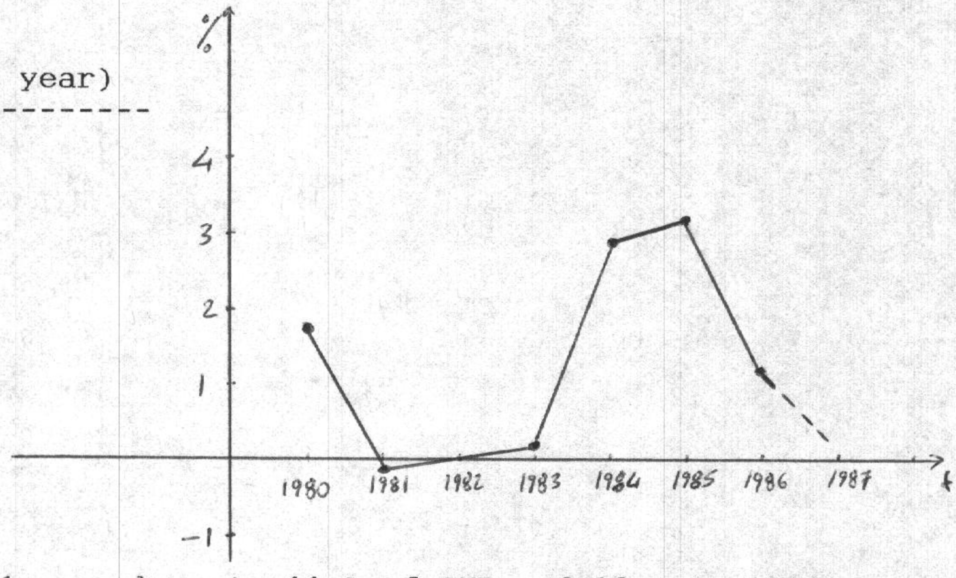
	1958	1972	1981	1987
agriculture (%)	25.4	17	15.8	12.7
Industry (%)	23.2	31	25.5	23.2
Services (%)	51.4	52	58.7	64.1

During the 1958-1972 the average growth rate of real GNP was 4.66 per cent. The growth of investment was double than this of the GNP.
From 1972 to 1981 the inflationary pressure due to the sharp increase of oil, the international monetary crisis, and generally the stubborn stagflation had as result a smaller real average increase of GNP.

In specific terms, the growth of GDP was 6 per cent in 1978, 3.9 per cent in 1979, and just 1.6 per cent in 1980.
In 1984 the economy grew for the first time since 1980. The GDP was increased by 2.9 %. In 1985 growth in GDP was 3.2 %, and in 1986 only a very minimal increase took place, as a result of the economic stabilisation plan

introduced in October 1985.Tight fiscal and monetary policies squeezed GDP growth to 1.3 % in 1986,compared with an average of 3 % in the two previous years.Finally in 1987 the OECD expects GDP to fall but it is expected to grow by 2 % in 1988.

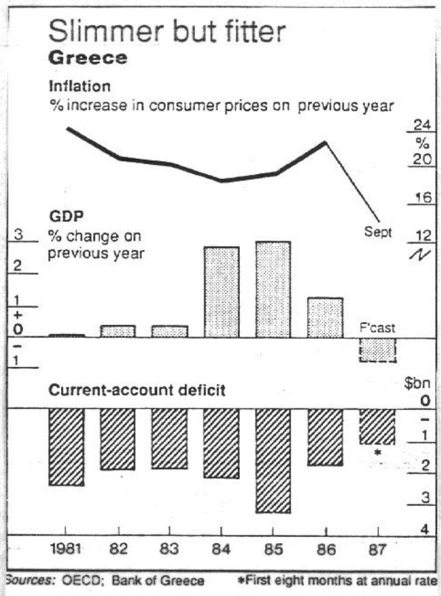
T6: GDP (% change on previous year)



The budget deficit in 1981 was close to 11 % of GNP and 12 % in 1986 or respectively 17 % and 18 % of GDP.

The current-account deficit in 1986 was equivalent to 8 % of GDP,(the biggest among OECD countries) in 1985 was 10 % of GDP and the country's external debt was almost 50 % of GDP and the account deficit halved in 1986 thanks to the devaluation of the drachma,byoyant invisible receipts and cheaper oil.

Inflation which was 25 % in 1980-81 came down to 19 % before exactly the itroduction of the economic stabilisation plan in October 1985 and in 1987 reached the lowest level ever (13 %).



T7: The current-account deficit and
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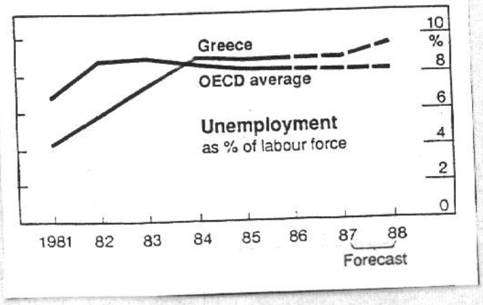
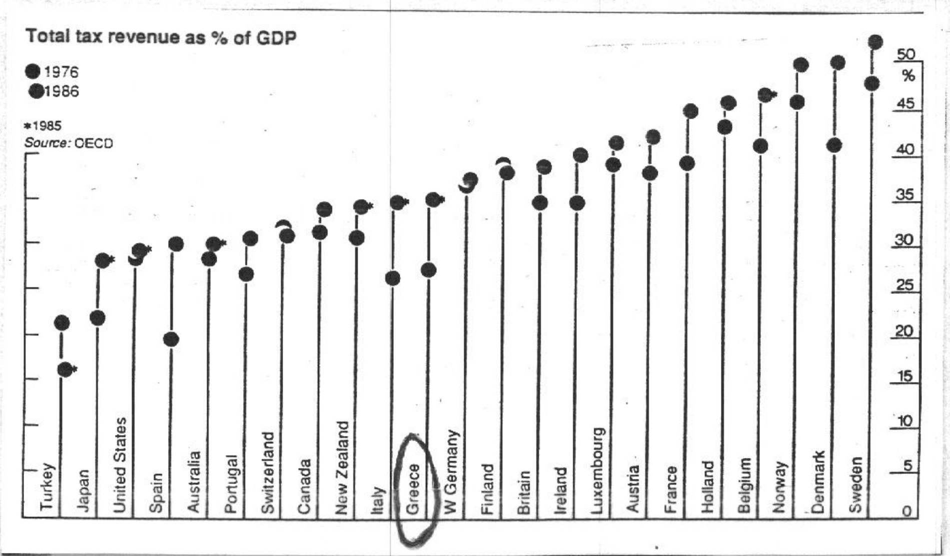
inflation (1981-1986)

Unemployment, officially no higher than the OECD average, has risen sharply since 1980But after 1984 remains at the same level, as table 8 shows.
T8: Unemloyment (1981-1986)



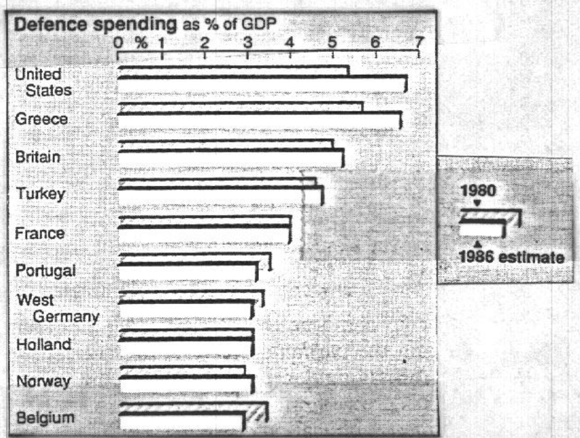
Since 1980 taxes have continued to rise as a percentage of GDP. The ratio rose from 29 % to 35 % during the period of 1980-1985.
T9: Taxes



Broadly speaking, for the last decade now every single family has a saving account. Lately Greek banks have suddenly been inundated with deposits as savings generated mostly by a thriving black economy and coupled with the fat company profits.

Since the year 1958 the investment capital from domestic savings has been grown up to 75 %. The participation of domestic savings to the national income was 16.4 % in 1958, 28.4 in 1978 and close to 34.2 % in 1987.

The achilles'heel of the Hellenic economy is the defence spending. Coming only after the USA, Hellas spends 6 to 8 % of GDP per year.
T10: How much money guns take?



Since 1964 Papandreou's thinking was a government-regulated redistribution of incomes within Greece.Although he didn't succeed in doing this that time,his government main task in the 80s was (is) the creation of a healthy welfare state with very good medicare system,(it is amazing that although the majority of the Greek people accept the government's medicare program,this plan might not be applied fully due to the peculiarities of some Greek lobbies),vital education and safe and fair pension system along with the changing Greek attitudes,especially that of the labour force for increases in productivity.

In parallel lines the socialistic administration tries hard to attract capital for investment from abroad and to invigorate the domestic capital accumulation by modernizing and supporting the creation of a newly vital stock exchange market.Whereas the market capitalisation before 1980,as % of GDP was insignificant, by 1986 was close to 5 %.But ,although every family has a saving deposit account,not so many Greeks are aware and willing to participate in the stock market.

Also the socialistic government's approach to further growth is a balanced oriented and productive strategy towards the domestic as well as the international consumers.More broadly the effort of the government for exports is great,with no similarities to the previous policies.In the open enviroment of the Common Market and the after 1992 era of non-borders market,a moderately to strongly outward oriented trade strategy is thought to be the most appropriate policy.

So,by accepting the market economy and by strongly continuing to pursue badly needed improvements in social welfare,the socialistic government administers Hellas through this transitional period.

A big obstacle for all these policies (beyond the given extremely changeable individual and collective Greek behaviour),is the "monstrous" share of the public sector in the economy.In 1981 90 % of all services were under the public eye,and half of the public employees are needless and one of the top priorities of the government is to control this.

And as E.Barker says,the modern socialist can welcome state action and interference for the same reason as the ancient Greek citizen and generally as the Greek political thought of Plato and Aristotle.

Complicated modern societies cannot be made to work without an active state.For the state as regulator nobody disagrees,but doubts rise,especially from the right,about the state as provider.But the socialists believe that only the state can deliver welfare or run public utilities in such a way to rectify market failures.

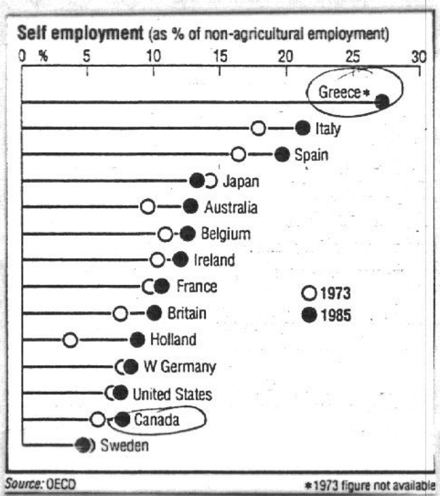
Every government's goal is to put the public sector under control and furthermore the whole economy under control.Especially in Greece with official statistics that 26 % of the non-agricultural employment is self employed. Black economy booms.The shadow economy that goes unrecorded in official statistics of output and growth.A third to a half of economic effort does not figure in the GDP.

If we add to the self employment of the agricultural sector (which is 25-30 % and participates with 15 % into GDP), the knitting, the paying cash for services, the money coming from unreported rent, money from a second job, illegal income (grugs, prostitution...)and so on, then we conclude that the black economy has mushroomed fertilised by the increasing burden of taxation. Moreover self-employment is a feature of services. Tax evasion forces government to increase tax rates, and this encourages more economic activity to sink from sight.

Official statistics that guide economic policy may give a false picture.(The drop in output and rise in unemployment in a recession may be exaggerated, for instance, and the corrective action be made more inflationary).

Studies suggest that the value of production in the home could be equivalent to around 40 % of GDP. And if all three economies, the official, the black, and the home, grow at the same rate does GDP remain a sound measure of growth. Nobody knows if this do-it-yourself economy remains the same or grows or declines. Yet the fact that more and more of a country's output may be becoming shadowy spurs government to adjust the books.

T11: Self employment in selected countries



Does hidden domestic product matter? If the balance of the official and the shadow economy differs between countries, this distorts comparisons of income per head.

It is already clear that GDP or GNP per person is a poor indicator of the relative living standards of rich and poor countries, because in the developing world many activities take place at home- e.g. housebuilding and subsistence farming- which are part of the formal economy in industrial countries.

Therefore this failure to include non-marketed and non-priced subsistence production, gave the proper stimulation for looking for other indicators.

One of these is the list of core indicators of socioeconomic development carried out by the United Nations Research Institute on Social Development (UNRISD) in 1970.

Another one is the Physical Quality of Life Index (PQLI), undertaken by Morris. Three indicators- life expectancy at age one, infant mortality and literacy- were used to form the index (PQLI).For each indicator the performance of individual countries is rated on a scale of 1 to 100 (worst to best) performance.

Finally the composite index (PQLI) for the country is calculated by averaging the three ratings,giving equal weight to each.

While the study found that countries with low per capita GNPs tended to have low PQLIs and countries with high per capita GNPs tended to have high PQLIs,the correlation between GNP and PQLI were (are) not substantially close. But the PQLI appenssto be free of the major problems associated with using GNP as a measure of development.

T12: Economic and Social Indicators of Development in selected countries

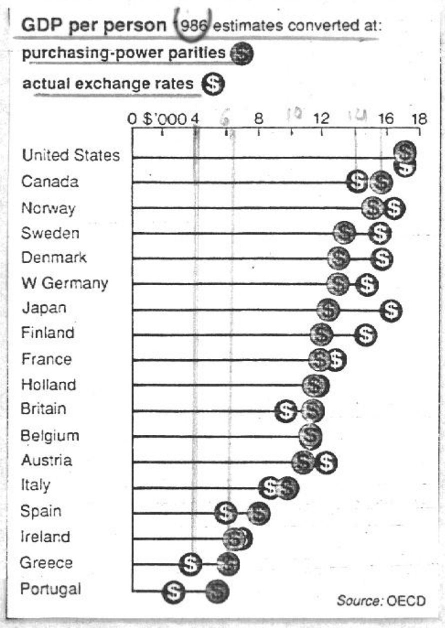
	Population, mid-1984	Per capita GNP, 1982	Per capita GNP (real) growth rate, 1970–1981	Physical Quality of Life Index (PQLI)[a]	Birth rate per 1,000	Death rate per 1,000	Life expectancy at birth	Infant mortality per 1,000 live births	Literacy
	(millions)	($)	(%)				(years)		(%)
•Austria	7.6	9,880	3.4	94	12	12	73	13	99
•Belgium	9.9	10,760	2.5	96	12	11	72	12	99
•Bulgaria	9.0	4,150	5.6	91	14	11	72	18	91
Channel Islands	0.1	6,780	1.1	n/a	11	12	n/a	11	n/a
Cyprus	0.7	3,840	5.5	86	22	8	74	17	76
•Czechoslovakia	15.5	5,820	4.1	93	15	12	70	17	99
•Denmark	5.1	12,470	1.7	97	10	11	74	8	99
•Finland	4.9	10,870	2.4	96	14	9	74	6	100
•France	54.8	11,680	2.8	96	15	10	74	10	99
•German Democratic Republic	16.7	7,180	4.7	95	14	14	72	12	99
•Germany, Federal Republic	61.4	12,460	2.6	94	10	12	73	10	99
•Greece	10.0	4,290	3.3	90	14	9	73	14	84
•Hungary	10.7	4,180	4.8	92	12	14	71	23	98
•Iceland	0.2	12,150	2.5	98	18	7	77	7	99
•Ireland	3.6	5,150	1.9	95	20	9	73	10	98
•Italy	57.0	6,840	2.3	95	11	10	73	13	98
•Luxembourg	0.4	14,340	2.9	93	12	12	72	7	98
Malta	0.4	3,800	10.9	89	14	8	71	14	87
•Netherlands	14.4	10,930	1.7	97	12	8	76	8	99
•Norway	4.1	14,280	3.5	97	12	10	76	8	99
•Poland	36.9	3,900	5.2	93	19	9	71	20	98
•Spain	38.4	5,430	2.4	93	13	7	73	9	90
•Sweden	8.3	14,040	1.3	98	11	11	76	7	99
•Switzerland	6.5	17,010	0.4	97	12	9	75	8	99
•USSR	274.0	5,940	4.1	90	20	10	69	32	100
•United Kingdom	56.5	9,660	1.5	95	13	12	73	11	99
North America (2)	**261.4**	**12,906**	**2.0**	**96**	**16**	**9**	**74**	**12**	**99**
•Canada	25.1	11,320	2.5	96	15	7	74	10	99
•United States	236.3	13,160	1.9	96	16	9	74	11	99

Finally,all methods of comparing average incomes in different countries raise objections from somebody.

If market excange rates are used to convert GDP per person into dollar terms,the gap between countries may reflect variations in price levels rather than differences in the quantities of goods produced.

Economists prefer to convert GDP at purchasing-power parities (PPPs), which equate the prices of a basket of goods and services in two or more countries.The second method is more positive for Hellenes since it shows a larger pie of the global income.

T13: How rich is the average Greek?



D)EPILOGUE

Hellas ; "a rocky land,but a good mother of men " Homer said.

Hellas is one of the most mountainous countries of the world,and this means hampered communications and restricted productivity.

Another trouble is that every Greek wants to be a Kapetanios.It arises from a Greek virtue; nearly every Greek,being highly intelligent,has really thought about and has a reasoned opinion on most political questions.And having a high ideal of himself,he thinks competent to lead.

But Hellenes do criticize themselves severely.It is itself a product of another virtue -their Socratic candour - and of the eternally questing Greek intelligence.

In moving to the economic sphere,we conclude that if satisfaction of human wants and aspirations is taken as the criterion,then the development of Greece since the second world war must be viewd as an extraordinary success story.

The metamorphosis of human life that has been taking place is without historic parallel in Hellas' past.It has affected the entire population within a single generation.

Becoming a full-fledged member of the European Economic Community will require remarkable changes in the industry,agriculture and services sector, and marked increases in productivity.

Hellenes will use and enjoy many diversified social services without suspicion,although in the educational sector changes have to be made, and they will look at the future optimistically.

Furthermore,coming out of the deep Epimenidean sleep and following the "cyclical regularities",as L.Thurow put it, "we can go beyond description of the past and make some predictions about the future", we can say that Hellas lies on the upward stream of its cycles, since its third "dark" era (1453-1821) is over,(the previous ones were from 1100 to 700 BC and from 146 BC to 313 AD) and moves forward for its growth of wealth which consequently will bring leisure and security important prerequisite of research and speculation.

And hopefully,without dreaming of an unborn tomorrow,a succeeding politician will repeat Pericles' "trusting less in system and policy than to the native spirit of our citizens"....

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