

**The Origins, the Historical Evolution and the Role of
Commercial and Maritime Greek Bourgeoisie in the Greek
Economy***

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Introduction

The infiltration of colonial capital in the peripheral countries of the emerging capitalist system, provoked the emergence of a merchant bourgeoisie who through its rôle of selling manufactured goods and supplying raw materials to European manufactures, has considerably contributed to enlarging the basis of accumulation and to establishing domination of European industrial capital within these areas. Merchant bourgeoisie often came from national minorities of peripheral countries. It was, in the Ottoman Empire, which included Greece at that time, essentially of Greek, Armenian and Jewish origin.

Though the rôle played by these merchant bourgeoisies within the world capitalist system was fundamentally identical, their national development has been quite different. The Jewish and the Armenian bourgeoisies have been unable to acquire a predominant economic and especially political influence within the State in which they were exercising their activities : the system of economic and political organisation within the Ottoman world, fundamentally hostile to the capitalist spirit and their exclusion from the dominant nation, have constituted insurmountable barriers for them.

On the contrary, the creation of an independent Greek State (1830) to which Greek bourgeoisie has considerably contributed, enabled this social group to benefit from an homogeneous national space in which it rapidly obtained a dominant economic and political influence. The creation of the Greek state has also given it the opportunity to make use of the active support of this state for developing its activities outside national frontiers.

The Greek merchant bourgeoisie established in the commercial centers of the Ottoman Empire, of Egypt and of coastal regions of the Black Sea, has known a remarkable boom. Since independence it played an increasing rôle in the Greek economy.

This social group saw its international activities decline during the first movement of the internationalisation of capital. It was then, gradually evinced by Western capital which after

consolidating its position in the sphere of production, has taken direct control of activities until then controlled by indigenous merchant bourgeoisies. Greek merchants and shipowners of the Diaspora thus accelerated withdrawal of capital from Greek colonies and progressively reabsorbed themselves into the local ruling classes.

After World War II, a new maritime Greek bourgeoisie emerged due to the important development of international maritime trading. At the same time it made considerable investments in Greek economy (oil refining industry, shipyards, the banking sector etc...). This process has been developed until the early seventies and has slowed down considerably since then.

In this presentation we intend to show the strong influence of common characteristics of the Greek merchant bourgeoisie of the last century and of the post world war maritime bourgeoisie on the forms of the development of capital and, more generally on the socio-economic evolution of the country.

Both of these social groups have been largely constituted outside national frontiers around activities focussed essentially on international trading and largely disconnected from the national market. As regards particularly the Greek maritime capital developed since World War II, its expansion was closely linked to that of the international oil industry and oil transportation.

Disconnection of the international activities of these social strata towards the Greek market, and their dependency regarding dominant commercial power have influenced their economic practise in Greece and their perception of national interests. Considerable investments they made in Greece often had an unproductive and even speculative orientation, as in the case of pre-war merchant capital. These investments involved small risks and in any case were consitent with the foreign capital strategy.

But at the same time, this almost continous flow of capital from abroad, due not only to investing in Greece but also to the activity of the Greek merchant navy, has enabled the maintenance of a much higher standard of living than that corresponding to the level of development.

Consequently, these social strata, on the one hand, contributed to install a less dynamic and productive mode of development and on the other hand, they created favorable conditions for maintaining it by alleviating negative consequences.

I. The Origins of Greek Commercial and Maritime Capital

The emergence of the Greeks in the economic life of the Ottoman Empire was noticeable much before the war for independence and the creation of the Greek modern state (1830). We learn from a report of the ambassador to the king of France Henri IV (1560-1610) in Constantinople that the French government was quite anxious about the level of Greek participation in cereal trade. We also know that Greek merchants have been very active in Transylvania and in the hegemonies of the Danube since the 17th century. The "Greek Eastern Company" had commercial relations with the states of western and central Europe, maintained until the 19th century (1).

But the presence of Greek commercial and maritime capital becomes an important factor of the economic life of the Empire, mainly after the 18th century. The expansion of this capital is a direct result of the expansion of colonial trading. It leads to the acquisition of important rights by the colonial powers of that time, such as (2):

- the right to exercise authority in some regions of the Empire ;
- concessions of exclusive exploitation of mineral resources ;
- exemptions for European merchants from taxes and duties which were very heavy for indigenous merchants, etc...

Furthermore, strong competition among colonial powers for the control of trade with the Ottoman Empire, brought them to look for support from the mercantile elements of the region, which essentially came from non Moslem population. Merchants trading with the West, benefited from the protection of the Great Powers and thus, enjoyed important privileges already granted to European merchants.

Greeks, for essentially cultural and geographical reasons, were among the first to take advantage of the boom in trading and in navigation in the eastern Mediterranean and simultaneously they mostly contributed to the promotion of the commercial interests of foreign capital. Between 1720 and 1750 Greek merchants took control of local trading in Macedonia, in Epirus, Thessalia, in the Peloponnese and the islands. Around the end of this century, they obtained in addition to this, an important place in the external trading in all commercial centers of the Empire.

In the particular case of the Greek merchant navy two historical phenomena have notably contributed to its expansion in the 18th century: British competition to the French commercial monopoly and the territorial designs of Tsarist Russia against the Ottoman Empire. These designs led Russia to actively support the orthodox element of the Empire, in particular the Greek one.

In order to weaken the French commercial influence, predominant in the Empire at the beginning of this century, the English recruited diplomatic representatives among local commercial bourgeoisies (3). They also authorized Greek vessels to fly the Union Jack, when transporting British manufactured products. This measure enabled Greek merchants and shipowners to overcome the banning of leaving the Empire's territorial waters, as the Ottoman flag did not benefit from the reciprocity right in the foreign ports (4).

Later, after its victory against Turkey, in 1774, Russia obtained the right to "protect" Christian sailors of the Aegean islands, as well as the right of free passage of any vessel flying a Russian flag through the Bosphorus Straits. It also obtained the right to sell licences (berats) which gave freedom of trade to their holders.

Relations between Greek merchants and shipowners were very close. If they were not the merchants themselves, who were the owners of the vessels transporting their goods- as it was the case much more frequently after the last quarter of the 19th century - they often gave preference to shipowners who came from the same region.

In the space of several decades, the merchant navy controlled by the Greeks obtained a very important place in trade in the Eastern Mediterranean. It has been estimated that in 1819, funds invested in vessels valued 50 million gold francs and funds accumulated in currencies reached the same amount(5).

But as Maximos points out, unlike what happened in the West, where funds accumulated from commercial activities penetrated the pores of feudal system, released the productive forces and destroyed corporations, Asiatic feudality and the despotic system - thanks to which the conqueror dominates - constitute insurmountable hindrances to any economic progress. Capital thus accumulated has not been used to enlarge the internal market but has been reinvested in navigation and trade(6).

A further product of colonial infiltration in the markets of the Ottoman Empire, is the creation of Greek colonies in Western Europe. These colonies knew a considerable boom in the 18th century. The principal colonies were those of Italy (Livorno, Ancona, Genoa, Bari), Austria-Hungarian Empire (Vienna, Trieste, Budapest), England (London, Liverpool) and France (Marseilles). Later on, Greek colonies developed in the coastal countries of the Black Sea and in Egypt.

The function of these colonies was to supply raw materials from the regions where the colonists came from to emerging industries of European countries. This function objectively favoured the

integration of Greece and the other provinces of the Ottoman Empire into the periphery of the world capitalist system.

The constitution and the development of Greek colonies led as well to the differentiation of Greek commercial bourgeoisie according to the fraction of capital that it objectively served through its activities (English, French, Austrian). Thus, Greek entrepreneurs were not only the support for the infiltration of the colonial powers in the Ottoman Empire, but also the support of their competition for the political and economic control of the region. This splitting up of the Greek commercial bourgeoisie was reflected in the policy of Greece after independence (creation of English, French and Russian parties).

II. The Evolution and the Rôle of the Commercial and Maritime Bourgeoisie in the Greek Economy until the Second World War

II.1 Evolution and Characteristics

The 19th century constitutes the golden age of the commercial and maritime Greek bourgeoisie. Its economic power has become considerably stronger in the colonies of southern Russia, in the regions around the Danube and in Egypt. This social group also spread out in other countries of Africa (Libya, Soudan, Congo, the Cameroons) and in India ; navigation on the Danube passeded to a great extent through its hands.

Reinforcement of its power went hand in hand with strengthening its links with British capital. This evolution can be explained by the orientation of its international activities : until the first World War, the Russian ports for the export of cereals and the English ports for the export of coal and manufactured products were the two poles around which revolved the activity of the Greek commercial and maritime capital. These products represented the major part of international trading during the 1880-1913 period(7). Thus, the trade of the Black Sea, one of the most important poles of activity of the Greek commercial and maritime capital became directly dependent on British capital.

Great Britain also became the most important colonial power ; Egypt, the other pole of the activity of Greek maritime and commercial bourgeoisie passed under the direct domination of Great Britain (1882). Thus, the expansion of this social group became tributary to the expansion of the British Empire and it naturally tried to promote British interests when it began playing an active rôle in the Greek economic life.

Greek merchant bourgeoisie of the Diaspora established direct economic ties with the new state from its constitution. These ties were firstly of a financial nature, due, on the one hand, to the flow of currencies from the activity of the merchant navy and on the other hand, to the transfers of funds. Until the last quarter of the 19th century these funds took the form of cash donations, pensions or annuities and were almost entirely spent for acquisition of real estate or for consumption expenditures.

Although there is a lack of precise information, one estimates that invisible receipts -which came almost entirely at that time from the activity of the merchant navy and from the transfers of funds of the Greeks of the Diaspora- had a value equal to the deficit of the commercial balance and between 15% and 20% of the National Revenue (10% after 1900) (8). This is considerable, if one takes into account the closed and less monetary character of the Greek economy at that time.

After 1900, funds transferred to Greece were much more important and concentrated. These funds were invested in different sectors of the national economy and in particular, in mining activities, public works and the banking sector. These sectors also absorbed the largest part of foreign investments, due to the narrow cooperation between foreign capital and capital of the Greek Diaspora. A considerable part of these funds was also invested in real estate and land ownership. On the contrary, one must notice the quasi-total absence of investments in the industrial sector.

The process of the return of the bourgeoisie of the Diaspora is no doubt linked to the broadening of the internal market, but it was mostly the consequence of an increasingly strong competition to which the Greek commercial bourgeoisie was submitted abroad. This competition came mostly from western capital but also -in some cases- from the emerging indigenous bourgeoisies. Its effect appear as well, in the numerical decrease of the urban Greek population of the commercial centers of the Eastern mediterranean.

Finally, this process of return has been strongly encouraged by willingness of the Greek Diaspora to play an hegemonic rôle in the political life of the country, a rôle which it could not play abroad.

II.2 Sectors Controlled by the Merchant Bourgeoisie

The merchant navy constituted the principal sector of the Greek economy controlled by merchant bourgeoisie. At the beginning of the 20th century, when the population of the country did not exceed 2.750.000 inhabitants, the merchant navy had a dominant position in the navigation of the Dardanelles and of the Black Sea and was ranked 15th in the world(9).

In 1909, funds invested in this sector were estimated at 200 million gold drachmas, an amount approximately equal to the value of the private investments in the industrial sector (206 million gold drachmas)(10). According to other estimates(11), in 1911, immobilisations in the merchant navy amounted to at least 125 million gold drachmas and had a mean annual return of between 25 and 30 million francs, corresponding approximately to 40% of Greek exports in the 1900-1910 period.

The Greek merchant bourgeoisie also actively participated in the creation of all banks : the National Bank, the Bank of Athens, the Bank of the Orient, the Bank of Piraeus, the Bank of Industrial Credit, the Ionian Bank, in narrow cooperation with the French and more so with English capital. The association and the community of interests thus established between it and foreign capital, were of great importance on the economic and political evolution of the country.

The principal activity of the banks until the first World War has been to lend money to the state, often at usurious terms. According to data of the President of the National Bank, in 1928, the external public debt of Greece was estimated about 2,000 million gold drachmas, and the public internal debt at 8,000 million gold drachmas(12). About half of this represented the debt to the National Bank which was controlled at that time, by important merchants of the Diaspora.

It is only after the first World War, and mainly after the arrival of the refugees of Asia Minor in 1922, that this attitude changed and banks became interested in industrial activities.

Land ownership (principally in Thessalia) and real estate constituted another investment field for commercial and maritime bourgeoisie after its intallment in Greece.

After the annexation of Thessalia, which possessed the most fertile lands, a large number of merchants bought large domains at very low prices from Turkish landowners. In this way, 2/3 of the area of this region passed under the control of the Greek commercial capital.

Despite its stationary situation, landownership occupied first place in the immobilisation of capital during the period 1896-1909(13). Important investments realised by the Greek merchant bourgeoisie in the landownership is one reason which explains the slow progress of the agrarian reform decided after the "revolution" of 1909. But the fact that the new landowners of Thessalia did not constitute a social class independent of the bourgeoisie, with its distinct interest explains the weak resistance to this agrarian reform.

Important Greek merchants obtained considerable participations also, in the mining sector. It is estimated that at least 3/4 of the mining companies were controlled by a small number of financiers

established in Greece at this period, often in close relationship with English and especially French capital. These same persons also played an active rôle in the sector of public works.

The State played an important rôle in making the investments of the commercial bourgeoisie profitable. Some of the private foreign capital which flowed at that time into the country took the form of public borrowing. A considerable part of this borrowing, contracted under state guarantee, as well as the main part of internal borrowing, had been granted by rich Greek merchants. This money passed again through their hands, as they controlled enterprises of public works funded by these borrowings.

Data of table 1 on the value of immobilisations of capital in different sectors illustrate the importance of the sectors mainly controlled by the Greek merchant bourgeoisie. Thus, of the 850 million gold drachmas invested by the Greek capital in all sectors except landownership, in 1909, the merchant navy and the banking sector each represented 17% ; the mining sector, the public works and railroads 13%. As regards immobilisations in land ownership, they exceeded the value of the funds invested in all other sectors.

Table 1

IMMOBILISATIONS OF CAPITAL IN GREEK ECONOMY (in thousands of gold drachmas)

Banks	89, 850	112,180	150,000
Railroads	58, 212	60, 203	80, 000
Navigation	120, 000	130, 000	150, 000
Public works	8, 235	14, 331	15, 000
Mining industry	10, 363	15, 716	18, 000
Craft industry	30, 000	25, 000	20, 000
Industry	27, 300	60, 000	270, 000
Real estate	100, 000	143, 000	170, 000
Land ownership	1, 000, 000	1, 000, 000	1, 000, 000
Foreign capital	900, 000	900, 000	1, 050, 000
External debt	151, 031	432, 650	507, 000

Source: Archives of the Ministry of foreign affairs, New series, Greece, Vol. 12, page 17
in K. Moskof, The national and social conscience in Greece 1830-1909

Concerning the individual fortune of the wealthy merchants and shipowners of the Diaspora it was evaluated in 1906, for each one of them, as equivalent to equity of National Bank, and much higher than own funds of any other enterprise in the country.

II.3 The Political Influence of the Merchant Bourgeoisie

The relative weight of the merchant bourgeoisie in the economic life of the country has made it the most important component of the Greek ruling class, whose interests have considerably influenced the political options of the country.

Since the end of the last century, but especially since the revolution of 1909, external Greek policy was considerably influenced by particular interests of this social group inside and outside Greece. These interests often coincided with British interests.

Participation of Greece in the expedition against Egypt in 1882, organised by Great Britain ; the "revolution" of 1909 ; the participation on the side of Entente in the first World War ; the participation of the Greek army in the Crimean war of 1919 ; the official attitude as regards the Cypriote question ; and finally, the pro-British attitude of Greece under the dictatorship of General Metaxas, despite his personal liking for nazism, constitute some examples among others, of the political influence of the Greek commercial and maritime bourgeoisie. It is characteristic of the importance that represented for the British influence alliance with it, the fact that the British influence has remained predominant until World War II, while till 1909, French investments exceeded British investments and since the end of the first World War, commercial dependence of Greece moved in favour of the United States and Germany.

III. The Development of Greek Maritime Capital since the Second World War and its Rôle in the Greek Economy

III.1 General Characteristics

The Greek maritime capital, developed since World War II, did not come from a mutation of the merchant capital of the preceding period. It essentially constitutes a new social group from the point of view of its composition and its boom is linked with the considerable expansion in world maritime transportation, especially crude-oil transportation during this period.

This social group was from its origin, closely linked to the United States and to American capital. The starting point for its development comes from the 100 "liberties" granted by the American government to the Greek shipowners at that period. The United States have also authorized the reimbursment of a part of the war damages incurred during the War to Greece in the form of ships. Finally, scarcity of the merchant ships available on the European market and restrictions enforced by the American government on the sale of ships to foreign companies, have led Greek shipowners

to create maritime companies within the United States. It is these companies which constituted the nucleus of their maritime power. These initial links have been maintained and even reinforced because of the specialisation of shipowners' activities. A considerable part of their merchant fleet depends upon the world oil industry, which is controlled essentially, by multinational American oil companies.

The second particularity of this social group is its strongly internationalized character and the disassociation of its activities with the Greek market : most of goods that it transports have neither been produced nor consumed in Greece. Consequently, the maritime capital considers Greece essentially, as a labor force reservoir and has an economic behavior which is not propitious to the development of the internal market. This attitude has influenced the orientation of its investments in Greece. There are in general, investments which are not oriented to the internal market and have limited training effects on the development of other sectors.

III.2 The International Maritime Activities of the Greek Shipowners

a) The Greek Shipowners' Merchant Navy

The internationalized character of Greek maritime capital is many faced: not only do its activities spread on an international level, but this capital has been constituted to a large extent outside Greece : many of its maritime companies have their registered office abroad and a great number of its ships fly foreign flags.

In the immediate post-war period, many reasons led Greek shipowners to transfer the center of their activities outside Greece. Among the most important reasons, we could state the political instability which prevailed in Greece during 1945-50 the period, and the increase of taxes on benefits from maritime activity. The latter have been imposed by the state in order to cover expenditures caused by the civil war.

It is only after the stabilisation of the economic and political situation and the installation of a considerable legal and especially fiscal system in favour of shipowners that the latter began registering an increasing number of their vessels under the Greek flag.

The merchant navy controlled by Greek interests has experienced a considerable expansion since the second World War. Its transporting capacity has increased by 1046% during the period 1952-84. Presently, and despite a considerable decrease of its tonnage since 1980, it occupies the second place after the Liberian merchant navy.

This expansion has enabled Greek maritime capital to accumulate considerable wealth in comparison with other groups of Greek capital. According to the shipowner Lemos, the value of ships controlled by Greek interests was estimated in 1967 at 5,5 billion \$, which corresponds to 50% of the value of immobilisations in the Greek economy. Particularly, immobilisations in the merchant navy are 6.4 times larger than those in industry, 4 times larger than those in agriculture and 45 times higher than funds immobilised in the mining sector(14).

The principal reasons for the Greek maritime capital boom are maritime tradition, use of flags of convenience, considerable advantages of fiscal and financial nature conceded by the Greek state and the use of an essentially very experienced Greek labor force. This boom has also benefited from the exploitation of old ships. It is characteristic that the merchant navy of the Greek shipowners held the second place after the United States in the league of international merchant navies with the largest proportion of old ships.

The Greek merchant navy is registered under Greek flag and flags of convenience, in particular Liberian, Cypriot and Panamean flags. The part of tonnage under flags of convenience decreases constantly since 1960 and corresponded to 16% of the merchant fleet of the shipowners in 1984.

This tendency to return to base, reveals their intention to benefit from the protection of the State in a period when they are confronted to a rise of protectionism and to an increasingly sharp competition from merchant navies of the other countries. In particular, the constitution of the European Economic Community and the perspectives of the elaboration of a common maritime policy could not leave shipowners indifferent, due to the predominant place of the Community in international trade, especially in the importation of raw materials, in the transportation of which, the merchant navy of the shipowners is specialized.

b) Relations between Greek Shipowners and the Multinational Oil Companies

The analysis of the composition of the merchant fleet of Greek shipowners shows a considerable specialisation in the oil transport. The tankers and the ships of mixed cargoes represented until the beginning of the eighties about 53% of their fleet, a sensibly higher percentage than the international average (39%)(15).

The Greek owned tanker fleet represents on the other hand, a very important part - about 20% in 1971, of the world tanker fleet. Greek shipowners were also among the most important independent shipowners, who controlled together with oil companies, maritime transportation of the crude oil until the middle of the seventies. In 1959, four out of the five most important "independents" were Greek shipowners: Niarchos, Onassis, Goulandris, Livanos(16). These four shipowners were also among the nine most important "independents" in 1968, as well(17).

The specialisation of the Greek shipowners' fleet shows that a considerable part of their activities was directly dependent on the oil industry and on multinational oil companies. An analysis of their relationships with oil companies reveals that their autonomy with respect to them is in fact very limited.

The first determinant in the low degree of autonomy of "independent" shipowners, to which the Greek shipowners belong, stemmed from the fact that the oil companies controlled crude-oil supply and had a major part in world refining and distribution. The quasi-totality of the Greek tanker fleet was thus chartered and hence controlled by the Multinational Oil Companies.

It should be added that tankers, apart from oil transportation, may only be used to carry cereals.

Finally, another factor that explains dependence of the Greek shipowners on the Multinational Oil Companies is the limited concentration of capital that characterises the "independent" shipowners on a world level, linked to the fact that the Multinational Oil Companies themselves control a large share of the tanker fleet. This low degree of concentration of capital is due to certain characteristics relative to crude-oil sea transport, and especially to the absence of sophisticated technology (running a tanker does not require specific technological knowledge) and the relative ease of access and exit of this branch(18). The latter feature stems mainly from the low average optimum size of a tanker together with the limited risks which a shipowner takes. In fact, the average optimum size of a tanker does not exceed 0.0004 % of world oil tonnage. Moreover, often, in peak periods, the tanker owners do not have to finance ship building themselves, since the banks and insurance companies financed up to 80%, and sometimes 90 % of the cost, on the basis of a "bona-fide" charter agreement. To this, we should add the substantial loans and payment facilities afforded, in particular, by the Japanese shipyards.

These characteristics, and given the imposing presence in this activity of the oil companies, prevented a high degree of concentration of capital by the "independent" shipowners. The low degree of concentration considerably limited their bargaining power with the oil firms.

Finally, the fact that freight charter agreements are directly concluded without intermediaries gives top priority to personal relations.

For the above reasons Greek shipowners' autonomy from the Multinational Oil Companies was quite limited. This factor has much influenced, as we have pointed out in our theses, the exploitation conditions of the Greek oil refining industry.

III.3 The Rôle of the Shipowners in the Greek Economy

a) The Merchant Navy

The merchant navy is the most important sector of the Greek economy controlled by the shipowners. The importance of this activity as resource of the national revenue and of currencies essential for covering deficits of the commercial balance, is a specificity of the Greek economy.

The transportation capacity of the merchant navy has increased by 3238% during the 52-81 period and despite a quite considerable decrease since 1981, it occupies presently, the third place with 9.4%, after Liberia (16.6 %) and Japan (9.8%) on the international level.

The largest part of the currencies due to this activity result from shipowners' remittances intended to cover expenditures of running their maritime companies in Greece: 57% in average during the 1972-84 period. The remainder has been essentially covered by sailors' remittances to their families (22%) and contributions to the sailors' social security offices (11%). It would be interesting to compare the inflow of currencies entered into the country in the form of shipowners' remittances with the inflow of foreign capital invested. During the period 1961-1972, the first one amounted to 1474,3 million dollars, against 765,7 for the inflow of the foreign investments.

The merchant navy has contributed for 8,8% to the formation of the national revenue during the period 72-84 (constant prices), against 14,5% for the agriculture and 20,4% for the industry; the part of the latter being thus a little over twice as much as the merchant navy. Also, employment in the merchant navy represented between 20% and 25% of the employment in the industrial sector. Concerning importance of transportation receipts, they occupy the first place within invisible receipts: 28%, before the foreign travel receipts (25%) and the emigrant remittances (23%). These receipts represented 41% of the Greek exports, 87% of the exports of industrial products and 26% of the deficit of the commercial balance. These data are significant of the weight of the maritime capital with respect to the other components of Greek capital. They show as well, the importance of this activity for maintaining the import capacity of the country and reproduction of a less dynamic model of development orientated to less risky activities of immediate profitability and weak productivity such as real estate speculation and tourism. The importance of inflow of currencies due to this activity becomes even more considerable, if we take into account the fact that they are net revenues causing almost no expenditure to national economy as the merchant navy has been constituted, developed and almost exclusively financed abroad. On the contrary, the foreign travel receipts have not only an economic cost but also a social cost such as financing tourist equipment partially imported, and pollution.

b) Other Economic Sectors

Until 1950, the unique links shipowners had with the national economy were those established through their merchant navy. Progressively, these links got diversified and the shipowners gained more influence in other economic sectors as well (air transport, banking sector, tourism) and particularly in industry (oil refining, shipyards). Maritime capital was transformed into industrial capital and banking capital but without ever losing its predominantly maritime character. The political influence of shipowners increased proportionally to their economic influence. The latter reached its peak during the military dictatorship which considerably improved the system set up in their favor. The investments of shipowners in other sectors were mostly directed towards activities linked with their international activities in which they have a quasi-monopoly and conditions of exploitation fixed by the state. However, in many cases, these investments did not reveal a desire for a durable commitment but they are rather due to the opportunity of a high temporary rate of profit.

Shipowners have financed the largest part of their investments in Greece with foreign capital. We have estimated that out of the 800 million dollars of foreign investments in Greece, during the 1953-73 period, shipowner investments amount to 300 million dollars (37%) as opposed to 208,584 million dollars from the United States (26%) and 36% from the other European countries to which France contributes for 24,6%, West Germany for 5,3% and Italy for 3,2%.

Shipowners have principally directed their investments towards industry and particularly towards oil refining and shipyards. They had a relative control over the former and an absolute control over the latter. They also controlled air transport (Onassis) and they had a considerable weight in tourism enterprises and the banking sector. They controlled one of the two main banking and financial groups, notably the Commercial Bank group (Andreades) and the Bank of Crete (Karras). The former consists of four commercial banks (the Commercial Bank, the Ionian and Popular Bank, the Bank of Attica and the Bank of Piraeus), the Investment Bank and represents % of the deposits and % of the total credits. This group also controls Eleusis Shipyards, two of the most important insurance companies, a tourism enterprise, the unique unit of phosphatic fertilizers and three other industrial companies.

The analysis of the investments of shipowners in the Greek economy, shows that the nature of their international activities and specific relationships maintained with the Greek market have deeply influenced the characteristics of the process of internationalisation of capital.

For instance, oil refining has absorbed the main part - about 60% - of their investments. Strong interest of shipowners for this branch puts it in the first position (27%) concerning distribution of foreign investments in Greece until 1974. This is quite an exception, not only in Europe but also on a worldwide level and is even more noteworthy for Greece which is not an oil producing country.

The conditions of exploitation of oil refining as well as of air transport were governed by long term contracts concluded with the state at very profitable conditions.

Specific relationships of shipowners with multinational oil capital have influenced the running conditions of this branch(19). In certain cases, the association with the shipowners constituted the necessary passage for oil capital to obtain the exclusivity of crude-oil supply. It is characteristic, that the first offer from the B.P., Shell, Caltex, Petrofina, and Mobil companies concerning the supply of crude oil to the state-run refinery of Aspropyrgos (1958-1968) has been rejected by the public authorities and it was necessary for the firms to get associated with the shipowner Niarchos to have the first adjudication annulled. Association allowed them to obtain exclusivity of supply although the conditions of their offer were far more costly for the Greek economy than others. This fact illustrates the influence of shipowners over the public authorities at that time.

In all other contracts concluded with shipowners, there are clauses for crude oil supply from Multinational Oil Companies at prices higher than those applied by oil producer countries. These contracts also grant shipowners, a State concession in the refined products distribution market by creating their own network of gas stations. None made use of it, apart from Latsis who has particular links with Arab oil producer countries. It is likely that obtaining this right improved the bargaining capacity of shipowners in their overall dealings with the Multinational Oil Companies.

Since the middle Seventies, one observes a decrease of the importance of shipowners in the Greek economy. Some activities are abandoned or passed under state control (Niarchos, Onassis, Andreadis), projects of investment are given up and no new important investment has been realized.

Conclusion

In this paper, we showed that greek merchant bourgeoisie in the last century and maritime capital as well, have been constituted and developed, outside national frontiers. Both of them became the most important components of the greek bourgeoisie and have deeply influenced the forms of capital valorisation in Greece. This influence had two contradictory effects: one the one hand, it contributed to the set up and preservation of a dependent development process, by investing in close cooperation with foreign capital; on the other hand, the internationalised character of these social groups, had as consequence that Greek economy benefited from an almost continuous flow of funds from abroad. This flow together with foreign travel receipts and the emigrant remittances, contributed to improve standard of living and alleviated the quest for industrial development.

The specificity of these social strata, has contributed to determine an important feature of the Greek economy. While as far as the development model is concerned, Greek economy is closer to the developing economies, it can be assimilated to developed economies with respect to other criteria such as revenue per capita and consumption model. Thus, Greece is a rare case of country where the development of capital did not lead to a development of productive forces.

It could be interesting to examine the perspectives of evolution of Greek maritime capital. Concerning its rôle in Greek economy, we believe that lack of investments is not due to structural but rather conjectural reasons and it is related to both, acute crisis of industrial investment in Greece and depression in international maritime transports.

Footnotes

- (1) MAXIMOS S., The beninning of the Greek Capitalisme, Athens, Stochastis, 1973 (1st edition 1944) p.15 (in greek)
- (2) PSIROUKIS N., The Greek Colonists of the modern times, Athens, Epikairotita, 1974, p. 52 (in greek)
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