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Preface

The following volume is the result of an *ad hoc* synthesis of theoretical, political (essays on policy), and analytical texts. They represent the preparation of the writer for the lectures during the lessons to Erasmus program's students at Panteion University. The texts, as a whole, give information and multiple indications to the students' audience during the lectures of four lessons of the Department of Sociology. Their aim is the motivation of students for the rethinking on delicate issues of social theory and realities. The synthesis concludes four texts.

Wage Labor

**Wage Labor during
Social Transformations**

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Wage Labor during Social Transformations

1 The ancient forms and the transformations of wage

The configuration of the individual status of paid work there is well ahead of capitalism and lost on special forms that last centuries, though first and foremost appears and is widening appreciably in the war art and the bodies of mercenaries. In the era of slavery, the warrior, who is paid regularly, belongs to those minorities who, for the slavery and serfdom later, working instead to be slaves or to be serfs, namely are independent people and offer their services by choice, or at least of necessity.

The evidence and the facts, that are known, describe with few spins, the ancient origin of “wage”, as compensation, and the status of the wage earner who, as independent and free person, has put a part of

his life under an employer.¹ It causes, perhaps, impression, but has substantial and reliable evidence, the claim that even the establishment of currency in archaic period reflecting the need to pay the mercenaries. The currency at the end of the seventh century BC linked, by analysts of the period, with the need for the cities-states to be able to pay their mercenaries, as they were not citizens and could not be allocated to these men plots of land. It is particularly crucial, at the start of this documentation, the established fact that the extensive trade throughout the Mediterranean has been undertaken without the existence of currency, for about two centuries. Therefore the introduction of the system of paid labor, initially in military forces, which is charging the values reflected in currencies, has a history of at least of twenty six centuries.² Sporadic evidences, without currency, exist even for earlier periods.³

Most people know that the military bodies in the ancient Greek world were composed of free citizens.⁴ The need to establish, significantly, large scale infantry bodies and the changing martial art, by the process which is called “hoplite⁵ revolution”⁶ creates the

¹ T. W. Gallant, *Risk and survival in ancient Greece: reconstructing the rural domestic economy*, Stanford, Stanford University Press, 1991, p. 139.

² C. Mosse, [*The Archaic Greece. From Homer to Aeschylus*, Athens, MIET (Educational Foundation of National Bank of Greece), in Greek], *Η Αρχαϊκή Ελλάδα. Από τον Όμηρο στον Αισχύλο*, Αθήνα, 2001, pp. 149-150.

³ Van der Linden, *Workers of the World. Essays toward a global labor history*, Leiden, Brill, 2008, p. 44; K.A. Raaflaub, “Archaic Greek Aristocrats”, R. Rollinger, C. Ulf (eds.), *Commerce and Monetary Systems in Ancient World. Means of Transmission and Cultural Interaction*, Munchen, Franz Steiner Verlag, 2004, pp. 199-217, and specifically, pp. 207-209.

⁴ M.I. Finley, *Politics in the ancient world*, Cambridge, Cambridge University Press, 1983, pp. 25-26.

⁵ “Hoplon” is the big cyclical seal, which protects the warrior and his partner on the left side, see C. Mosse, *ibid*, p. 159.

⁶ *Ibid*, pp. 158-163.

corresponding support of civil rights and bodes social and political reforms. Several times is bypassed the fact that already in the early stages of the history of Greek city-states was an enduring phenomenon the temporary hiring or the periodical maintenance of mercenaries who were not citizens. It is still rather unknown the presumptions that Greek warriors from Rhodes used since 591 BC as mercenaries in Egypt, during the campaign of Pharaoh Psammetichus II in Sudan.⁷ The recruitment and retention of mercenary forces was typical for tyrants, but a remarkable feat, were present even in the classical era. During the Peloponnesian War, foreign mercenaries have been used by the two opposing forces, Athens and Sparta.⁸

The most important causes of the phenomenon, have been gleaned, the part misery of the lower classes, for which the mercenary employment was the only way for social advancement. Among other causes, were the political unrest which caused many exiles, the absence of the way-out of colonization and, separately, the increase in demand of professional soldiers in Middle East.⁹

It is worth to mention the case of the history of Cyrus Ascent and the Descent of the Ten Thousand, which is described by Xenophon.¹⁰ Interesting is the theoretical estimation that the continuous use of foreign professionals warriors of the Greek cities in the classical period was not only exceptionally expensive but became

⁷ M.M. Austin, P. Vidal-Naquet, [Economy and Society in Ancient Greece, (in Greek)], *Οικονομία και Κοινωνία στην Αρχαία Ελλάδα*, Αθήνα (Athens), Δαίδαλος-Ι. Ζαχαρόπουλος (Deadalus-I Zacharopoulos), 1998, pp. 286-287.

⁸ J. K. Williams, *Empire of Ancient Greece*, New York, Chelsea House, 2009, p. 55.

⁹ M.M. Austin, P. Vidal-Naquet, *ibid*, pp. 190-191.

¹⁰ *Ibid*, p. 191.

problematic too, since has been reduced their control over military matters.¹¹

This phenomenon, however, is going to experience new expansion in the Hellenistic period. It is important that the army of King Pyrrhus of Epirus,¹² who defeated the Roman forces in southern Italy, was composed partly of mercenaries.¹³ Similar was the significance of mercenaries to Carthaginians, who developed no real citizens' army.¹⁴ It is remarkable that the army of Hannibal, who won in many battles the Roman legions, was mainly mercenary.¹⁵

2 The forms of paid work

The form of wage labor is occasionally evident in the productive projects, although is determined by different characteristics from those of the previous case.¹⁶ Certainly has a different character, both in relation to the current form of paid employment and in relation to the professional warriors. It is unclear whether this type of work is older than mercenary.

The work in these cases is "paid" work rather than real wage

¹¹ Ibid, pp. 192-193.

¹² M.M. Austin, *The Hellenistic World from Alexander to the Roman Conquest. A selection of ancient sources in translation*, Cambridge, Cambridge University Press, 2008, pp. 125-126.

¹³ G.T. Griffith, *The mercenaries of the Hellenistic world*, Chicago, Ares Publishers, 1984, pp. 60-63.

¹⁴ J.H. Breasted, *Ancient Times, a History of the Early World. An introduction to the study of ancient history and the career of early man*, Whitefish Mont., Kessinger Publishing, 2003, pp. 525-526.

¹⁵ Ibid, pp. 535-539.

¹⁶ R.S. Bagnall, *Egypt in late antiquity*, New Jersey, Princeton University Press, 1993, p. 121.

labor, with direct exchange with money. The formal independence and freedom, it is, perhaps, but it isn't clearly a prerequisite for someone who is carrying out a project on some time, on a regular, periodic or recurring basis.¹⁷ It's definitely a distraction of the productive systems, whether of slavery or serfdom, the usage of "wage" employees or producers, who usually work with payment in kind or in money.

The emergence of workers with "wage" reflects, quite often, the need for substitution of human forces, which are in scarcity, in communities, either due to a combination of increased infant mortality and low level of life expectancy or because of unfavorable population trends after epidemics. Several times, particularly towards the end of the Middle Ages, critical masses of such population have been created, which play a role in the social transformation.

It is a testable question that wage labor in peace projects, according to historical evidence, was presented, though more rarely, in exceptional ulterior antiquity. It is an indicative item that there is archaeological evidence for persons who were working with a "wage status" in ancient Mesopotamia.¹⁸ It makes special sense to create the automatic questioning of the accuracy of this information, as it is in absent, in this stage, the existence and the circulation of money. It is therefore clear that there wasn't the necessary money liquidity. At the same time, it is difficult to suggest, immediately, the available workers and the status of their work. Some items, however, disrupt both the

¹⁷ M. Silver, *Economic Structures of Antiquity*, Greenwood Press, 1995, pp. 139-140.

¹⁸ J. Lucassen, "Writing the Global Labour History c. 1800-1940. A historiography of concepts, periods, and geographical scope", J. Lucassen (ed.), *Global Labour History. A state of the art*, Bern, Peter Lang A.G., 2008, pp. 39-89, and specifically, pp. 46-47.

unshakable certainties and the automatic controversies. The Babylonian texts mention both employees and wages. In these texts the wages are outlined in silver and in kind.¹⁹ The ambiguity concerning the payment form and the inability to determine the reality of the personal dependency or vice versa the freedom of the working people put the analysis away from the sense, that there is any analogy between this kind of work and the wage labor.

There are indications, even more minimal for the presence of similar workers with “wage”, in Egypt, especially for craftsmen who worked on the construction of the tombs of the Pharaohs, in the era of Ramses C. There are still data on their payment, which was in kind, and their facilities, which are adjacent near to the areas where the projects take place.²⁰ These are important data, but based on evidence which seems fragmented, and in particular the payment in kind and the inability to assess whether concerns free people, to create the conditions for broader intellectual mobilization on the abstract meaning or the historical significance of that phenomenon.

Indications, fairly dense, are presented by the investigations, relating to the Greek city-states and the Roman era. Sometimes the recognition of the wage relation is the result of regurgitation, which needs greater control.²¹ In other cases the information is propped and

¹⁹ There are references for wages and payments in silver or in kind, in the “Laws of Eshnunna” (18th c. BCE), and the “Code of Hammurabi” (around 1700 BCE). See, W. Scheidel, “Real wages in early economies: Evidence for living standards from 1800 BCE to 1300 CE”, *Princeton/Stanford Working Papers in Classics*, Stanford University, September 2009, p. 11.

²⁰ A strange indication is about a situation, which is similar to a “strike”, in 1158 BCE. See, M. Van der Linden, *Workers of the World*, *ibid*, pp. 48-49.

²¹ C. Lis, “Perception of Work in Classical Antiquity. A Polyphonic Heritage”, J. Ehmer, C. Lis (eds.), *The Idea of Work in Europe from Antiquity to Modern Times*, Farnham, Ashgate, 2009, pp.

includes substantial documentation.²² The analysis of M.I. Finley, taking into account that there is no labor market in antiquity,²³ records cases of seasonal or periodic emergency of free wage labor in Athens and Rome and then separated them from other forms of dependency that their revenues may resemble to wage.²⁴

Unlike the previous estimate some analysts argue that during the early period of the Roman Empire there is some kind of labor market.²⁵ Other treatments create estimates, which suggest the existence of a mobility of labor, in the field of guilds and in the field of personal services by free people for revenue which is attributable to wage in Roman cities.²⁶ Data also is referred to the Roman Spain in more activities, and other areas.²⁷

The realities of wage labor in Egypt, during late antiquity, have caused a particular interest to scholars.²⁸ The analysis of R.S. Bagnall, unequivocally, creates the feeling that wage labor occurs temporarily and especially in times of harvest. He highlights that it remains unclear if the “employees” are free or slaves.²⁹ The holders of large farms use, in small numbers and periodically, employees. The analyst

33-69, and specifically, p. 47.

²² T.W. Gallant, *ibid.*; M.I. Finley, *The Ancient economy*, Berkeley-Los Angeles, University of California Press, 1973, pp. 73-74.

²³ M.I. Finley, *ibid.*, p. 70.

²⁴ *Ibid.*, p. 73.

²⁵ P. Temin, “The Economy of the Early Roman Empire”, *Journal of Economic Perspectives*, Volume 20, No. 1, Winter 2006, pp. 133-151, and initially, pp. 140-141.

²⁶ S.A. Epstein, *Wage Labor and Guilds in Medieval Europe*, University of North Carolina Press, 1991, pp. 10-28.

²⁷ L.A. Curchin, “Non-Slave Labour in Roman Spain”, *Gerion* (Editorial de Universidad Complutense de Madrid), 1986, 4, pp. 177-187.

²⁸ P. Erdkamp, *The grain market in the Roman Empire: a social, political and economic study*, Cambridge, Cambridge University Press, 2005, p. 82.

²⁹ R.S. Bagnall, *Egypt in late antiquity*, *ibid.*, pp. 121-123.

adds that there is not, in any case, steady wage labor. People, who work with this form of paid employment, are, mainly, men, members of rural communities, which ensure additional revenues at critical periods of the farm life. In those periods was utilized every available contribution. It is characteristic that the monks from the monasteries of the desert worked at the time of harvest in the Delta of the Nile, with wages.³⁰

The determination of prices, which is contained in Diocletian Act³¹ includes, among other things, references to wages.³² The inclusion of wages in this important Act confirms that the “wage labor”, at the same time is real, but it creates a feeling that is not freely negotiable. In this respect, despite the fact that is bridged with similar realities in the Middle Ages, motivates us to consider the thoughts of M.I. Finley, who considers that do not operate in antiquity the two necessary elements of the original wage labor. The first element is to separate the person from the “abstract labor”, which as working time becomes an object of exchange (and from the product of his work). The second element is the method of measuring of work which is the subject of payment.³³ It is possible, that these thoughts seem to connect the details of the labor, the aforementioned periods, with the appearance of rudimentary form of cyclical dependency, which is far from any fixed wage system.

³⁰ Ibid, p. 123.

³¹ R. C. Allen, *How Prosperous were the Romans? Evidence from Diocletian's Price Edict* (301 AD), University of Oxford, Department of Economics, Discussion Paper Series No. 363, October 2007. R. C. Allen, R. Alston, “Urban Population in Late Roman Egypt and the End of the Ancient World”, W. Scheidel (ed.), *Debating Roman Demography*, Leiden, Brill, 2001, pp. 161-204.

³² W. Scheidel, “Real wages in early economies..”, *ibid*, pp. 2-3.

The concentration of M. Van der Linden for “wage” labor in antiquity, as a description, could meet the acquiescence about the period and the phenomenon. With the specification, that in any case the paid work is casual.³⁴ He distinguishes four types of wage labor. The first is the casual work in agriculture, construction and logging. He refers, second, a kind of skilled labor in artisanal activities which are offered casually at home (blacksmiths, carpenters). The third form is found on mercenary soldiers. The apprentices are representing the fourth form of wage labor, which noted that it is historically more recent, and their relationship of employment leads to specialization.³⁵ The last form, despite the strong sense of doubtfulness about the real relationship with the paid or “wage” labor is a useful bridge for the examination of the phenomenon during Middle Ages.

3 The transformation of “wage” labor

In the Middle Ages continues the recruiting of mercenaries, but in some cases the forms and conditions were transformed. The usage of professional warriors is seen in the Byzantine era, as in the West, with various versions. The Byzantine army³⁶ has maintained generally the Roman model of organization,³⁷ and especially the changes of the

³³ M.I. Finley, *The Ancient economy*, *ibid*, pp. 65-66.

³⁴ M. Van der Linden, *Workers of the World...*, *ibid*, p. 45.

³⁵ *Ibid*, pp. 42-45.

³⁶ W.T. Treadgold, *Byzantium and its Army, 284-1081*, Stanford Calif., Stanford University Press, 1995.

³⁷ A. Goldsworthy, *The Roman Army at War 100 BC–CE 200*, Oxford, Oxford University Press,

period of the civil war and the late reforms of Diocletian.³⁸ In the history of the Byzantine Empire used several times, periodically or occasionally, foreign mercenaries, as happened with the “Varangian Guard”³⁹ and the “Catalan Company”.⁴⁰

The mercenaries are present in the feudal world. The situation, however, is different from earlier periods, and, particularly, interesting. The structure of society, after the disintegration of the Western Roman Empire in Western Europe, was determined by the consequences of a synthesis,⁴¹ with the ingredients of the economic backward (with the enhancement of agriculture and the disintegration of cities), in the Empire and the “German mode of production”, which is been carried with them the invading peoples from the East. The property takes on a confused form of “co-ownership” between the feudal lord and serf.⁴² The realization of the rights for expropriating surplus-product from serves by the lords requires the constant support from powerful and stable mechanisms of violence in addressing the various controversies and the direct disagreements or disputes. The constant use of military forces is, from this point of view, unavoidable. At first, troops are consisted of peasants, necessarily, reservists but which are rather untrained, cumbersome and inefficient. The

1996.

³⁸ A. Goldsworthy, *Caesar. Life of a Colossus*, New Haven, Yale University Press, 2006, pp. 391, 410-425; K. Christ, *The Romans*, Berkeley, University of California Press, 1984, pp. 74-76.

³⁹ W.T. Treadgold, *ibid*, pp. 115-116.

⁴⁰ M.C. Bartusis, *The Late Byzantine Army. Arms and society, 1204–1453*, Philadelphia, University of Pennsylvania Press, 1997, pp. 67-82.

⁴¹ P. Anderson, (*From Antiquity to Feudalism*, Athens, Odysseas, 1980, in Greek) *Από την Αρχαιότητα στον Φεουδαρχισμό*, Αθήνα, Οδυσσέας, 1980, pp. 146, 214.

⁴² V. Filias, (*Social Systems*, Athens, Nea Synora, 1978, in Greek) *Κοινωνικά Συστήματα*, Αθήνα, Νέα Σύνορα, 1978, τ. Ι, p. 81.

professional warriors with excellent training and proper equipment, particularly for staffing in the horse power, are necessary and in numbers that exceed the social participation of the aristocracy, indeed.⁴³

In the early stages of feudalism, the agents of martial skills arise and are the corollary to the relations of personal dependence. One of the most classic items of such relationship is the phenomenon of vassals, in which the concrete men have the obligation to provide military service to their masters. The models of maintaining and fees vary, but M. Bloch distinguishes two basic types. The first is that the vassal remains close to the lord and the lord covers his costs with benefits, usually, in kind. The second is to be donated land or stable income from land by landlord to vassal.⁴⁴ This second form of remuneration, which takes the type of assignment, often callable, land or income from the land, is considered as landowning by a mode like a salary. According to analysis of M. Bloch the manor or “bienfait” represents a good donation to vassals in exchange for a personalized service and especially a military service.⁴⁵ The landowning, in this sense, is overcrowded with vassal’s services and the manor is the “wage” of the knight.⁴⁶

The analysis of the phenomenon of mercenaries must calculate these factual considerations. Since mercenaries participate into such a

⁴³ M. Bloch, (*The Feudal Society*, Athens, Kalvos, 1987, in Greek) *Η Φεουδαλική Κοινωνία. Η διαμόρφωση των σχέσεων εξάρτησης, οι τάξεις και η διακυβέρνηση των ανθρώπων*, Αθήνα, Κάλβος, 1987, pp. 222-226.

⁴⁴ Ibid, p. 235.

⁴⁵ Ibid, p. 240.

⁴⁶ Ibid, p. 242.

type of social and economic relations, they form an integral help, absolutely, to the dominant model of social relations. By military subordination they reinforce and maintain the basic social structures. In such a appearance of professionals of the war there are no parallel procedures and forms, than in earlier events of recruiting mercenaries. If their relationship is identical or similar to vassal, even for a short duration of time, we have to do, immediately and regardless of the concrete term, with a feudal institution. Similar support to feudalism is offered, in many emergency situations,⁴⁷ of the mercenary companies⁴⁸ and professional warriors, operating as opportunists.⁴⁹ Some of them aspire to a temporary income or/and the results of looting and other have an expectation that their leaders will receive as a reward of their great service the consolidation of relations with the feudal lords. In any case, the temporary hiring of mercenaries reflects the exceptional nature and the adaptability of the phenomenon of the “wage” labor.

4 The statuses of workers within guilds’ organization

The claim, that the phenomenon of wage labor is manifested heavily on medieval guilds, accompanied by a possible feeling, which, in this

⁴⁷ M. Prestwich, *Armies and Warfare in the Middle Ages. The English Experience*, London, Yale University Press, 1996; W.L. Urban, *Medieval Mercenaries. The business of war*, London, Greenhill Books, 2006.

⁴⁸ W.L. Urban, *Medieval Mercenaries*, *ibid*, pp. 137-155.

⁴⁹ N. Machiavelli, *The Prince*, www.gutenberg.org, [EBook#1232, Translator: W.K. Marriott], February 11, 2006, and especially in twelfth chapter.

fertile area, is stabilized in such a type of employment and economic inclusion.⁵⁰ The interesting element is attached to the relationship guild indications of wage labor is the stable relationship in, particular, the production and trade, in the context of medieval towns.

The presence of guilds is constant throughout the history of the Byzantine Empire. Some analysts give little importance to this manifestation of the phenomenon,⁵¹ as it is considered to be under the tight control of the central-state authority and presented successive settings on the scale of production, the margin of profit, the conditions of entry to the profession and, sometimes, the determination of wages. Some newer approaches consider the Byzantine professional organizations have had richer contribution and greater number of special cases than which are been considerate by the previous calculations,⁵² especially in periods of economic expansion.⁵³ G.C. Maniatis notes that recognized professional organizations, during Byzantine period, are distinguished to organizations that are subject to compulsory regulation, called “systems”, and correspond to the guilds of West and to spontaneous or voluntary organizations, which are characterized either associations either societies and colleges.⁵⁴ In the

⁵⁰ S. A. Epstein, *Wage Labor and Guilds in Medieval Europe*, *ibid*, pp. 3-4.

⁵¹ G. Renard, *Guilds in the Middle Ages*, Kitchener, Batoche Books, 2000 (1918), p. 19.

⁵² G.C. Maniatis, “The Domain of Private Guilds in the Byzantine Economy, Tenth to Fifteenth Centuries”, *Dumbarton Oaks Papers*, No. 55 (Issue year 2001), www.doaks.org/etexts.html, 2002, pp. 339-369; G.C. Maniatis, “Organization, Market Structure, and Modus Operandi of the Private Silk Industry in Tenth-Century Byzantium”, *Dumbarton Oaks Papers*, No. 53 (Issue year 1999), www.doaks.org/etexts.html, 1999, pp. 263-332; S.Jr. Vryonis, “Byzantine Δημοκρατία and the Guilds in the Eleventh Century”, *Dumbarton Oaks Papers*, No. 17, pp. 287-314.

⁵³ A.E. Laiou, “The Byzantine Economy: An Overview”, A.E. Laiou (ed.), *The Economic History of Byzantium: From the Seventh through the Fifteenth Century*, *Dumbarton Oaks Studies*, No. 39, *Dumbarton Oaks Research Library and Collection*, Washington D.C., 2002, www.doaks.org/etexts.html, pp. 1145-1164.

⁵⁴ G.C. Maniatis, *ibid*, pp. 348-349, 351.

first case, the state imposes the mode of organization and operation, thus is maintaining a tight control on the imposition of leadership. In the second form of organization, there was the principle of self-government and there isn't any direct state control. Professionals under either systems or associations or societies combine productive activity with trade, are usually self-employed and, within an elementary division of labor, using sometimes assistants and "employees" in a status of apprenticeship.⁵⁵

The development of guilds in Western Europe meets the standard of the spontaneous and voluntary organizations, with the participation of the independent professionals and especially, the small craftsmen or traders. These organizations are self-governing and autonomous in many cases in the context of medieval towns.⁵⁶ The increasing strength of their activities and the many innovations impose unions on economic, social and political life of cities. The guilds gradually adopt arrangements which seek to restrict competition in the market, by imposing conditions of entry to the professions, to determine the duration of apprenticeship and the conditions for the recognition of professional qualifications, the definition of the area of production and the quality of goods, such as the intervention in transactions.⁵⁷

⁵⁵ Ibid, p. 344.

⁵⁶ G. Renard, *Guilds in the Middle Ages*, *ibid*, pp. 35-37.

⁵⁷ G. Renard, *ibid*, pp. 39-43; G. Richardson, "Guilds, laws, and markets for manufactured merchandise in late-medieval England", *Explorations in Economic History*, No. 41, 2004, pp. 1-25; S.R. Epstein, "Craft Guilds, Apprenticeship and Technological Change in Pre-Modern Europe", *Working Papers in Economic History*, London School of Economics, No. 38/95, 1995 (September); T. De Moor, "The Silent Revolution: A New Perspective on the Emergence of Commons, Guilds, and Other Forms of Corporate Collective Action in Western Europe", *IRSH*,

In the organization of professions and craft shops stand the hierarchical figures of the master, the journeyman (skilled worker) and the apprentice. The master holds the expertise or the secrets of a profession, as an owner of the production unit or business shop and also as a member of a guild.

The journeyman (valet, compagnon, serviteur, massip, locatif, garçon) as a skilled worker is essentially the most representative case of person with “wage” under the corporatist system. After the period of apprenticeship and the acquisition of professional qualification had the opportunity to work as a partner in any shop of the related specialization.⁵⁸ In many cases prohibited hired worker from another area.⁵⁹ The recruitment takes place after the presentation of, specialization and experience, documents.

This commitment varies in duration, so might mean a daily, monthly, annually commitment or longer. The mutual working agreement, usually oral, accompanied, sometimes, by a written contract. The journeyman is free, several times, to reside outside of the work shop and works throughout the course of the day (from dawn until sunset-which is why the working hours are different during the year, more in summer and less in winter). Should be noted, however, that Saturday afternoon the market was closing earlier and Sunday was a holiday. Several times Monday was an unofficial holiday. The information talks about many religious festivals which are also

No.53, Supplement, 2008, pp. 179-212.

⁵⁸ G. Renard, *Guilds in the Middle Ages*, ibid, pp. 25-26.

⁵⁹ Ibid, p. 29.

holidays.

The remuneration included a wage in cash, sometimes in combination with daily meals and other benefits in kind such as clothes and shoes. Payment of the wage in cash occurs either every week or every fortnight. It is considered that wages were not low, but it is unclear whether it can be considered sufficient for decent living standard of journeyman. The journeymen as skilled workers enjoy a special position within the corporatist system and institutions involved in dispute resolution within the guild. This category also provides the reservoir succession of masters.

The situation of journeyman is a specific condition, of that protection in corporative organization and hierarchy of the guilds, with the combination of individual freedom and wage employment. That is not true for apprentices. They are in a worse position than all the other participants in this elementary division of labor.

The relationship apprenticeship lasts several years, after a short probationary period, and starts after the conclusion of the agreement, usually oral and sometimes written, between a master and the parents or guardians of a teenager. An apprenticeship fee paid either in kind or in money and in return the master provides education, shelter in his house, food, the necessary for clothing and footwear and a payment in the form of “wage” to the end of the agreed period. During the long cohabitation of the apprentice with the master and his family is created a special personal relationship, but not without indications of abuse problems and disputes. The main benefit for apprentice is to acquire a valuable professional specialization -at a time when there is

no other type of organized training- and creating the opportunity to work in the form of journeyman, together with the prospect of acquiring personal income and the possibility to become a master in the future.

The master, in this relationship, ensures a stable and with the continuous renewing source of obedient and very cheap labor, in return for teaching of the specialization and transmission of important secrets for the operation of a profession with an obvious utility. The importance of guild in medieval societies is regarding the perpetual succession in these professions of the technical specialization and the sustainable availability of essential goods or techniques to the community.

With a great difficulty apprenticeship may be regarded as attributable and much more, that is coincided with the wage labor, even after the recognition of its criticality for the corporatist organization. The essence, after all, of the issue does not concern with the way in which an organized division of labor hosts and forms the type of employment which looks similar to wage labor. The key issue is to maintain the long period of the corporatist organization.

The reproduction of the master and the art is the main factor in the conservation of the guilds. The sustainability reflects three conditions regarding the internal assembly. The first condition is the ability of master himself to can survive, financially, with the option to find cheap and abundant unskilled labor that is necessary and, at the same time, the sufficient skilled labor for the period and the duration for which the circumstances and market fluctuations demand. The

work involves unskilled apprentices and skilled, but rather casual - wage relationship is compatible with the unstable commitment-journeyman. The second condition is the succession within a specialization which would ensure that there are the necessary and future guild masters. This is reflected in situations of the apprenticeship and the testing of the operation of journeyman. The third condition is the identification of succession of the abstract professional expertise within the face of a journeyman, who will become a master. This is implemented by the overall process of the hierarchy in the corporatist organization.

Each special person in this process is not identified with a single role, but with a scalable, for the human life, form of commitment, such as apprenticeship, the journeyman status and finally the success, namely the status of master. The master, who manages to succeed someone another person in the profession, has fulfilled an apprenticeship and has been a journeyman. For him, and for those who had failed to this goal, there is only one potential, more as an abstract concept than as a fact, to reach the coveted top spot. There is no need, in this sense, of the debate focusing on whether the apprenticeship constitutes a position of wage labor or the meaning of the next question: Has the journeyman an identical form of commitment with the latest modes of the status of wage earner? According to my opinion, the motive of involvement in this personal test is the first step of a claim of journeyman to conquest the position of master.

After these remarks we should make the consideration that the

situation of skilled workers hardly is identical to the wage labor. Wage labor within guilds is not a distinct economic and social situation. In the logic of the corporatist system is a transitional treaty which is used to bridge different intervening stages of the necessary and desirable personal development, when it is feasible. The persons, who were unable to reach the role of master, maintain this inferior status, with the form of wage labor. The maintenance of such a position of wage labor is for them a social failure.

6 Wage labor in rural areas

Wage labor outside the guild, meets a significant proliferation of the fourteenth century, especially in the English countryside. This development has its basis in a progressive and great feudal crisis. This crisis is compounded by the outbreak of plague (Black Death), which emits in a terrible population decline, with impact on rural economic organization. The initial effort of landowners, as is absents from the feudal system the growth orientation and the competitive production capacity for the market, concerns the, increasingly, pressure on farmers, with the aim of posting of their surplus product. The constant pressure to farmers from landowners (to increase their revenues), combined with the population decline, will trigger in 1381 a significant peasant uprising. The reactions of farmers are intended immediately the landowners. They claim the immediate relaxation of financial burdens.

The revolt has been suppressed and has, substantially, failed. The mobilization of peasantry, however, will lead to a gradual process of the disengagement of farmers from the personal obligations and the expanding of the type of free farmer, who produce for the market, with the use of freehold and leasehold plots of land. The change relating to the payment of cash proceeds to the landowners, strengthens the market character of the economy and, in the same direction, modifies the social structure of the countryside. In less than a century are to be formed four groups of free farmers.

The yeomen own and utilize large cultivable areas, consisting either of freehold or leased land. These farmers operate in commodity production and use wage labor. The husbandmen, often exclusively livestock farmers, hold pieces of land sufficient to cover family needs and a limited amount of production for the market. The small farmers (cottagers or cottars), hold very small plots of land, which does not meet their needs and very often survive because of the parallel wage labor, working on farms of prosperous farmers (yeomen). The landless are most commonly appear as salaried workers, along with some wanderers from other areas (vagrants). It should be noted that the expansion of institutions of wage labor in the countryside comes from two parallel phenomena. On the one hand extends the expropriation by yeomen of small farms and their attachment to the commodity economy. On the other hand, wages are made, for a period, relatively higher, making adequate the exclusive preoccupation of the poorest rural strata with wage labor.

The productive orientation of the yeomen and their relationship

with the market created gradually the alteration of the old economic structures and their social context. The center of gravity has been shifted outside the feudal organization of the rural economy. The customary obligations have languished while the agricultural rents have been stabilized, the fifteenth century, at relatively low levels, for a long period, and also a continued rise in prices of agricultural products has been seen. These conditions favored, the fifteenth and sixteenth century, the accumulation of small surplus over the cost of production.

The good conditions of the production, accumulation and the evolution of reproduction acted as an incentive for yeoman to undertake a further initiative. It is considered that they started the “enclosures”, which redistributed land property, and in particular the common land of villages, in favor of the wealthy farmers. The social differentiation between the well done peasants and the agricultural proletariat, which has been alienated from the property in the land, is marked at the beginning of the seventeenth century. The formation of the agricultural proletariat in these phases indicates that the transition to capitalism was possibly much more complex and long lasting, than had been calculated in the past.

C. Tilly in his, original in concept, study on the *Demographic Origins of the European Proletariat*⁶⁰ elaborates data from the region of Saxony⁶¹ and projects the image of social structure, as a spiritual test, throughout the European continent. The results are impressive.

⁶⁰ C. Tilly, *Demographic Origins of European Proletariat*, Ann Arbor, Center for Research on Social Organization –University of Michigan, 1983 (March), CRSO Working Paper No. 286.

The densification of the large proportion of wage laborers is displayed in the countryside. The vast majority of the working class in mid-eighteenth century is rural proletariat.⁶² In 1800, according to the calculation of C. Tilly, the percentage of agricultural workers reaches the 90% of the total number of proletariat.⁶³ This analysis communicates with some important approaches that rely on the assessment that critical processes for the transition to capitalism and the initial configuration of the working class took place in the countryside.

⁶¹ Ibid, p. 51.

⁶² Ibid, p. 52.

⁶³ Ibid, p. 59.

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Theoretical Issues

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**On the transition
to capitalism**

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Athens, 2014

1. A. Smith: Division of labour and free market

A. Smith fought, from the first time, the old privileges in economic activity, namely the commercial monopolies and the guilds.⁶⁴ The

⁶⁴ The interesting element of guilds is attached to the privileged small-entrepreneurship, and the wage labour of apprentices and journeymen in the production and trade, in medieval towns. The development of guilds in Western Europe meets the standard of the spontaneous and voluntary organizations, with the participation of the independent professionals and especially, the small craftsmen or traders. These organizations are self-governing and autonomous in many cases in the context of towns. In the organization of professions and craft shops stand the hierarchical figures of the master, the journeyman (skilled worker) and the apprentice. The master holds the expertise or the secrets of a profession, as an owner of the production unit or business shop and also as a member of a guild.

The journeyman as a skilled worker is essentially the most representative case of person with a "wage" under the corporatist system. After the period of apprenticeship and the acquisition of professional qualification had the opportunity to work in any shop of the related specialization. The recruitment takes place after the presentation of the, specialization and experience, documents. This commitment varies in duration, so might mean a daily, monthly, annually commitment or longer. The mutual working agreement, usually oral, is accompanied, sometimes, by a written contract. The remuneration included a wage in cash, sometimes in combination with daily meals and other benefits in kind such as clothes and shoes. Payment of the wage in cash occurs either every week or every fortnight. It is considered that wages were not low, but it is unclear whether it can be considered sufficient for decent living standard of journeyman. The journeymen as skilled workers enjoy a special position within the corporatist system and institutions involved in dispute resolution within the guild. This category also provides the main reservoir for the succession of masters. The situation of journeyman is a specific condition, of that protection in corporative organization and hierarchy of the guilds, with the status of wage employment.

The apprenticeship lasts several years, after a short probationary period, and starts after the conclusion of the agreement, usually oral and sometimes written, between a master and parents or guardians of a teenager. An apprenticeship fee paid either in kind or in money and in return the master provides education, shelter in his house, food, necessary for clothing and footwear and payment in the form of "wage" to the end of agreed period. During the long cohabitation of the apprentice with the master and his family creates a special personal relationship, but not without indications of abuse problems and disputes. The main benefit for apprentice is to acquire a valuable professional specialization -at a time when there is no other type of organized training- and creating the opportunity to work in the form of journeyman, together with the prospect of acquiring personal income and the possibility to become a master in the future.

With difficulty apprenticeship, even after the recognition of its criticality for the corporatist organization, may be regarded as attributable and much more, that is coincided with the wage labor. The essence, after all, of the issue does not concern the way in which an organized division of labor hosts and forms of employment which are similar to wage labor. The key issue is to maintain the long period of the corporatist organization.

The reproduction of the master and the art is the main factor for the conservation of the guilds. The sustainability reflects the conditions of the internal assembly. Each person in this process is not identified with a single role, but with a continuous attempt to ascent on the ladder of hierarchy in guild system, for the human life, in a form of superimposed commitments, such as apprenticeship, the journeyman status and (finally the succession) the status of master. After these remarks we should considerate that the situation of skilled workers hardly is identical with the wage labor.

analysis of guilds is indicative for his absolutely negative approach of such kind of organizations.⁶⁵ The writer stands on the free market and the competitive activity in production. In the first volume of the *Wealth of Nations* preceded the special significance of the division of labor and organization of the collective effort to produce goods.⁶⁶ The division of labor spread out over several separate sections to produce a commodity and simplifies the individual job. This form of organization turns the work to many repetitive actions, without the requirement for some special training, and accelerates the necessary effort for the production process.⁶⁷ In the opinion of A. Smith, the division increases the skill of the workers and expands the quantity of their production.⁶⁸ It would, in this sense, a worker, save time and is engaging in more actions, with similar character, especially with after the invention and use of machines.⁶⁹ The author observes that division of labor is higher in industry than in agriculture and in the rich nations

Wage labour within guilds is not a distinct economic and social situation. The persons, who were unable to reach the role of master, maintain an inferior status, with the form of wage labour. The maintenance of such a position of wage labour is a social failure for them. Cf., G. Renard, *Guilds in the Middle Ages*, Kitchener, Batoche Books, 2000 (1918), pp. 19-37; M. Weber, *General Economic History*, New Brunswick, New Jersey, Transaction Publishers, 2009, pp. 144-161; S.A. Epstein, *Wage Labor and Guilds in Medieval Europe*, University of North Carolina Press, 1991, pp. 10-28, 115.

⁶⁵ A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, London, G. Bell and Sons, 1887, Vol. I, Chapter X, and especially, pp. 128-129. This negativity on the role of medieval guilds has been questioned intensively by modern approaches. Cf., G. Richardson, "Guilds, laws, and markets for manufactured merchandise in late-medieval England", *Explorations in Economic History*, No. 41, 2004, pp. 1-25; S.R. Epstein, "Craft Guilds, Apprenticeship and Technological Change in Pre-Modern Europe", London School of Economics, *Working Papers in Economic History*, No. 38/95, London, 1995 (September); T. De Moor, "The Silent Revolution: A New Perspective on the Emergence of Commons, Guilds, and Other Forms of Corporate Collective Action in Western Europe", *IRSH*, No.53, Supplement, 2008, pp. 179-212.

⁶⁶ A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, *ibid*, pp. 5-17.

⁶⁷ *Ibid*, pp. 6-7.

⁶⁸ *Ibid*, pp. 9-10.

⁶⁹ *Ibid*, pp. 10-12.

than in the poor.⁷⁰ The benefits of the process are distributed to a broad group of population and initially of the lower strata, as the increase of wealth widen the scope for exploiting the largest income for the coverage, with adequacy, of the needs and increase the abundance or pleasures.⁷¹

The free market, which is unfettered by government interference, is ensuring at the same time, the individual interests with the appropriate personal satisfaction and the promotion of national wealth. Free market is possible, by the existence of free trade, both between individuals and between countries, based on the strengthening ties and friendship of nations, despite the fact that it has often happened otherwise.⁷² Free trade means the absence of barriers, protectionist policies and monopolies.⁷³ It is classic the reference to the “invisible hand” of the market.⁷⁴

It is useful to emphasize to the role of the market and trade in the economic and social transformation.⁷⁵ In the fourth chapter of the third book of the same study highlights the importance of the creation of the market in towns, and its contribution to rural development.⁷⁶ According to the estimate of A. Smith, the commercial activity in cities contributes to three key ways in the rural development. Firstly, towns have a ready and big enough market for the distribution of the

⁷⁰ Ibid, pp. 7-10.

⁷¹ Ibid, pp. 14-17.

⁷² Ibid, pp. 497-498.

⁷³ Ibid, p. 492.

⁷⁴ Ibid, p. 456.

⁷⁵ Ibid, p. 388.

⁷⁶ Ibid, pp. 412-426.

agricultural production.⁷⁷ The townspeople, secondly, often invest in rural properties, contributing to instilling the “entrepreneurial spirit” in the countryside.⁷⁸ Trade and industry introduce, thirdly, in a gradual way the order and the good government, and with them the security and freedom of people in the countryside, who suffered from the typical for the past conditions confrontation, and the obedience to superiors.⁷⁹ This approach suggests the effects of commercial practices of the town, to the countryside and the type of reconstruction of the old structures and functions, which allowing the economic transformation.

Wealth, in A. Smith’s approach, is the sum of the values of all transactions that take place every year in a country.⁸⁰ Basic point is that someone who produces and sells his commodities, is going to buy again in order to continue the production and this thesis is giving a prime role to the producer.⁸¹ Therefore, the critical factor for the expansion of the market is the producer. The analyst believes that the economic wealth increases whenever is increasing its circulation. In this process essential is the role of competition.⁸² The producer has an incentive to sell his commodities, more and more cheaply, with the desired quality, in order to dominate on its competitors.

A. Smith believes that the price of goods is always broken down

⁷⁷ Ibid, pp. 412-413.

⁷⁸ Ibid, pp. 413-414.

⁷⁹ Ibid, p. 414.

⁸⁰ Ibid, p. 455.

⁸¹ Ibid, p. 438.

⁸² Ibid, p. 455.

into three parts, the wage, the profit of capital and the rent.⁸³ These parts are the primary sources of any income, any exchangeable value and any secondary income.⁸⁴ He, in accordance with this placement, recognizes three classes, depending on the type of their income. The workers receive income in the form of wage. The holders of the stock or capital are receiving income from profits. Rent is the source of income of the landlords. He states, that there are two groups of people, whose income is complex. The first is the lenders who have as income the interest. The interest represents a payment by the debtor to the lender for the profits to be made from the use of money. Interest is a derived income and, if has not source from the profits of exploitation of capital has carried out by the lender, must be paid by other sources. The second category is the farmers, and for them the land is just an instrument, whose income is partially derived from the wages of their labor, and partly from the profits of their capital.⁸⁵ In such a situation of farmers are the craftsmen.⁸⁶

A. Smith, through the analysis of income, consolidating his assessment that capitalist society is separated into distinct groups. This distinction, in fact, is referred to, exclusive, economic causes. This approach is, undoubtedly, the most organized and original concept for the class organization of the capitalist society, until the emergence of Marxism.

The same analysis should be looked as the first coherent

⁸³ Ibid, pp. 50-51.

⁸⁴ Ibid, p. 53.

⁸⁵ Ibid.

⁸⁶ Ibid, p. 54.

processing on the source of creation of profit and also the explanation of the mutual relations between workers and capitalists. Very often scientific analyzes identify the spiritual origin of the discovery of the exploitation of workers by the capitalists, with the Marxist suggestions. They make no mistake about the completion of the process. The original statesman, however, belongs to A. Smith.

The analysis on the relation of capital and labor is very interesting: "As soon as stock has accumulated in the hands of particular persons, some of them naturally employ it, by setting industrious people, whom they will supply with materials and subsistence, in order to make a profit, by the sale of their work, or by what their labour adds to the value of the materials. In exchanging of the complete manufacture either for money, for human labor, or other goods, over and above what may be sufficient to pay the price of materials and the wages of the workmen, something must be given for the profits of the undertaker of the work who hazards his stock in this adventure. The value which workmen add to the materials, therefore, resolves itself in this case into two parts, of which the one pays their wages and the other the profits of their employers upon the whole stock of materials and wages, which he advanced. He could have no interest to employ them, unless he expected from the sale of their work, something more than what is sufficient to replace his stock to him; and he could have no interest to employ a great stock rather than a small one, unless his profit were to bear some proportion to the

extent of his stock”.⁸⁷

The intellectual construction that profit derives solely from wage labour belongs primarily in the economic liberalism. This finding does not need further explanation. The analysis, however, does not have a negative charge and actually appreciates this process. There is no direct analysis for the exploitation and he does not emphasize to the contradictory interests between the holders of the stock or the capital and the wage labourers. The elaboration is completed, however, with a very useful observation: “In this state the whole produce of labour does not always belong to the labourer. He must in most cases share it with the owner of the stock which employs him”.⁸⁸ This reference is an explicit recognition of the appropriation of the wealth, which the workers have created, by the capitalists. Regardless of how the processes are named, here we have to do, specifically, with the exploitation of the workers by the holders of the stock.

⁸⁷ Ibid, pp. 48-49.

⁸⁸ Ibid, p. 50.

2 K. Marx: Primitive accumulation and class relations

The classic Marxism manages the transition from feudalism to capitalism as a, revolutionary change. The critical process, in the approach of K. Marx, is the primitive accumulation, which takes place primarily in the English countryside, with the clock ticking in the fifteenth century.⁸⁹ Primitive accumulation is the stripping of the direct producer from the means of production and subsistence. This change transforms the means of production and the means of subsistence into capital, while simultaneously converts the direct producer to wage-labourer and the work into a commodity.

K. Marx identifies changes as the historical process which is an earlier stage before the formation of the capitalist mode of production. Then declares that capitalism is formed out of the social structure of feudalism, but it depends on the elements of feudalism which became free.⁹⁰ In the opinion of K. Marx, by the end of the 14th century, and particularly during the 15th century the vast majority of farmers are free, regardless of how they are named as a vestige of feudal institutions, and a substantial part of them works, occasionally during the hours of leisure, in large holdings, with the form of wage labour.

The historical process from the late 15th and especially during the 16th century, takes the form of an arbitrary expropriation of land, which was either individual holdings or Community land.⁹¹ Very often

⁸⁹ K. Marx, *Capital. A Critique of Political Economy*, Moscow, Progress Publishers, [1867-First English edition: 1887], Vol. I., p. 359.

⁹⁰ Ibid, p. 360.

⁹¹ Ibid, p. 361.

it is accomplished by the subterfuge of the change of use of land from arable on pasture. This development was made known by the term: enclosures, because the land which is appropriated by large landowners bounded, namely in-closed, by structured fences. The enclosures will gradually be incorporated by specific legislation and in many cases will be boosted by additional legal provisions.⁹² After the completion of religious Reformation, the farmers who dwelt in the land of Church and monasteries had the same fate. In most cases their land will be appropriated, in silence.⁹³ The expropriation of land deprived farmers from the ability to survive and forced them out of agricultural production.

The formation of a large mass of people, who have only their labour power, is the inaugural sign of transition to the new model of economic and social relations. The process, however, of the formation of the proletariat was, according to this view, vastly more complex and in many cases particularly violent. An important part of farmers, whose land has been expropriated and the labour power has been separated by the means of production and subsistence, it has been transformed necessarily to a group of wanderers and beggars. The legislation faced them with cruelty and in many cases forced to join the ranks of wage labour, sometimes with administrative measures, and sometimes with the intervention of “peace” courts.⁹⁴ Finally, there was frequent the interference with the legislation for limiting wages

⁹² Ibid, p. 362.

⁹³ Ibid, pp. 362-364.

⁹⁴ Ibid, pp. 368-370. C.f., M. Weber, *General Economic History*, ibid, pp. 306-307.

and workers' rights.⁹⁵

At the same time, is formed the group of large cultivators who act as farmers-capitalists.⁹⁶ During this historical phase, the independent producers are transformed to wage workers, while the means of production and the means of subsistence are made integral parts of the capital. In this phase the home crafts are destroyed and the necessary goods, which are required for consumption, are made commodities in the growing home-market.

These data are the indications for the separation of agriculture from industry.⁹⁷ The industrial capitalists come from small artisans, craftsmen of the guilds, even by wage labourers who have changed into small capitalists. The areas in which they establish their activities, as industrial clusters, are the ports and inland areas outside of the old towns and corporatist constraints, as they faced the strong opposition by the guilds.⁹⁸

The transition to capitalism made with two alternative procedures. The first is truly revolutionary and is determined by the transformation of the producer to producer-merchant, namely to real capitalist.⁹⁹ The second is gradual and involves the acquisition of control on production from the merchant, through his imposition on direct producers with the sale of raw materials to them, and the acquisition of the ability for the exclusive distribution of their

⁹⁵ K. Marx, *Capital*, Vol. I., *ibid*, pp. 370-371.

⁹⁶ *Ibid*, p. 372.

⁹⁷ *Ibid*, p. 374.

⁹⁸ *Ibid*, p. 376.

⁹⁹ K. Marx, *Capital. A Critique of Political Economy*, Moscow, Institute of Marxism-Leninism, 1959 [Orig. ed.: New York, International Publishers, 1894, On-Line Version: Marx.org, 1996,

commodities to the market. The merchant in this version is the real capitalist, because he is appropriating the lion's share of surplus-value, which is produced in the crafts of the countryside.¹⁰⁰ The second procedure is completed with two different sub-forms of transformation. The merchant, in the first, is going to become an industrialist-capitalist. In the second, the merchant turns into a role of a mediator to the small producers or he buy directly from them, leaving them namely independent and their method of production unchanged.¹⁰¹ In this sense, in the era of real capitalist development the commercial capital serves simply and totally the productive capital.¹⁰²

The analysis of the primitive accumulation is concluded with a description of the historical trend of accumulation, in which the capitalist mode of production has as constant tension the concentration of capital, with the destruction and expropriation of small businesses, resulting in the monopolization of capital. This description is combined with the narrative prediction in the future for the merging of agents of wage labour who, as a great social force, are going to expropriate the "expropriators".¹⁰³

K. Marx focuses his efforts, using the full potential of the treatment of A. Smith's *The Wealth of Nations* and, essentially and critically, accepting the origins of the theory of value, changing the assessment of the economic, social and therefore the opposite class

Marxists.org, 1999], Vol. III, p. 219.

¹⁰⁰ Ibid. pp. 219-220.

¹⁰¹ Ibid. p. 220.

¹⁰² Ibid. p. 216.

interests, within the capitalist system. The emphasis of K. Marx in the productive “bypass” facilitates the understanding of the creation of surplus-labour by wage-workers, so of the unpaid work, which is reflected in a new mental construction, a new concept: the surplus-value. He argues, according to his words, that: “Firstly. The *value or price of the labouring power* takes the semblance of the *price or value of labour itself*, although, strictly speaking, value and price of labour are senseless terms. Secondly. Although one part only of the workman's daily labour is *paid*, while the other part is *unpaid*, and while that unpaid or surplus labour constitutes exactly the fund out of which *surplus value* or *profit* is formed, it seems as if the aggregate labour was paid labour”. Therefore, “part of that quantity of labour is realized in a value for which and equivalent has been paid in the form of wages; part of it is realized in a value for which no equivalent has been paid. Part of the labour contained in the commodity is *paid* labour; part is *unpaid* labour. By selling, therefore, the commodity *at its value*, that is, as the crystallization of the *total quantity of labour* bestowed upon it, the capitalist must necessarily sell it at a profit”.¹⁰⁴

The view that surplus-value is an integral part of the value, therefore the exchange price of commodities, from which acquires visible reality the capitalist profit is, by key way, a critical and, simultaneously, an alternative articulation of the relative approach of classical political economy. The finding that the capitalists are not

¹⁰³ K. Marx, *Capital*, Vol. I, *ibid*, pp. 383-384.

¹⁰⁴ K. Marx, *Value, Price and Profit*, New York, International Co., Inc, 1969 (HTML Mark-up: Mike Ballard, miballard@stanford.edu, 1995; Proofed and corrected by Brandon Poole, 2009, Mark Harris 2010), pp. 20-21.

appropriating the entire surplus, but only a part of it, which is characterized industrial or commercial profit, motivates our research interest on this specific documentation. Surplus-value represents the sum of the ground rent, the interest and the industrial or commercial profit. The industrial profit is determined, when removed from surplus-value the sum of the ground rent and the interest. Sideways, this analysis also indicates the thorough nature of capitalist production, compared to earlier forms of economic performance.¹⁰⁵

The interesting finding that the creation and the expropriation of surplus-value indicate the reverse economic interests between workers and capitalists is removed from the interests and the theoretical points of liberalism. In this sense Marxism is original when refers the inverse relationship of profit and wage. “They stand in inverse ratio to each other. Capital’s exchange value, profit, rises in the same proportion as labor’s share, wages, falls, and vice versa. Profit rises to the extent that wages fall; it falls to the extent that wages rise”.¹⁰⁶ The concrete indication about exploitation, which has been employed by the contemporary theory and has reinforced, with strong arguments, the aims of labour movements, comes from the substrate of the theory of value. The latter is perhaps the reason why the theory of surplus-value has not been particularly criticized, despite the vague controversies to the general idea on the exploitation, as it is strongly grounded on the liberal theory of value.

The continuous growth of labour productivity is based,

¹⁰⁵ Ibid, pp. 21-22.

¹⁰⁶ K. Marx, “Wage Labour and Capital”, D. McLellan (ed.), *Karl Marx. Selected Writings*,

according K. Marx, to the widening of the division of labour. The enlargement of the division is pushed by the competition among the capitalists, and is taking the form of intensive mechanization of the means of production and then the refinement of the engine, thus increasing the fixed capital,¹⁰⁷ namely all the instances of capital, except the part of which is available for wages. Given the previous evolution is reduced the variable capital, so the amount of capital which is available for wages. This, however, reduces the part of the capital of which, alone, the profits are derived and therefore displayed a downward trend in the proportion or the percentage of profit.¹⁰⁸

On this basis and for a limited period, the enterprises compete with each other for the number of layoffs, which increase dramatically.¹⁰⁹ “We have portrayed above, in a hasty sketch, the industrial war of the capitalists among themselves; this war has the peculiarity that its battles are won less by recruiting than by discharging the army of labour. The generals, the capitalists, compete with one another as to who can discharge most soldiers of industry”. At the same time, the competition between the workers increases, the job is simplified and made accessible to all, while at the same time the machines multiply the effectiveness of the performance of work.¹¹⁰ In fact the work is going to be cheaper and the workers, under the pressure of competition from the other labourers, are willing to reduce their financial requirements, to remain in their positions or to find

Oxford-New York, Oxford University Press, 2000, pp. 273-294, and especially, p. 286.

¹⁰⁷ K. Marx, “Wage Labour and Capital”, *ibid*, p. 290; K. Marx, *Value, Price and Profit*, *ibid*, p. 29.

¹⁰⁸ K. Marx, “Wage Labour and Capital”, *ibid*, p. 290.

¹⁰⁹ K. Marx, “Wage Labour and Capital”, *Ibid*, p. 291.

work after the suffering of unemployment.¹¹¹ These are the evil effects of the division of labour. These results make use, all-round, the capitalists who provide the situation, which enlarges the working class and increases their profits.¹¹²

The working class, according to Marxist approach, is the group of people who do not own the means of production and perform productive work, within capitalist relations. The productive work, according to Marxist critical version -which derives from the A. Smith's relative analysis-, is the work which, directly, is exchanged with capital and creates surplus-value.¹¹³ It is specified, in fact, that the working class concludes all the wage-earners. It is noted, in this context, that the need of capital to be raised require the manipulation of a great social force, a large group of cooperating direct producers, manual or intellectual labourers, who operate as a "collective worker". They, as a collective unity, exchange their labour with capital and produce both, the value of their wages and the surplus-value for the capitalists.¹¹⁴

Capitalists, the owners of capital and the working class are the basic classes of capitalist society. Beside them, with a peculiar economic and social status, stand the members of the petite

¹¹⁰ Ibid.

¹¹¹ Ibid, pp. 291-292.

¹¹² Ibid, p. 292.

¹¹³ K. Marx, *Theories of Surplus Value (Volume IV of Capital)*, Moscow, Progress Publishers, (1863), E-Book, <https://www.marxists.org/archive/marx/works/1863/theories-surplus-value/add1.htm#s12d>, [K. Marx, *Theories of Surplus Value (Volume IV of Capital)*, in Greek, (*Θεωρίες για την Υπεραξία -τέταρτος τόμος του «Κεφαλαίου»-*, Αθήνα, Σύγχρονη Εποχή, Μέρος Πρώτο, 1981), Athens, New Times, 1981, pp. 452-453].

¹¹⁴ K. Marx, *Theories of Surplus Value*, *ibid*, <https://www.marxists.org/archive/marx/works/1863/theories-surplus-value/add1.htm#s12d>, [K. Marx, *Theories of Surplus Value*, in Greek, *ibid*,

bourgeoisie. Typical figures are the peasant (farmer) and the handicraftsman.¹¹⁵ Those on one side look like capitalists, as owners of the means of production and on the other as the workers of themselves. The member of the petite bourgeoisie in this sense “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”.¹¹⁶ The provision for this group is absolutely pessimistic. An extremely small part will turn into capitalists. The majority will face the loss of means of production and the integration into the working class. In this dynamic, the vast majority of the population immediately is going to be subordinated by the power of capital.¹¹⁷ K. Marx develops an absolutely negative assessment of the future of capitalist mode of production and in particular for the exploitation of wage labour. The proposition for the revolutionary overcoming of capitalism is well known. It is less known the exact position that the excess of capitalism means “the abolition of the wage system”.¹¹⁸

The exclusive source of profit from wage work explains the benefits of the capitalist mode of production, against the older forms of economic organization. The thickening of lines of wage labour created the massive mobilization of manpower and the utilization of the material conditions, in the national context and then on an

pp. 460-461].

¹¹⁵ K. Marx, *Theories of Surplus Value*, *ibid*, [K. Marx, *Theories of Surplus Value*, in Greek, *ibid*, pp. 455-458].

¹¹⁶ K. Marx, *Theories of Surplus Value*, *ibid*, [K. Marx, *Theories of Surplus Value*, in Greek, *ibid*, p. 458].

¹¹⁷ K. Marx, “Wage Labour and Capital”, *ibid*, pp. 292-293.

international scale, for the spectacular economic expansion. From this level of assessment is, fully, understandable, that in any phase of the development of capitalist productive organization cannot be making increased profits without the increasing labour productivity or without an increase in the numbers of workers who work for a wage.¹¹⁹ Much more is unthinkable the existence of capitalism with less human labour. That would mean the automatic collapse and overcoming of the social system.

¹¹⁸ K. Marx, *Value, Price and Profit*, Ibid, p. 29.

¹¹⁹ K. Marx, "Wage Labour and Capital", Ibid, p. 292; A. Smith, *An Inquiry into the Nature and*

3 M. Weber and W. Sombart, on the formation of capitalism

The effect of the two above, in contrast, theories, and in particular that of A. Smith is given to the approaches of M. Weber and W. Sombart. The two analysts exhibit a rather evolutionary approach for the development of capitalism, which is synthesized by economic, structural, institutional, technical and political changes, which take place in combination with accelerators moral or ideological nature contributed to the final crystallization of the new economic regime.

M. Weber believes that the key element, which is absolutely necessary for modern capitalism is the profitable enterprise which is operating in an environment with vested proprietary rights in the land, the infrastructures and the means of production.¹²⁰ The free market is the undeniable presupposition of capitalist development, in which is not admissible the restrictions and conversely prerogatives which pertaining to class positions and not allows free exchange of labour and commodities.¹²¹ The development of rational technique points out the mechanism of the capitalist calculation of production, the movement of commodities and the trade.

In the context of the development of capitalist participates the rational law and in this context the enterprise can count on justice and the functioning of the administration.¹²² The development of capitalism would be impossible without the existence of free labour

Causes of the Wealth of Nations, Ibid, p. 349.

¹²⁰ M. Weber, *General Economic History*, ibid, pp. 275-276.

¹²¹ Ibid, pp. 276-277.

¹²² Ibid, p. 277.

and therefore without the presence of a large mass of landless, who are typically free, but forced “by the whip of hunger” to sell their labour power to capitalist enterprises.¹²³

The commercialization of the economy, in M. Weber, includes the share of participation in enterprises, securities which are traded in the market.¹²⁴ From watching the estimations of M. Weber on the elements of the capitalist establishment, we can glean important aspects and critical parameters. The development of rational capitalism as an economic system dates back to the late middle Ages in the West. This system is been built on the market and is linked to the massive demand and the satisfaction of the massive needs.¹²⁵

The conditions for the capitalist transformation determine the type of approaching exchanges favoring immoderate speculation of transferable securities, as crises.¹²⁶ M. Weber distinguishes these spasms in the earlier crises of speculation and the rational crises, which appears to be as balancing mechanisms of the capitalist market, contrary to the interpretation of K. Marx, that were the prelude to the collapse of capitalism.¹²⁷ The configuration of the type of industry in which occurs the rational technique and the concentration of agents of human work helps us to understand that, in M. Weber, the crystallization of capitalism there is in the phase of the industrial revolution in England and the organized synergy of technological methods of speculative feasibility and human labor, with the sense,

¹²³ Ibid.

¹²⁴ Ibid, pp. 277-278.

¹²⁵ Ibid, p. 334.

¹²⁶ Ibid, pp. 286-291.

already, that the machine subjugate the human factor.¹²⁸

The discovery of selective affinities between the evolution of the economic processes, and the ideological principles contained in the religious faith is a key concern of M. Weber and, simultaneously, the organic part of the interpretation to the configuration of capitalism.¹²⁹ The Protestant worldly asceticism combines continuous and consistent productive effort, propensity for systematic speculation, and limiting consumption, resulting in the formation of capital is based on the ascetic compulsion to save. The spiritual and moral conditions of economic behavior, according to the analyst, lost their religious character in the period of the Enlightenment, who, as heir of the Protestant asceticism, reorganized the financial morale and work ethic with their modern form. M. Weber does not recognize a similar ideological contribution to Catholicism, and believes that the involvement of Jews in the trade of money and the usury capitalism represents the capitalism of the pariah, rather than the rational capitalism, as developed in the western world.

The significance of the analysis of M. Weber is important because of the processes of the derived key determinations with respect to the class effect and social structure. These determinations are to be reproduced and expanded, in some cases, by others modern theories. M. Weber, firstly, faces the class phenomenon in the context

¹²⁷ Ibid, p. 290.

¹²⁸ Ibid, p. 303.

¹²⁹ M. Weber, *Προτεσταντική Ηθική και το Πνεύμα του Καπιταλισμού*, Αθήνα, Gutenberg, 2000, p. 80. Πρβ., Α.Ν. Λύτρας, *Δοκμές στην Ταξική Ανάλυση. Προσεγγίσεις στην Κλασική Θεωρία των Κοινωνικών Τάξεων*, Αθήνα, Παπαζήσης, 2004, pp. 168-177.

of the fundamental forms of grouping in a community according to the distinguishable types of the distribution of power. Power, as a symptom of social organization is treated as a set of different power forms. Power is expressed basically as an economic power, as a social power, or prestige and political power. Each type of power establishes the conditions for recognizing the forms of social grouping. They are distinguished, in this sense, three main groupings. These are the class, the status group and the (political) party. 72

The class, which should not be regarded as equivalent to the concept of “social class”, is placed in the field of economic conditions. The classes are income groups in the same class situation. 73 The status group is an equivalent form of stratification with class. The status groups represent more fully and more effectively the self-consciousness of the unity and the common life style, by their members. They are the most comprehensive form of cohesive group that incorporates the properties of joint social objective, for their members. It represents the group has a particular social prestige and a distinction that results from monopoly privileges, often associated with privileges on the property. 74

The inherited status groups, which correspond to the same-named form of charisma, coincide with the pre-capitalist ruling classes. The status groups are closer to the concept of the group, which is aware of its role and social mission and are assumed of its options and specific practices. These properties make the status groups' situation in a type of appearance, in which there is not any need of essential and formal organization. Then, many times, are

unorganized, formally speaking, groups.

The third fundamental form of grouping is based on political power and is the political party. The difference compared with previous versions is that it corresponds to the structure of the political system and is distinguished by the organization of the group that has political goals and plans to exercise its characteristic power. According to the opinion of M. Weber, class and status groups are acting from their respective fields on the field of political party. Simultaneously, class and status groups are determined from the influence of the political party, and to some extent suffer by the effects of the political sphere. There is in this sense a continuous interplay of three forms of social stratification which correspond to the three types of power.⁷⁵

M. Weber has given limited theoretically positions about the structure of capitalist society. There is, however, a notable description which refers to the structure of classes that meet either the positive or the negative exercise of the privilege of doing business. In upper class and privileged part are the industrialists, the merchants, the landowners-businessmen, the bankers, the brokers, the professionals with high qualifications arising from education and the employees based on monopoly of a particular skill. The lower and underprivileged class includes skilled, semi-skilled and unskilled workers. The interim class of this classification is sorted to farmers, artisans, some independent professionals and some employees. This depiction of capitalist social structure is little far from -not to say that is the same- that which recognizes the classic Marxism.

M. Weber perceives with a precarious way the conceptualization of bourgeoisie. The bourgeoisie used by M. Weber in *General Economic History*, with different contents: 76 “The bourgeoisie first may contain certain types of classes that are in a certain kind of economic interests. With this limitation, the bourgeoisie is nothing uniform. Bourgeois and petty businessmen and manual workers 77 belong to the same class. Second, in a political sense the bourgeoisie contains all citizens in their capacity as operators of certain political rights. Finally the term bourgeoisie with the concept of social class, we mean those strata, which in contrast to the bureaucracy, the proletariat and any other outside of these are regarded as people with property and education, such as entrepreneurs, rentiers, and generally all the personalities who have academic education and a certain level of social class, a social prestige”.

It is evident from the above that for M. Weber, the class with the economic determination is not a coherent group, as distinguished from the determination of the bourgeoisie. It's a layering dissimilar groups and categories involved in urban activities. The unity implied by a political criterion, in the second version, more related to the common root of the resulting political rights for all citizens. The existence of certain types of rights and the absence or denial of others does not mean the statement of identity, but the economic and social differences between the sub-groups. Therefore this group is a social class only by the specific terms of political rights, without means no characteristics in other respects, which in accordance with other criteria differentiate the describing of the sub-groups of

“bourgeoisie”.⁷⁸ It is very important to see someone, that according to the Weberian perception the bourgeoisie class existences, when there are two crucial elements, namely the property and the proper education, in a unity, namely firstly the coexistence of the economic factor and the common culture, and secondly a common social prestige. ⁷⁹ Without the two characteristics which describe the profile of the class, then the term declare a light type of common perception of certain social groups, and internally differentiated strata or sub-groups. Essentially there is a single condition, for determining the social class, namely the social prestige. The self-awareness and recognition by themselves and the validity by the others (the outsiders of the concrete class) is a key data to determine of social class. Moreover especially illustrative is the excerpt on the historical correlation two of the above categorizations, namely that referred to the economic situation and that of social recognition. He notes on the matter: “The first of the elements of this concept is economical and is real only in the western world. There were and are everywhere manual workers and entrepreneurs but never and nowhere have been included in a single social class”.⁸

W. Sombart believes that capitalism is the economy of the acquisition and profitability, while pre-capitalist economies were economies of consumption or expenditure. The formation of capitalism is considered in this analysis that has been carried out gradually, as a product of a random evolutionary mutation and data of the pre-capitalist societies. War, piracy, the widespread adoration for gold and money, speculation, the long distances’ trade, together with

the accounting calculation developed by Florentine merchants, the diligence, professional ethos, the trend for savings tend to binge spending and truthfulness as worthy Christian denominations, have had their own participation in the establishment of the conditions of capitalism. The transition to the new model of economic organization marked by conveying the composition of the original features, the lower classes which replace the violent enrichment with peaceful means and in particular with the deal. The treaty allowed the capitalist crystallization was the synthesis between the German-Romanesque theory of nature which is a prerequisite for development of technical and economic institution of the stock market which is formed by the Jewish spirit.

The special and, in some dimensions, ingenious approach of W. Sombart attaches great importance to the subjective and particular the spiritual factors in the formation of capitalism. The capitalist entrepreneur and the capitalist spirit gave birth to capitalism. The man and his ideas shape the economic and social realities. Only when capitalism has progressed sufficiently, it is possible the economic reality to shape, as a major factor, the capitalist spirit. W. Sombart, therefore, develops an analysis that shows several analogies with scientific approaches of M. Weber. The findings, however, show significant differences on two critical levels. While agreeing that the heretics acted as catalysts for the formation of the capitalist spirit, emphasizes that the general spirit of religiosity had grown by Catholicism. He estimates as very positive the contribution of Jews to the formation of the capitalist spirit and the capitalist reality, while M.

Weber believes that they had no involvement in the formation of capitalism.¹³⁰

The new type of bourgeois, the modern economic man represents the subjective qualities and characteristics of the modulated capitalism. The business individualism and profit orientation have been released from any moral commitment. The capitalist, as economic human, is speedy and resourceful, a human, who seeks to increase his wealth and admires quantitative assessment through measurable methods. They are fond of large and fast performance. The major goals of the bourgeois do to care much for their inventions, originality, smaller innovations and these concerns are bridged with continuous torque for the changes in fashion. The need to put the competition linked to the logic of personal hegemony, enjoyment of the management of thousands of people that are worked on and the spirit of excellence that stems from the technological ability to subjugate the natural forces.

The tendency for speculation is now immeasurable and changes in persistence. Together, indeed, there is the need for expansion of sales, approach of new markets and new consumer masses. The continuous mass production and turnover increase balances the need to reduce the price per unit, and use pretentious marketing techniques such as advertising. The business contributes to the individualism of tactics of exclusion and destruction of its competitors. The need for private enforcement and ruthless speculation singles in economic life.

¹³⁰ Cf., W. Sombart, *The Jews and Modern Capitalism*, Kitchener, Ontario, Batoche Books, 2001; M. Weber, *General Economic History*, *ibid*, p. 360.

The main bourgeois' qualities of industrious energy, the trend to saving, honesty and solvency differ from the previous and obvious virtues and they become integral parts of the functioning of business and finance, especially for large enterprises. The attitude of entrepreneurs, except of the small and medium entrepreneurs, rather dissociates, in daily life, from the standards and the liabilities of the business organization.

The analysis of W. Sombart does not pay much attention to the functioning and practices of other social subjects than the bourgeois, his ideas and his creations. The working class is shown, incidentally, to the formation and has a passive role in the crystallization of capitalism. It is characteristic that the W. Sombart believes that the bourgeois risk much more by his atavism and the loss of business momentum. Probably would be endangered by his management's creations. Not in this case by the workers.¹³¹ The underlying tension comes from the managers, since "what leaves the rentier is catching by the bureaucrat" of enterprises. In the gigantic companies, which he observes in his era, is "left no space for the capitalist spirit". It is also

¹³¹ The analysis of working class by W. Sombart is rather minimal in comparison to his analysis of bourgeoisie. Working class has been presented occasionally in his writings. But there are two books with object the analysis of proletariat. The first is rather unknown and makes a general framework of the working class basically in German territories (W. Sombart, *Das Proletariat*, Frankfurt am Main, Literarische Anstalt Rütten & Loening, 1906, pp. 5-8). The main interesting for the great masses of proletariat is concentrated on the problems of extremely difficult conditions of life (namely the alienation from the land and the old communities, the bad conditions of dwelling, the difficult procedure of working and inclusion in modern industries) and their general misery or the social alienation (Ibid, pp. 10-12, 15-30, 36-40). The second book (W. Sombart, *Socialism and Social Movement*, London-New York, J.M. Dent-E.P. Dutton, 1909) regards an extensive examination of the political trends and trade-unions' practices of working class, during the 19th century. He believes that the class struggle is real, but feels confident that the struggle is not going to be transformed to a civil war. He suggests, in contrary, that the reformist trend is going to prevail and the foreseeable reforms are going to improve the conditions of the life and the social status of working class (Ibid, pp. 279-287).

certain that capitalism would be threatened by the stagnating population and the declining of fertility, which strongly resembles the views of the previous analyses on the demographic issues.

4 Pirenne and Dobb: the principles of a modern debate

H. Pirenne supports the view that the development of capitalism is essentially due to the recovery of cities and the revival of international trade. Both events contributed, in his opinion, the formation of stable markets and ensuring the necessary funds to finance with continuity and consistency of economic activities and contribute to the flourishing of crafts, the supply dynamics and the direct productive activities.¹³²

The analysis of H. Pirenne supports the position that at the end of the Arab conquest, which had temporarily closed the trade routes with the East, Venice and later Genoa and Pisa develop the maritime trade and gradually stabilize sovereignty in the Mediterranean, despite the intense confrontations between them.¹³³ The expansion of trade creates conditions for the strengthening the craft sector in many mainland cities of Italy such as Bergamo, Verona, Cremona, later Florence or Milan, and to consolidate the entrepreneurship.¹³⁴ The development of trade and the craft sector in Flanders is the alternative model in the Italian cities.¹³⁵

The development of commercial networks, according to this view, was not slow to spread, with the utilization of mountain and river trade routes. The creation of a significant portion big merchants

¹³² H. Pirenne, *Medieval Cities. Their Origins and the Revival of Trade*, Princeton N.J., Princeton University Press, 1970 (1925).

¹³³ Ibid, pp. 85-92.

¹³⁴ Ibid, p. 93.

¹³⁵ Ibid, pp. 93-96.

and the geometric growth of bank credit,¹³⁶ coupled with the formation of commercial companies, fuel further expansion and mark the scale of change throughout Europe. Commerce of long distances contributes to the systematic commodity exchange, the big gains, the further expansion of the power of the cities, the side consequence of the recognition of the freedom of people and protective measures, including the immunity of wandering and speculators.¹³⁷

The initial appearance of the bourgeois strata under the expanding old and the new urban centers will form the preamble of the appreciable development of the bourgeoisie and the formation of the capitalist spirit. Great importance is given by H. Pirenne to the external factors of feudal organization, namely to the more decisive role in the trade capital, starting from the urban centers and activity center the long-distance trade. These theoretical findings were the subject of criticism by M. Dobb.¹³⁸

The analysis of M. Dobb will be the center of an independent theoretical interest and will remain in the spotlight until late 70s. In essence it will not be overriding by the theoretical debate, although the fact that some aspects will cause significant revisions.

The approach of M. Dobb assumes two parallel estimates. Firstly, it considers that the trade capital, in pre-capitalist periods, does not alter the organization and function of the old system of production. It considers, secondly, that the internal causes of

¹³⁶ Ibid, pp.110-111.

¹³⁷ Ibid, pp.126-129.

¹³⁸ M. Dobb, *Studies in the Development of Capitalism*, London, Routledge, 1949 (1946).

feudalism have contributed to the decline,¹³⁹ the overrun of that social organization and the transition to capitalism. M. Dobb, in this study, follows the Marxist approach for the primitive accumulation and the relations between the productive and the commercial capital (according the third volume of *Capital*). He argues, in this sense, that the transition to capitalism is determined by the change in class relations.¹⁴⁰ He considers that the initial stage of capitalism is the era when the direct producers are set under the capitalists. The historical period of transition is determined at the end of the sixteenth and early seventeenth century.¹⁴¹ The commercial strata and especially those

¹³⁹ M. Dobb, *Studies in the Development of Capitalism*, *ibid*, p. 35. Feudalism is defined as a mode of production, which is identical with the serfdom.

¹⁴⁰ *Ibid*, pp. 13-14.

¹⁴¹ There is major theoretical consensus among radical thinkers, at the three last decades of twentieth century, that wage labor and small entrepreneurship meet a significant proliferation after the fourteenth century, especially in the English countryside. This development has its basis in a progressive and great feudal crisis. This crisis is compounded by the outbreak of plague (Black Death), which emits in a terrible population decline, with impact on rural economic organization. Cf., J. Aberth, *The Black Death. The Great Mortality of 1348-1350, a Brief History with Documents*, Boston, Bedford/St. Martin's, 2005; M.D. Bailey, "Demographic Decline in Late Medieval England. Some Thoughts on Recent Research", *Economic History Review*, No. 49, 1996, pp. 1-19; D. McNally, *Political Economy and the Rise of Capitalism. A Reinterpretation*, Berkeley, University of California Press, 1990, pp. 2-4; W. Abel, *Agricultural Fluctuations in Europe. From the Thirteenth to the Twentieth Centuries*, London, Methuen, 1980 (1966), pp. 82-86; J. Hatcher, *Plague, Population, and the English Economy 1348-1530*, London, MacMillan Press, 1977. The initial effort of landowners, as the growth orientation and the competitive production capacity for the market is absented within the feudal system, concerns the, increasingly, pressure on farmers, with the aim of posting of their surplus product. The constant pressure by landowners to farmers to increase the lords' revenues, combined with the population decline, will trigger in 1381 a significant peasant uprising. The reactions of farmers are intended immediately the landlords. They claim the immediate relaxation of financial burdens and obligations. Cf., R.H. Hilton, H. Fagan, *The English rising of 1381*, London, Lawrence and Wishart, 1950; D. McNally, *ibid*, p. 5; R.H. Hilton, *The Decline of Feudalism in Medieval England*, London, Macmillan, 1969, pp. 39, 43; R.H. Hilton, "Introduction", R.H. Hilton, T. H. Aston (eds.), *The English rising of 1381*, Cambridge, Cambridge University Press, 2007 (1984), pp. 1-8; C. Dyer, "The Social and Economic Background to the Rural Revolt of 1381", R.H. Hilton, T.H. Aston (eds.), *ibid*, pp. 9-42. The revolt has been substantially failed and suppressed. The mobilization of peasantry, however, will lead to a gradual process of the disengagement of farmers from the personal obligations and the expanding of the type of free farmer, who produce for the market, with the use of freehold and leasehold plots of land. The change relating to the payment of cash proceeds to the landlords, strengthens the market character of the economy and, in the same direction, modifies the social

who are carrying out the long-distance trade are not revolutionary in nature and therefore, in his opinion, we cannot speak for a “commercial capitalism” in a period earlier than the aforementioned.¹⁴²

structure of the countryside. In less than a century are to be formed four groups of free farmers. The yeomen own and utilize large cultivable areas, consisting either of freehold or leased land. These farmers operate in commodity production and use wage labour. The husbandmen -often they are exclusively livestock farmers- hold pieces of land sufficient to cover family needs and a limited amount of production for the market. The small farmers (cottagers or cottars), hold very small plots of land, which does not meet their needs and very often they survive because of the parallel wage labour, working in farms of prosperous farmers (yeomen). The landless are most commonly appeared as salaried workers, along with some wanderers from other areas (vagrants). It should be noted that the expansion of wage labour in the countryside comes from two parallel phenomena. On the one hand extends the expropriation by yeomen of small farms and their attachment to the market economy. On the other hand, wages are made, for a period, relatively higher making adequate the exclusive preoccupation of the poorest rural strata with wage labour. See, M.D. Bailey, “Rural Society”, R. Horrox, *Fifteenth-Century Attitudes: Perceptions of Society in Late Medieval England*, Cambridge, Cambridge University Press, 1994, pp. 150-168. The productive and market orientation of the yeomen and their relationship with the market created gradually the alteration of the old economic structures and their social context. The center of gravity has been shifted outside the feudal organization of the rural economy. The customary obligations have languished while the agricultural rents have been stabilized, the fifteenth century, at relatively low levels, for a long period, and also a continued rise in prices of agricultural products has been seen. These conditions favored, the fifteenth and sixteenth century, the accumulation of small surplus over the cost of production. The good conditions of the production, accumulation and the evolution of reproduction acted as a motivation for yeomen to undertake a further initiative. It is considered that they started the “enclosures”, which redistributed land property, and in particular the common land of villages, in favor of the wealthy farmers. The social differentiation between the well done peasants and the agricultural proletariat, which has been alienated from their property of the land, is marked at the beginning of the seventeenth century. The formation of the agricultural proletariat in these phases indicates that the transition to capitalism was possibly much more complex and long lasting, than it had been calculated in the past. See, C. Tilly, “Demographic Origins of European Proletariat”, University of Michigan, Center for Research on Social Organization, *CRSO Working Papers*, No. 286, Ann Arbor, 1983 (March), pp. 51-52, 59.

¹⁴² Ibid, pp. 17, 38-40. The analyst notes that the feudal “natural economy” and the “capitalist economy”, which concerns the regular commerce cannot operate side by side. The growing importance of commerce, particularly the long-distance trade creates, potentially, halting of the economic development, contrary to the view of H. Pirenne that this is the sign of the transition to capitalism. It is noted indeed that in Central and Eastern Europe, the growth of export trade, at the same period had mobilized the feudal lords to strengthen, with effective ways, the obligations of the serfs and to increase both the production and their personal revenues in order to meet the needs of the export trade. This period has been called second serfdom. The revival of feudalism in these areas interprets the delay of the transition to capitalism, than the faster procedure in England. M. Dobb argues that there were immature transformation phases, until the substantial economic changes, such as the phase of the formation of large-kulak peasant who used wage workers.

The critical process is marked by either the significant in size, penetration of capital in production with the mature relationship between of the distinguishable capitalists and the wage labourers or the less developed “putting-out” system, in which the independent artisans, working in home, under the power of the merchants capitalists who finance the production and then undertake the disposal of the goods on the market. Following the changes which are formed by the revolution of O. Cromwell, the next important moment for the consolidation of capitalism is at the end of the eighteenth and early nineteenth century, with the maturation of production which is introduced by the industrial revolution. In the revolution of O. Cromwell the stratum of powerful merchants were in favor of the king, to protect their interests and particularly their privileges, because they were the representatives of the monopolistic trade.¹⁴³ In contrary the strata of rural producers and craftsmen, who base their activities on rural manufactures, had put themselves with the revolutionary forces.¹⁴⁴

The narration of M. Dobb considers that the initial processes take place during the fourteenth century, in England. The progressive feudal crisis deepens by the epidemic of the plague and the reflective requirement landowners to increase agricultural rents. The process brings two unexpected developments. On the one hand the farmers tend to escape from rural areas. On the other hand in 1381 the pressure to increase the farmers’ liabilities creates the conditions for the

¹⁴³ Ibid, pp. 166-168.

¹⁴⁴ Ibid, p. 170

peasant uprising. Both processes contribute to the review of past practices and the opening up of the rural economy to money annuities and bringing of production to the exchange in the markets. The landlords had, in fact, to liberate the peasants from the most traditional obligations and maintain a form of financial revenue, the rent, of the occupied area.

The creation of farmers who produced for the market created the incentive to increase productivity through improved methods of exploitation of the land and the use of wage laborers, who come from groups of small farmers and the landless. This process has created a group of prosperous farmers and a critical mass of wage laborers from the rural masses. The financial success of affluent farmers created the conditions for the next important phase. The wealthy farmers either rented or usurped community and other areas (enclosures), with the synergy of land lords, to increase production and create higher surplus, making systematic use of wage labour.

As part of this process are strengthened and expanded commodity relations between the countryside and cities. The increased market relations create incentives for the parallel, with agricultural, craft production, within groups of affluent farmers (yeoman farmers). Based on the successful precedent of the exploitation of wage labour on farms, the potential of workers employed is the source for the expansion and development of crafts in the countryside, mainly in manufacturing of clothes. Craftsmen from the ranks of the wealthy peasantry, unrestricted by guild cities, strengthened and gradually imposed on the commercial capital

themselves as agents of productive capital operate independently as traders. They are become to merchants because they basically representatives of the productive capital. This is a crucial procedure because the productive capital is imposed on the commercial capital.

The analysis of M. Dobb for the formation of new forms of organization is completed with the description of the most immature «putting-out» system. In this case the merchants do not simply act as buyers of products in a range of goods and sellers to another. They undertake productive initiatives by funding and supply of raw materials to small independent craftsmen, who come from groups of small farmers and even landless. The products of the craftsmen are moving exclusively on the market by such merchants. Essentially merchants who are involved in «putting-out» system simultaneously are lenders, orderers, to a degree coordinators and ultimately responsible for the commerce. Small craftsmen remain formally independent but economically transformed into debtor of merchants, and eventually lose their productive independence, as they have no direct access to the market, and practically are falling down from power of merchants. In this case, the group of traders has the advantage over producers. This condition is balanced with the transition to capitalism since the merchants turn themselves into real capitalists.

The M. Dobb, with his analysis of the transition places the critical process basically in the countryside. The timing of the transition process between the end of the sixteenth and mid-seventeenth century, compared with the beginning of the agrarian

transformation, which is placed ideally at the end of the fourteenth and early fifteenth century, raises questions. The basic subject of the transition is the group of producers, in rural areas. These relate both to the long gap between the disintegration of feudalism and the emergence of capitalism and the assessment of the nature of the production system in the meantime.

5 The initial formation of the neo-Marxist approaches

The estimation of P. Sweezy is that the view of M. Dobb, on the disintegration of feudalism, is flawed and problematic. He argues that the way of determination of feudalism by M. Dobb and especially the identification with the serfdom creates a problematic and elliptical interpretation of disintegration of feudalism. P. Sweezy argues that feudalism is a social organization in which the key factor is the “production for use” or the self-consumption. Additionally he believes that an integral part of the development of that production system was the formation of cities, which then formed the fertile area for the development of commercial capital. The commercial capital forms the conditions for the formation of a system of “production for exchange”. The expansion of trade in long distances depends on the innate tendency of feudalism to expand, which is expressed and the phenomenon of colonialism. The feudal organization in rural areas with central procedure the “the production for use” obviously contradicts with the evolutionary process, in the towns and cities, of the “production for exchange”, which in essence is the first version of capitalism. This contradiction causes the change. The dynamic productive organization imposes to the traditional and less dynamic the conditions of adjustment. The feudal lords rallied to expand land annuities, because the development of trade, the economy of exchange has created new needs and this procedure triggered their adaptation to the developments which are created within cities. The farmers followed, respectively, the trend of rural depopulation, because the

development of the cities or towns which offered alternatives for escaping from the dependencies of the countryside, ensuring the freedom, but also for the economic way out through the occupations and economic activities of urban centers. Farmers in earlier phases have not had these abilities, even in cases where suffered under the feudal relations and wished to escape. The change, in this sense, has happened evolutionary. The critical process took place in urban centers, in which the main subjects in the initial stage are the representatives of the commercial capital, who support the capitalist organization, namely the “production for exchange”.

Additionally, P. Sweezy makes the note that the period of two centuries for which there is an ambiguity in the analysis of M. Dobb, in essence, there is a “pre-capitalist commodity production”. This mode of production, in his opinion, was strong enough to contribute to the disintegration of feudalism, but it wasn’t strong enough to impose its own organization. It has, nevertheless, prepared the ground for the domination of the capitalist mode of production in the seventeenth and eighteenth century. In his *Reply* M. Dobb expressed the view that that period is characterized by the “simple or small commodity production”, based on small ownership or “property” and the small production of independent producers, which was experiencing a significant proliferation, but did not dominate in productive and social organization.

H.K. Takahashi, in his intervention in the debate, advocates clearly in favor of the placement of M. Dobb, on the disintegration of feudalism. He disagrees directly with the components of the criticism

of P. Sweezy both in relation to the crisis of feudalism and in relation to the properties of the emergent capitalism. H.K. Takahashi claims that the really revolutionary (first) road to capitalism is associated with the emergence of capitalist enterprise from the ranks of small commodity production and the transformation of small producers into capitalists who are imposed on the commercial capital. He also expressed the opinion that the «putting-out» system of production does not belong to the basic (first) road of transition to capitalism, in the English case of social change. The driving role of commercial capital in this system does not give the evidences of uninterrupted continuity as the periodic involvement corresponds to the logic of commercial gain and the subordination of production to the commercial needs. In this respect expresses the primacy of the commercial versus the productive capital.

In a second aspect of his critique H.K. Takahashi doubts about the absolute stability of the position of M. Dobb, on the primacy of the countryside against the urban centers, during the transition to capitalism. He argues that the primacy of the countryside may find strong evidence only in Western European countries, and particularly in the English case. The references to historical processes of social transformation in Germany and Japan suggest that cities and «putting-out» system contribute much more than in England during the transition to capitalism. In these models the capitalist transformation is made possible mainly by the conversion of commercial capital into productive capital. This analysis, among other dimensions, presents

handsomely the diversity and flexibility of the ways in which capitalist relations were imposed on pre-capitalist social organizations.

The criticism, which is formulated by R. Brenner the 70s, has great interest for one main reason. It is an approach which strengthens the overall findings of the analysis of M. Dobb, with the method of critical enforcement. The initial process of forming the bourgeois rural strata connected through a particular perspective, with the transition from feudalism to capitalism. The analysis of R. Brenner, on the development of “agrarian capitalism”, attempts an interpretative bridging between the feudal decline and the emergence of processes and social subjects, which contributed to capitalist transition. R. Brenner argues that, first of all, the capitalist transition has occurred in agricultural production. Farmers who stood in this context of “agrarian capitalism” acted immediately as capitalists. These strata succeeded in the first phase, to ensure the necessary capacity of the wage workers from the groups of small farmers and the landless, facilitated by the introduction of the rents in cash, the stability of rents and the need of the landlords for increased revenues.

In the long period the unfolding process, simultaneously, placed limits and restrictions on the ability of the farmers-capitalists to reproduce their small capital, to ensure the necessary access to market and to respond constantly to the needs of the landlords for high incomes. The project, which has made successful and pioneering the English model of transition to capitalism was the reconstitution of the social relationships in the countryside and the modernization of agriculture. The farmers-capitalists have contributed to the reform of

use of the land through the direct participation to enclosures and innovations in the agricultural exploitation. Later, with the help of the nobility, which retains active land rights, they help to the full unfolding of the reconstruction of property relations and the peak performance of land. Through the functional resolving of property relations are consolidated the class relations and particularly is formed the trinity of capitalist social structure in agricultural production. The aristocrats as landowners the farmers-capitalists as tenants and the landless as the major mass of the proletariat form the factors of capitalist domination.

R. Brenner processes in contrast to problems that are presented to the French model and did not allow the same progress to the English case. France presented its analogue of the real liberation of the peasants. Farmers on the one side were smallholders, basically liable to taxation to the central authority, with the exception of a rather low rent. The taxation, given that it was mainly consumed in military expenditures and did not create any kind of returns to enhance rural productivity, was regressive in nature. On the other side, the old aristocracy estranged from the immediate interests on land. The social correlations, the small size of the average farm, the species of cultivation and the lack of motivation for the redistribution of land, with the change in property relations in the French case, hasn't contributed to the acceleration and qualitative changes, which English society has experienced. There was not in this social structure the pressure for investments and any trend of decoupling of direct producer from the means of production. The process of rural

transformation, as noted in the English countryside, has worked both as accelerator and symbiotic for the next phase of industrial development and the transition to the new social and economic conditions. The configuration of class relations, the enlargement of possibilities to meet either the consumer or the production needs in the context of the developing internal market, the requirement to increase the incomes of small capitalists, in order to maintain the viability of farms and the availability of wage workers reinforced the widespread expansion of manufacture in the countryside. There is, in this perspective, a further documentation on the specifics and the pioneer character of the English road to capitalist development. The “agrarian capitalism” in the countryside communicates, as a first step and immediately, with the general enforcement of the new social regime.

6 Is there any Marxist follower of H. Pirenne?

F. Braudel¹⁴⁵ is one of the most emblematic figures of the school of Annales.¹⁴⁶ His historical work has influenced I. Wallerstein and the analyses for the global system. The views of the historical processes of the creation and evolution of capitalism are in active communication and debate with the approaches to the relationship between core and periphery. F. Braudel explicitly advocates the H. Pirenne's view for the period, the role of cities and the key players for the capitalist transformation.¹⁴⁷

The highly informed and demanding historical analysis examines the question of transition and development of capitalism in the long-term, considering that the great change is not abrupt and has not occurred in one single historical moment. It is estimated, on the contrary, that the process was marked by various launches and stops, or the prolific configurations, which are negated by several setbacks, until it becomes effective. From this perspective the concrete view does not agree with the analyses, which are referred to the gradual of the different stages of capitalism, until its final form.

The analysis of F. Braudel declares that the transformations of capital is the most essential element of capitalism and they indicate the ability of making choices, sometimes to penetrate in an area or an object of activity, sometimes for survival, and rebound at the end for

¹⁴⁵ F. Braudel, *Afterthoughts on Material Civilization and Capitalism*, Baltimore, Johns Hopkins University Press, 1977; F. Braudel, *The Perspective of the World. Civilization and Capitalism. 15th-18th Century*, Vol. III, London, William Collins Sons, 1984 (1979).

¹⁴⁶ From the *Annales d'Histoire Economique et Sociale*.

its strengthening.¹⁴⁸ According to this view, the merchants of the past do not specify their activities, but in their business activities were included simultaneously and indiscriminately trade, banking, finance activities, speculation on the stock exchanges and the preoccupation with the “industrial” production, more often in the “putting-out” system and more rarely in the form of manufacture. It is noted at the same time that all forms of capitalism, namely the commercial, the banking and the industrial capitalism, are existent in Florence during thirteenth century, in Amsterdam during seventeenth century and in London before the end of the eighteenth century. The industrial expansion on a massive scale is, in this sense, a landmark, but was not alone. It was accompanied by a new wave of internationalization of trade, with the further exploitation of the colonies, the enlargement of the speculation in the stock markets and exploitation of public debts.¹⁴⁹ Similar is the approach on the monopoly phenomena of the capitalist organization. The history of monopolies is as long as the history of capital, with the main feature being the constant change of their forms.¹⁵⁰

The global economy is, in this analysis, an indisputable fact from the early phases of history.¹⁵¹ The phenomenon, however, on the economic organization in which capitalism prevails, has stories from the thirteenth century in the Italian cities.¹⁵² In the evolution of

¹⁴⁷ F. Braudel, *The Perspective of the World. Civilization and Capitalism...*, ibid, p. 620.

¹⁴⁸ Ibid, pp. 622-623.

¹⁴⁹ Ibid, p. 621.

¹⁵⁰ Ibid, pp. 621-622.

¹⁵¹ Ibid, pp. 23-25.

¹⁵² Ibid, p. 57.

historical “waves”, in the long duration, in the global economy are shaped successive economic and particularly commercial networks that succeed one another. These networks are dominated, always, by a capitalist city.¹⁵³

The development of Venice marks the beginning of these cycles. Antwerp, which is mediated by the development of Portugal, and Genoa, follows. Amsterdam identifies a new era. Finally London leverages the momentum and the achievements of Amsterdam and forms the shape of the global economy until the industrial revolution, and the terms of this economic change. The power and often the competition of cities vary in the long durations and this variation determines the succession to economic hegemony.¹⁵⁴

Concentrating on the role of cities created, except the admiration for a thorough report data on realities that are negotiated, a new dynamic and widened the interest in examining the transition to capitalism. The approach of F. Braudel strengthens the theoretical conclusions of H. Pirenne, despite the differences and nuances, which are associated with the economic zones and the superimposed cycles of economic influence and development.¹⁵⁵ It is noteworthy that restores the analysis on the key role of the formation of the bourgeoisie. It is in this sense, an impressive narrative on the bourgeoisie and their financial behaviors, putting aside the

¹⁵³ Ibid, pp. 27-31.

¹⁵⁴ Ibid, pp. 32-34.

¹⁵⁵ Ibid, pp. 38-43. H. Pirenne had suggested a model of the relationship between the towns and their periphery. The F. Braudel's approach has some items, which critically come from the I. Wallerstein's analysis. Ibid, p. 39.

configuration of class relations between capitalists and workers.¹⁵⁶

¹⁵⁶ The analysis is referred on the division of labour, when the writer discusses the procedure of industrial revolution (ibid, pp. 592-595). There is, before the aforementioned elaboration, a

7 Is there any Marxist follower of A. Smith and H. Pirenne?

I. Wallerstein, according to R. Brenner's analysis is (somewhat) a reproducer of the main arguments of A. Smith.¹⁵⁷ The previous approaches in this section, according to my view, generate the general substrate for the intellectual horizons of discussion and theoretical problems concerning the issue of the transition to capitalism. In any case the management and empirical dimensions of the process are not completed. Important studies are developed, with an elevation in the 60s and 70s, contributing to more detailed information and additional historical evidence or restructured information. Against this background is unavoidable the propensity to revisionist examination of the phenomenon and the tendency to recast some of the basic problems. One of the major of them is the I. Wallerstein's elaboration.

The approach of I. Wallerstein, on the Global System,¹⁵⁸ conversing and attracts stimuli from different political, social and economic analyzes of our time.¹⁵⁹ The global system succeeded the

brief approach of the numbers of "paid" workers in Venice (ibid, pp. 132-135).

¹⁵⁷ The analyst suggests that there are some eclectic affinities between I. Wallerstein's approaches the relevant by A. Smith. C.f., R. Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism", *New Left Review*, 1977, No. 104 (July-August), pp. 25-92.

¹⁵⁸ I. Wallerstein, *The Modern World-System. Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century. Studies in Social Discontinuity*, New York, Academic Press, 1974; I. Wallerstein, *The Modern World-System II. Mercantilism and the Consolidation of the European World-Economy, 1600-1750*, New York, Academic Press, 1980; I. Wallerstein, *The Modern World-System III. The Second Era of Great Expansion of the Capitalist World-Economy, 1730-1840s*. New York, Academic Press, 1989.

¹⁵⁹ The analysis shows a theoretical communication with the aforementioned P. Sweezy's views, and also with the analysis (together with P. Baran), in regard to the relationship of developed and underdeveloped countries. See, P.A. Baran, P.M. Sweezy, *Monopoly Capital. An essay on the American economic and social order*, New York, Modern Reader, 1968 (1966). The correlation of the approach of the perceptions on the *World System*, which revolve around the problem of underdevelopment and general inequality in the field of economic power (in the context of modern capitalism) is bringing influences from the theoretical settings of the A.G. Frank (=Latin America:

era of empires. Empires in their different versions last centuries and characterized by the domination over vast areas of land, over every dimension of their lives and therefore of the economy.¹⁶⁰ The phenomenon of empires expresses the political, institutional, bureaucratic and military despotism on the economy.

The world system, by contrast, represents the formation of a unity which is determined by the organization and the predominance of an economy based on trade and is not accompanied by a single political organization, as was the case with empires, but by the smaller in size and national state.¹⁶¹ The placement of I. Wallerstein, on the model of the state in the new global system generates interest in the sense that the recommendation is considered as a choice of bourgeois

Underdevelopment or Revolution. Essays on the Development of Underdevelopment and the Immediate Enemy, New York, Modern Reader, 1970). The close link with the theoretical perception of S. Amin (= *Accumulation on a World Scale. A Critique of the Theory of Underdevelopment*, vol. 1, 2, New York, Monthly Review Press, 1974), is manifested. The development of trade in the capitalist transformation has a special place for the logic of I. Wallerstein. The elaboration, for some analysts, suggests some eclectic affinities with the relevant placements by A. Smith. C.f., R. Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism", *New Left Review*, 1977, No. 104 (July-August), pp. 25-92. Nevertheless is distinct the intellectual bridge to the estimations of R. Luxemburg [= *The Accumulation of Capital*, London, Routledge, 2003 (1913)] for the accumulation of capital. The estimation of R. Luxemburg, in particular, that the capitalist development requires the coexistence with a broad spectrum of undeveloped and pre-capitalist periphery, has played a catalytic role in highlighting of the mechanism of unequal trade (for the same issue, c.f., A. Emmanuel, *Unequal Exchange. A Study of the Imperialism of Trade*, New York, Monthly Review Press, 1972), between different peripheries or different national states. The way of examination regards both the configuration of the *World System* and the underdevelopment or dependency, in which the national states in periphery are doomed. In addition, within the I. Wallerstein's works is detectable the influence, in general terms, of the elaboration of K. Polanyi (= *The Great Transformation. The Political and Economic Origins of our Time*, Boston Mass., Beacon Press, 2001) on the encapsulation of economy in society, during the pre-capitalist era, and the procedure of its autonomy, during the phase of capitalist transformation. The work of I. Wallerstein declares briefly affinities with the analysis of R. Hilferding [= *Finance Capital. A Study of the Latest Phase of Capitalist Development*, London, Routledge, 1981 (1910)] and V.I. Lenin on *Imperialism*.

¹⁶⁰ I. Wallerstein, *The Modern World-System...*, *ibid*, p. 16.

¹⁶¹ *Ibid*, p. 10, 355.

strata.¹⁶² The system is global, because it exceeds any formally defined, political unity and not because it occupies the entire world. The global economy is declared, according to this perception, by the fact that the main links of the parts are economical.¹⁶³

The starting point of capitalist transition, which is placed at the end of the fifteenth and the early sixteenth century,¹⁶⁴ marked by the effects of enlargement of the importance of long-distance trade in Western Europe and America, which took the first steps in the Italian towns the twelfth century. Capitalism is, in this view, the system of social organization which carried out the “production to exchange”. The statement of capitalism is precisely “the production for profit from the market”. The era of its occurrence is the first and inaugural moment of capitalism.¹⁶⁵

The global system is unified, but not uniform. They are distinguished, in his view, in the three different and unequal zones. The dominant role in this global division keeps the countries or the regions of the “core”.¹⁶⁶ In the worst and subordinate position are the countries or the regions of the “periphery”.¹⁶⁷ At an intermediate level within the global system are placed the countries and regions of “semi-periphery”.¹⁶⁸ The crucial element of the global system is the systematic transfer of wealth from the periphery to the center, by their

¹⁶² Ibid, p. 67.

¹⁶³ Ibid, p. 15.

¹⁶⁴ Ibid, pp. 67, 354.

¹⁶⁵ Ibid, p. 354.

¹⁶⁶ Ibid, pp. 225 etc.; I. Wallerstein, *The Modern World-System II...*, pp. 74 etc.

¹⁶⁷ I. Wallerstein, *The Modern World-System...*, ibid, pp. 301 etc.; I. Wallerstein, *The Modern World-System II...*, pp. 128 etc.

¹⁶⁸ The countries of semi-periphery are characterized by a broad mobilization between core and

very unequal position in the realization of international trade.¹⁶⁹

I. Wallerstein argues that the global system is distinguished by a single division of labor, which has completely different events in the separate zones of the world system. The capitalist mode of production, the wage labour and the self-employment prevail in the “core”. In the periphery of the world system depending on the period and the geographical area the feudal mode of production prevails with serfdom or even slavery as characteristics of the organization of work. In the zone of semi-periphery depending on the period and the conditions they have different productive compositions. These differences are not contradictory but merely serve the “core”.¹⁷⁰ Free labour is a form of control of skilled labor in the core, while the unfree labor is used in the cases of less skilled labour of the periphery.¹⁷¹ Each zone is displayed a specialized and different form of control of work, because it fits in each different mode of production. If something like this has not characterized the global system, then would not be able to flow, and therefore to transfer the surplus from the periphery to the core, which allows capitalism to be alive.¹⁷²

The peculiar analysis of I. Wallerstein has the potential to be a single explanatory basis for both processes which have identified the capitalist domination. The major industrial development, with the dominance of very rich capitalist countries, is accorded by the dependent areas and the problematic capitalist integration of the

periphery. See, I. Wallerstein, *The Modern World-System II...*, p. 178.

¹⁶⁹ I. Wallerstein, *The Modern World-System...*, *ibid*, σ. 87.

¹⁷⁰ *Ibid*, p. 126.

¹⁷¹ *Ibid*, pp. 87, 127.

extremely poor. The single interpretative approach is essentially economic, but is articulated with the political establishment, between the powerful states of the center and the weaker states of the periphery.¹⁷³

The strong theoretical doubt creates and causes, in any case, the idea that the capitalist system prevails, in life conditions within the global system, on the other earlier modes of production and non-capitalist forms of economic behavior. The position that the blending of different forms of economic behavior is the essence of capitalism as a mode of production, further adds to the general doubts.¹⁷⁴ The general assessment that the different divisions of labour between the core and the periphery are integral parts of the single “division of labour” of the world capitalist system raises similar concerns

These interpretations are unlikely to become convincing, for their context. The ground-breaking, of course, and, at times, the excessive explanations excite the attention and stimulate the impressions. These interpretations include undoubtedly extensive and dense academic material for a wider period and a larger spectrum of the world, who faced the challenges of social change, than the smaller part of world, like W. Europe or simply England, in which concentrate most of the aforementioned theories. The most important contribution of this analysis is, perhaps, the global focus from the early steps, relating to the capitalist transformation.

¹⁷² Ibid, p. 87.

¹⁷³ Ibid, pp. 355-357.

¹⁷⁴ I. Wallerstein, *The Modern World-System II...*, ibid, p. 32.

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Policy Issues

**The Greek Higher
Education**

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The Greek Higher Education: Characteristics, Achievements, Opportunities and Challenges

1. Achievements of the Greek Higher Education

The Greek universities over the past thirty years achieved amazing goals in education, research, culture and production, to meet the financial needs to experts of all the scientific fields.

Before the 1980's a very small percentage of pupils wishing to enter university, could achieve that goal. The number of students was relatively small, and the graduates were a small minority within the working population. Today the vast majority of secondary education pupils may be enrolled in universities and institutes of technology and a large number of them graduated. Nowadays, a much larger percentage of employees are university graduates.

Sometime in the past, postgraduate studies and specialization were almost unknown. Those who had the expectation to continue to post graduate studies had to flee abroad. Since 1990 several dozen postgraduate programs have worked and thousands of students have received their diploma. The doctoral study was there, but it concerned a small elite. Since 1982 several hundred scientists received their PhD and enriched the human resources and the research fields. They have contributed with very useful and original results in all disciplines.

The PhD holders are deployed in the Greek higher education, in the process of rapid development, in research centers, in public administration, in the Greek production and they launched a new

scientific creativity. Several of them and even graduates of graduate and postgraduate courses have continued their careers abroad. Moreover, several Greeks, who had higher studies abroad, joined in Greek universities and research structures, supporting the research dynamism of the country.

The research progress is reflected in many thousands of articles and books which have been published in recent decades. Many sciences like the science of medicine, physics, chemistry, engineering (all versions), gave greater emphasis to in articles and participating in conferences. These works attracted many thousands of citations and high recognition in the international arena.

The humanitarian and social sciences have given greater emphasis in the publication of books, without underestimating the articles in Greek and foreign revues. It should be noted that many departments of the social sciences (such as Sociology, Psychology, Social Policy, International Studies, Social Anthropology, etc.) were established, after 1982. There was therefore a requirement for the cultivation of these sciences in the national context, with tasks that focus on important issues of Greek society.

It is remarkable that many of these books are included in the collections of libraries in famous universities, in national libraries and libraries of research institutions worldwide.

The successes of the Greek universities include the high level of general education and the acquisition of the skills of the students both in the field of high abstraction and in the area of specific qualifications. I dare to use the opinion (and advice) of the great

Greek historian, N. Svoronos: Young people, regardless of their nationality, have to do undergraduate studies in Greece, because they offer a solid education and culture. After basic education, young people must study in the U.S. and England because the studies in these countries create intellectual discipline. Then they could study in France, because the studies in this country are opening broad new horizons.

There are, of course, serious issues in higher education. There is a serious imbalance among students. Some attend classes consistently and they are very well trained. Others are occasionally in the auditoriums. One last category receives degree with participation only in examinations. All receive the same degree.

Then, the different political leaderships of the Ministry of Education in recent years have pushed the universities for significant changes in organization, administration, evaluation, and studies. There are two issues now: The expected new law on higher education and the so-called Kallikrates of universities, namely the reorganization of the Universities and University Departments (there is the possibility of unification of certain departments or universities, after their evaluation and / or the reduction of the total number of Departments). Many of these changes are necessary because there are specific demands deriving from obligation within the common European context. This is a common finding of the Greek academic community as well. Other proposals are very interesting, but encounter the reactions of the political organizations of students and of a portion of professors.

The proposals that meet most of the reactions concerning the establishment of the Board of Trustees to all universities. Among other the proposals state that Board members may be individuals who do not belong to the academic community.

The responsibilities of the Council or Board include the accountability of the university, the care of the evaluation and the financial management of the University.

Despite reactions and disagreements, the opportunity for the process of change has a good chance of success. The recent meeting of Rectors in Lavrion, proposed a form of Control Council. The Control Council and the Board of Trustees have similar or even identical responsibilities and powers.

The most difficult issue is the suggestion that the Rector (and the Vice Rectors?) will be elected following an open notice and competition with candidates that are not only members of the academic community.

We watch with interest the developments for institutional change and hope to reach appropriate and effective results with the consensus of the universities.

2. General Information

A) First in line is the issue of segregation in higher academic and higher technical education. The first category covers the Universities (with the Polytechnics) and the second the Technological Institutions

(TEI) which are not polytechnics. Several times, however, the objects of the Departments of the two types of institutions are similar to each other and in other cases the objects of the Departments relating to narrow specialization of the sciences they serve.

B) The second issue to be noted is the large number of institutions of both categories. Universities are now 24 and the Technological Institutions 16. In total there are 40 institutions in the country with a population of 12 million inhabitants.

C) The third element of the situation in higher education is the diversity of Greek universities. There are big and old universities. There are newer or very small universities. They certainly have different problems.

D) The fourth issue is that all universities are public. Under the Greek constitution (especially the 16th article), higher education is a public (there are no private universities) and the attendance at public universities is free of charge. There are no fees.

E) Fifth point is that universities have key resources the public grants, the programs and the funding from the European Union. In several cases, and at times, there are inputs from other sources (and sometimes private funding) for research projects that are managed by the Special Account for Research Grants.

3. The Budgets and the management

The budgets of the universities are very low and therefore inadequate for the functioning. Rarely budgets meet the needs for education, research and repair of the facilities and infrastructure of universities.

The governance system of universities is a single, fixed by law. Supreme body is the Senate which consists of the Rector, the Vice Rectors, the Presidents of Departments, representatives of professorial levels,

representatives of other staff and student representatives. The Rectorate Authorities and the Presidents of Departments are elected by direct vote by all members of the academic community, but in separate polls.

The power and responsibilities of the Senate is quite general, but and specific as well, such as approving the budget. Academic responsibilities include approving the postgraduate study programs. The final decision, of course, is to the Ministry of Education.

The Rectorate authorities and the Rectorial Council have the responsibility for the everyday administration as executive organs of the Senate.

The universities covered by the institution of asylum in order to ensure academic freedom in research and teaching. This institution has several times used by students and people outside the academic community. Often these people use the campus to create riots and provoke the police. The police cannot take action easily in the university, without the permission of Rectorial Council.

The Departments are the basic academic units of the Greek Universities. They are governed by the General Assembly in which participate all Professors, student representatives and the rest scientific personnel.

4. Studies and Teaching

The access of students to universities and TEI is through a fair system of general (National) entrance examination. The decision on the number of students of each university department is taken by the Ministry of Education.

The classification and registration of students at the University depends on the preference of students and their scores on the general examinations. This often leads students to be admitted into departments which are very low in preference. During the course students are not able to change the direction of study.

Studies in most departments are of four years. At Polytechnics, the Polytechnic Schools of some Universities and the Departments of Agriculture University studies are of five years. At the Departments of Medicine the study is of six years.

The Greek academic system has implemented the Bologna Process in most sciences and departments. This process requires that the duration of studies for the first degree is at least three years, for the Masters is two years and for a PhD at least three years. Most departments apply with effect the common European system of credits. Problems in the implementation of the Bologna process because objective reasons there are for the Polytechnics and in Medical Schools.

5. The academic staff

The Professors in universities are divided into four levels in descending order: Professors, Associate Professors, Assistant Professors and Lecturers. There are also temporary Instructors with an annual contract (there is the possibility of renewal of contract).

Professors of all levels are selected after public notice and a

competitive selection process. For all levels is a prerequisite to holding a PhD and the existence of publications (articles and books). The higher the level the more demanding are the qualifications of candidates.

6. The research at Greek Universities

The research which is carried out at Greek universities divided into funded and unfunded. Non-funded research is undertaken by the professorial levels in the normal activities. The funded research is carried out by professors individually or in collaboration with teams of researchers (professors, graduate students, doctoral candidates, etc.). Most university departments have research centers and laboratories. The research can be implemented within these structures or outside of them.

The funded Research is carried out in cooperation with the Special Account for Research. The funding comes in the Special Account and then this structure covers the costs of research centers or laboratories or research groups or researchers who are working individually.

7. Challenges and Opportunities

Although great advances have been made in Greek higher education, there are major problems. I shall glean the more critical as the following:

a) The budgets are low and the financial management in universities is carried out with the rules of public accounting. There is for every financial

act an *ex ante* control (sometimes *ongoing* and *ex post control*) by the special Court of Control. The budget reallocation is possible, during the year but is very difficult.

b) Significant infrastructure problems facing most of the old universities. These problems concern both the necessary capacity of the facilities and the quality of them.

c) In many universities there is the issue of serious shortage of administrative staff. A similar shortage exists for the rest of the staff (non professors).

Greek society is facing serious economic and social issues over the past two years. The Greek universities are receiving these problems in several aspects of their actions.

Clearly there are significant opportunities for cooperation between Greek and American universities. I feel confident that we can develop multilateral cooperation in research and mutual exchange of academic and research staff. There is great capability for researchers call from the U.S. for a limited duration teaching in postgraduate courses and for participation in conferences. There is a similar feature, but to a lesser extent in undergraduate programs of study. The Greek professors are available for exchange. But there are problems with the distance from Europe and the relatively high cost of stay in the U.S. It is therefore necessary to find methods of financing cooperation. At this point certainly could be financial support from private organizations such as banks, enterprises and other kind of foundations.

I can do proposals specifically for the social and political sciences. In the social sciences in addition to the above dimensions of cooperation and networking could take the form of greater support for the chairs of Greek studies in America.

The scientific fields that seem extremely challenging for collaboration are: a) Philosophy and especially ancient philosophy, b) History and especially the Byzantine and the Modern Greek History, c) Sociology, d) The history of culture and the modern culture, e) The international affairs and the international law.

In these scientific fields we could distinguish leading figures of the sciences. The former Prime Minister Panagiotis Kanellopoulos was instructor of Sociology at Panteion University in the 1930's and has written a multi-volume work on the history of European civilization. Constantinos Tsatsos philosopher and President of the Republic was also an instructor at Panteion. The philosopher Constantinos Despotopoulos, President of the Academy of Athens was a Professor at Panteion University. The former Professor of Panteion Christos Rozakis is a judge at the European Court of Human Rights. Moreover, the great historian N. Svoronos is known internationally for his work. Cornelius Castoriadis is extremely important philosopher and political analyst. All these famous scientists would become subject of elaboration to create chairs in American universities and research programs.

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Analytical Essays

**The Malformed
Reconstruction of Greek
Society, 2009-2014:
The Future of Labor
Autonomy**

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Athens, 2016

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The Malformed Reconstruction of Greek Society, 2009-2014:

The Future of Labor Autonomy

Abstract

The Greek society has received the blame of the “pariah” between the countries and societies of European Union, and specifically of Euro zone. Greece, in contrary to the critics, was and still is the richest country in Balkan Peninsula. The Greek society has achieved improvements in all the areas of social and economic life, during the last forty years. The crucial advancements were both, the small private property and the self-employment for a major part of households and population. This society suffers the “tortures” of the economic crisis, after the imposition of the memoranda of fiscal policy. The methods and the specific measures are absolutely ineffective and affect, negatively, the very basis of self-employment and small property. An alternative should to be invented, which is based on work autonomy and maintenance of small properties. This is one realistic way-out for the country’s social crisis and to pay back its debts.

The crucial social problems (2009-2014)

The following elaboration is a political analysis within the sociological theory. The analysis is going to make clearer the indications of the “external”, imposed, and ineffective policies on the main dimensions of social structure and its functions. The fail of the measures of memoranda, which had purposed to treat the fiscal inconsistencies, has had a discussable result: the social restructure in a concrete direction, which poses many obvious burdens on wage work (under the enormous unemployment and the impulsive flexibility) and work autonomy (namely the very basis of Greek capitalism). In this pessimistic climate, the small enterprises reduced the numbers of their employees. The target of the policies was designed on the redirection of employment’s model in a “formal” manner, typical for the developed and pioneer countries. In that model the vast majority of working population are wage-employees, a small proportion are own-account workers, and an extremely small analogy of labor force are employers (Lytras 2016, 276-278). The concrete model, surely, permits the controlled management of incomes, taxes, and contributions to the social security

system (the system is, in the most of the European countries, public). The side effect of this strategy is the direct attack to the “privileges” of many categories (old and new) of the own-account workers and small entrepreneurs. The populist propaganda against the “privileges” the own-account workers summarizes the criticism on their perseverance on the informal economy and the systematic tax evasion. The ideologically charged inventors of memoranda policies probably believed strongly that the imposed strategy was going to create a healthy basis of a new economic recovery. And, of course, they had as a purpose the fast appropriation of the expected future increase of wealth. After five years of repeated efforts the results are strange. We can glean some of the indications. Some of the biggest private companies (banks, industries, and insurance or retailing companies) with personnel have closed or moved abroad. The smaller or the very small enterprises are declined and therefore their personnel is, significantly, reduced. The own-account workers have been slightly declined too. Despite the arithmetical reduction, their analogy in employment has been increased! After crisis, the public employment steadily declined and therefore the state, as the only major and single

employer for the high skilled workers, has stopped its positive contribution to the employment's environment. The employees, during the aforementioned period, have indicated the absolute reduction in both numbers and proportions in employment. The unemployment rate of over 27% (in 2014) is the strong evidence of the collapse of capitalism. This spasm gives us the opportunity for the discussion of the limits of the current conditions and the prospects of the society.

The purpose of the study

This analysis intends to disprove the established false picture of Greek society. Simultaneously, the study is going to reconstruct, in sort, the presentation of the contemporary Greek society and its structure. The discussion of the current phase of the economic crisis and the failures of implemented policies is the prelude for the more suitable choices for the Greek society. These choices, in my opinion, are expressed on the enhancement of work autonomy, by the renewal modifications of both the institutional and the economical factors of the capitalistic competitiveness. The next proposal is a way out for the economic and social effectiveness,

the steady wealth increase, the payment of the public debt, and the country's sovereignty (fiscal and political).

The Greek capitalism: the virtues of autonomy and the “restricted sufficiency”

It is indisputable that the capitalistic relations of production dominate, fully, during the decade of 1921-30, after the Asia Minor Catastrophe in 1922 (Mouzelis 1978, pp. 46-50, Moschonas 1987, p. 47, Lytras 1993, pp. 151-152). The national integration and the explosive problem of refugees have been the accelerators of the concrete historical evolution. The urgent character of the refugee's issue has contributed to the fast procedure of the agrarian reform (Alivizatos 1932, Loizos 1994), with the extensive distribution of land to many small owners (Vergopoulos 1975, pp. 178-179, 198-199) until the early 30s. At the same time, the need for work and income in the urban areas pushes mainly the refugees' population to implement their previous skills in small and independent craft industries. The productive efforts had found the active aid of Greek state, which had already proceeded in new institutions for the protection of national

production. The national economy has been armed with a new framework of laws on taxes, tariffs, and the analogous fiscal policy (Tsoulfidis 2011, pp. 21-29). The enhancement of agriculture the agrarian loans creates the fertile environment for the improvement of the production, the increase of wealth, and the endurance of social structure during the strong economic adversities of 30s, but the heavy problem of agrarian debts is launched too (Vergopoulos *ibid*, pp. 182-186).

The imposition of capitalism, therefore, has included the small properties in its functions (Vergopoulos *ibid*, pp. 180-181) and instead the realities in other paradigms destroyed only the residues of the big farms (among them, the Turkish type of manor, namely the “chifliks”). The above event did not give an analogous space for the concentration of the big private property and equally the accumulation of capital in the countryside. Meanwhile the interest of the agents of the Greek capital is historically directed to the ship-owning and the international trade activities. The small home market, the great commercial interest in the broader geographical area, and the expansion of the stronger ship-owners’ families to the global market has reduced the trend for significant investments in industry (Lytras

ibid, pp. 176-186). The minor interference of Greek capital in the industrial activities describes one of the major peculiarities of the economy and society, and a cause for the slow internal procedure of social modernization.

The conditions in agriculture and the slow-moving procedure of change last until the end of Greek civil war (1949). The after war era, under the difficult combination of the social exclusion of approximately the half population and the strict imposition of political power by the winners in the civil war, is characterized by turbulent circumstances. The pre-war conditions have basically characterized by the symbiosis of the small private property and self-employment (in close relation with the phenomenon of the big analogy of contributing family workers), and the petty bourgeoisie's strata prevailed mainly in countryside. Despite the significant improvements in countryside, this indication means *inter alia* that the productivity of agriculture has its limitations, but permits the decent life of a regular rural family in an environment of "restricted sufficiency" (Lytras and Prontzas 2006, pp. 125-134).

In 1951 the majority of population inhabits in the countryside and works on land. Fifty years later the vast majority habits in urban areas

(Hellenic Statistical Authority 2010, p. 35). Nevertheless, the correlation of property slightly has changed. The big distribution of land to so many owners and the segmentation of properties in many scattered plots of land of the same (a single) owner permit the maintenance of private property for a long period (Lytras and Prontzas *ibid*, pp. 113-124). These properties are the very basis for the Greek type of facilities in the next phase of touristic development.

The post war social evolution is defined, with the exception of the steady exit from the countryside which is already mentioned, by four basic phenomena: a) the fast and rather steady economic development, b) the growth of secondary sector of production (Lytras and Prontzas *ibid*, pp. 66-77), due to the great real estates' development (with the spontaneous distribution of houses, somehow, to every family)¹⁷⁵ and big infrastructures' expansions, but not due to the evolution of manufacture (despite the few upgrading spasms during 60s and 70s), c) the reproduction, for a forty years long period, of the type of the complexity of small property and self-employment in the secondary and tertiary sectors (of course) in a smaller

¹⁷⁵ The first years of the twenty first century the 80% of the household, in the country, has a private house. The same reality is watched in Italy and Spain too. In a fast comparison to the above indications, we can understand that the owners of private houses in Germany are 43%, in Netherlands 54.2%, in France 56%, and in Austria 56.4% (Norris and Shiels 2004, p. 5).

proportion than in agriculture, and d) the phenomenon of the significant migration (Figure 1) abroad from the early 50s to the middle 70s (by the end of dictatorship in 1974 the trend of return prevails). Despite the strong trend of modernization the wage earners are a minority in employment until late 80s (Lytras 1993, p. 189).

Figure 1

During the after-dictatorship period, are noted the most remarkable events in the social evolution. The conditions of democracy are improved, with quick procedures, the social modernization proceeds, and the process of participation in the European Economic Community (EEC) and the European Union (EU) is concluded by the inclusion in the Euro-zone. All the significant indexes of economic and social dimensions are upgraded continuously (GDP,¹⁷⁶ HDI,¹⁷⁷ housing, education, health system etc.) the thirty five years, after 1974. The interim years the economic restructures

¹⁷⁶ Gross Domestic Product (GDP). C.f. World Bank (World Development Indicators Database).

¹⁷⁷ Human Development Index (HDI), according to the United Nations Development Programme (UNDP 2010, p. 148).

contribute to the convergence, which regards the distribution of productive sectors, with the pioneer countries. One of the most problematic issues is the increase of public debt, but its trend doesn't differ much from the comparable countries. Let's scrutinize on the concrete evolutions.

The distribution of the sectors of production to the GDP expresses the absolute enforcement of the already mighty tertiary sector. The procedure further proceeds, during the two decades of the twenty first century (Figure 2). The convergence with the developed countries is obvious. The same convergence is watched on the field of employment (Figure 3). The services dominate and the related professions prevail, by far, in the employment. Greece is not an exception, in this factual "rule" of modern development. The delayed decline of employment in agriculture, only, confirms the low level of productivity, along with the endurance of the small ownership in the rural private properties.

Figure 2

Figure 3

The employment's convergence

The employment increase from the early 80s is clear and sustainable. The recorded workers in 1993 were approximately 3.7 millions. In 2008 they were over of 4.5 millions (Lytras 2016, p. 197). The employment increase is combined with the inclusion of the vast majority of the newcomers in the status of employees. The wage-earners represent the 53.24% in 1993 and they are the 64.92% in 2008 (Lytras *ibid*, pp. 207-209). The concrete evolution is accompanied with the continuous reduction of the analogy of own-account workers (27.40% in 1993 and 20.40% in 2008) and the faster decline of the percentage of contributing family workers (12.13% in 1993 and 5.87% in 2008). It is interesting that the status of employers presents a slight upgrading spasm (from 7.23% in 1993 to 8.32% in 2008). This fact means that the enterprises in country are small and rather weak (Lytras *ibid*, pp. 235-239, 253-256). A motivation for the establishment of new and small enterprises is the reality of increase of consumption, during the preparations, the events, and the positive results of Olympic Games

(2004) in the economic climate. The abovementioned situation bodes the broader convergence of the correlations of statuses in employment. Only an unpredictable event could interrupt this trend. Unfortunately a similar event has happen, namely the crisis of 2007-2008. After the explosion of crisis everything is posed in doubt.

The prevalence of services in employment (Figure 3) is undeniable, but the correlation of sectors is comparable to other EU's countries. In these circumstances, we can considerate that the productivity of labor in services is higher than in the other sectors. The public employment has a big proportion of the total employment in services. Nevertheless, the Greek public employment balances with the analogous figures of the countries of OECD¹⁷⁸ (see some relevant indications in Figure 4).

Figure 4

The restructures during crisis

In the cases of crisis every debtor is in insecure position. Under the pressures of crisis the lenders increase their claims for the consistent

¹⁷⁸ Organization for Economic Co-operation and Development (OECD).

payments, but every debtor does not go bankrupt. Greece did not go officially bankrupt, but of course was so close to the event. In 2010 its partners in EU, Euro-zone, and European Central Bank (ECB) with the assistance of the International Monetary Fund (IMF), made a generous financing program for the Greek debt. With the method of refinancing (bailout) of the Greek debt the institutional lenders have claimed the secured returns of their funds and, at the same time, imposed an extensive set of (so called) reforms, namely the impulsive deregulations of the national economy and especially the deregulations in labor market (Daskalakis 2015, pp. 297-304).

The limits of “restricted sufficiency”

The petite bourgeoisie’s strata prevailed within the correlations of social structure for a long period, during the post-war era, in Greece. The explanation is rather simple. The formed and ineffective rural petite bourgeoisie’s strata remained strong in percentage, but declined arithmetically. The migrants from the countryside to major urban centers have reproduced the rural pattern of work independency in craft industry

and the several services (Lytras 2010, pp. 18-21). They have substituted, with the independent professions and their consistent efforts, the vacuum, which was created by the lack of remarkable large private investments. The Greek state has basically aided them, with the implementation of institutional regulations, fiscal measures, special loans, and direct financing (Lytras *ibid*, pp. 165-188). The newcomers bought private properties and made steady the new establishments (Lytras 1993, pp. 209-214). The “districted sufficiency” has been reproduced in the new activities and in many cases the newcomers flourished. The incomes from the private properties and the independent professions have had the continuous improvement, despite the economic spasms or the adversities during 70s.

The improvement of the conditions of education, during the after war era, allowed to the children of middle strata to have high scientific skills (Tsoukalas 1987, p. 98) and then to establish new independent professions, as lawyers, doctors, engineers, or they sought a job in public services. This procedure either reproduce further the petty bourgeoisie’s pattern or gives time and space to the concrete groups to exploit the several opportunities, during late 70s and 80s. The process of European integration tend to reduce,

from middle 80s, the protective framework for the national production and the direct state's financing for the small enterprises (Lytras *ibid*, p. 232). Nevertheless, the good economic climate and the optimism within EU, after 1992, permit to the small enterprises and the independent professions to flourish again strongly. In that period the "restricted sufficiency" becomes a "decent sufficiency". The term means that the conditions permit some minor luxuries to many households (a new car, the renovation of the family house, the annual vacations etc.) and the ability for the renovation of jobs' practices or infrastructures, with the "restricted investments". The coming years the conditions are going to be even better until 2008.

In this section of the analysis, we have to note a significant observation on the conditions of employment. The analogy of own-account workers is largely reduced the period: 1993-2008. That is an undeniable fact, but the observer must pay attention to the rest data on the general level of employment and the new phenomenon for the society, namely the immigration mainly from the northern neighboring countries (UNDP 2009, pp. 143, 147). In one hand the total employment increases continuously

[about 3.7 to 4.5 million workers according ILO,¹⁷⁹ LABORSTA (database),¹⁸⁰ or 4.6 million according ILO, ILOSTAT (database)¹⁸¹], and therefore this is the basic reason for the significant reduction of the percentage of own-account workers. In fact, the reduction is minor and could be explained by the increase of the new workers who are included as employees. In the other hand the new immigrants for several years live in the country at the edges of legality and work out of those limits. In that phase they gave new opportunities to small enterprises, rural units, and own-account workers for cheap workers. This condition enhances the sustainability of their economic efforts. In the next phase of the legalization of the immigration, the immigrants further broaden the lines of formal wage labor and they contribute to the reduction of the analogy of own-account workers. The major event of that period is the decisive decline of the contributing family workers. This reality could be explained by an analogous manner with the own-account workers, but the reduction in the concrete status is much higher. The total result is rather remarkable. The own-account workers are slightly reduced. They really “skulked”

¹⁷⁹ International Labor Organization (ILO).

¹⁸⁰ Labor Statistics (LABORSTA -database).

¹⁸¹ ILO Statistics (ILOSTAT- database).

proportionally in the great increase of the total employment, which in a significant part comes from the inflows of foreigner immigrants. To some extent, several of the own-account workers move (at that moment) in the status of employers.

Figure 5

The (ex) own-account workers (as small employers) along with the already small entrepreneurs and some newcomers have used the advantage of the cheaper labor. The abundance of human resources has permitted the continuous increase of profit and new hopes were cultivated for the further fruitful adventures in the future. When the crisis explodes everything, in their strategy, went in a reversal course. The small entrepreneurs lay off their employees, reduce their works, and substantially many of them “return” to their roots, namely the very space of own-account workers (Figure 6). The centre of their strategy becomes the protection of autonomy and private property, namely their stronger background (Lytras 2016b, pp. 88, 109). The original equipment of Greek capitalism had blocked, after the stopping of the bank financing of economy, and the harsh tax confrontation

of urban or rural properties by the state, which has not any fiscal sovereignty after the imposing of memoranda.

Figure 6

The aftermath of this complex situation was simpler than any sophisticated thought. The dramatic increase of unemployment rate was greater than the optimistic lenders had estimated (Figure 7). The rate is an indication that capitalism does not work anymore.

Figure 7

The significant causes of the unemployment rate increase are from the one hand the self-restriction of small unities and from the other hand the reduction of public employment. Every expert who puts the cold numbers of fiscal indicators in the center of his/her perspective loses the eventual meaning of economy, because economy is structured by people.

It is obvious that the lenders and the Greek governments have

underestimated the structural peculiarity of society and the special characteristics of Greek capitalism. For this reason the policy, which they constructed, is out of place. Furthermore, they are de-structuring a sufficient paradigm of capitalistic development in long term, based on small units and a remarkable kind of free market's competition between entrepreneurs. There aren't many indications between the developed countries (there are basically two countries with analogous elements), which have achieved step by step a modest but hopeful prosperity, with many small employers and innumerable independent professionals in employment, for more than 65 years. This kind of sufficiency, due to work autonomy, creates significant (in the long term) but reasonable profits (in the short term), restricts the intense of poverty and it does not create unacceptable income inequalities by the activities in the national economy.

In parallel to the discussion on social structure, the work autonomy has a good balance with the status of free citizen in modern societies, because they both participate in the "unity" of freedom. So, everyone who swears to freedom cannot and must not deny the work autonomy. The wage-workers, in contrary, have not such a balance with the status of

citizen, because are persons of other people, during the working time (this is a meaning *inter alia* of managerial right).

It is still time for the fertile transformation of this type of capitalism, namely the type of capitalism with the lower level of labor (and social) polarization, worldwide. There is, of course, the need for the abandonment of the ineffective solutions of all the memoranda. The restriction of the trivial economic proposals is a middle stage for the design of a new innovation for the structure of economy and society, as long as for the expansion of production. The first is the decision. The last is the clear social renewal by the parts of the existing reality.

The renewal of labor structure: the “effective autonomy”

The next phase of Greek capitalism could be (or should be) the enforcement of work autonomy.¹⁸² Work autonomy is the only tested, realistic, effective and successful model of labor integration in the concrete social structure. The empowerment of work autonomy represents the

¹⁸² The concept of autonomous workers is based on the analysis and proposal of A. Gorz (1999, pp. 73-111) for the overcoming of the wage-based society.

development of the virtues of the self-employment of the past decades and the modifications of the problematic aspects of its social presence. In this way, the already own-account workers and small employers could regain their self-confidence on their individual efforts and open again the prospect for the future increase of employment rate, by the method of “creating just one or few new jobs for each new or old employer”. At the same time, the unemployed persons could be redirected in employment with a new type of autonomous work, via an innovative method of a simultaneously *private and public con-financing policy for combating unemployment*. The two simple measures are enough to restart the blocked economic activities, improve the personal incomes and the national wealth, and recover the poor public inflows. The serial of the measures is indifferent for this analysis.

The problem of unemployment is the more urgent. This is the only reason we put it in the first place of analysis. The untold truth of Greek capitalism in the seven past decades is the following: “The big enterprises and the state cannot create enough jobs which give a decent and viable income to the people. Let’s give them the opportunity to gain their lives by themselves”. In 2016, we can reconstruct slightly the last phrase: “Let’s

help them to gain their lives by themselves”.

The unemployed persons could be activated as autonomous workers, regardless their special skill, if there is any. The needed funds could be found by a new kind of long term deposits (for twelve months) in common accounts of the collaborated commercial banks. These private funds function as the initial guarantee for the financing of employment for the unemployed persons. Concretely, the aforementioned funds are used for the issuing of a special kind of “securities” (either typed or digital), which are going to be the mean of activation of the autonomous workers. The monthly withdrawals are substituted by the equal grants from the state’s budget. The public spending is partly returnable, because the special “securities” conclude the values of taxes and contributions to social security system. The rest of the value of the mass of “securities” (the major value) represents the payments of the individual consumers. Some of the interim “securities” conclude only the consumers’ contribution. The beneficiaries using the “securities” sell individually their services to the consumers of a region (for ten months) and their compensation is part of the total monthly income. The local authorities of the region coordinate the procedure. The whole process

looks like a big private enterprise, in a typical market function. There are here the stock holders, who fund the procedure, but they are not true entrepreneurs and therefore they don't take on any risk. Their stocks are accompanied by remarkable but reasonable profits, by the bank interest and the yield of the program, which foresees an extra dividend for the contributed capital holders. There are the laborers, who work as independent professionals. Their incomes are equal to the minimum wage, in the form of a compensation very similar to the own-account workers' income (for ten months). Meanwhile they pay regular taxes and contribute continuously to the social security system. At the end of the program they receive a remarkable amount as dividend of the yields of program (this could be recognized as the eleventh compensation of the program). There are the consumers, who are benefited from the large variety of services at attractive prices (a motivation for the larger consumption). The consumers definitely express their social solidarity, but there isn't any need to change their transactional behavior. They buy the necessary services, cover their regular needs, and satisfy their tastes according to their moods. This method could bring together the factors of market, which now are divided and

ineffective. The state, by the concrete policy, could achieve nearly the full employment, with the moving of social benefits to the active enforcement of work autonomy. The public budget, in short term, regains the major part of its spending and the promising (or sustainable) future figures. The deposits in banks increase too, and the banks are favored by the new transactions, services to the clients, and their commissions (Lytras 2016c).

The concrete method could be developed in the practical assistance of self-employed workers to collaborate with the new type of autonomous workers. With minor expenses they could achieve major increase of their productivity and improve their position in free market. The mutual benefits for both the own-account workers and the beneficiaries of the program bodes a further positive result: the increase of incomes in the local and national market. The innovation has the potential to launch a collaborative stage of production, within capitalism.

The method is absolutely suitable for the broadening action of social economy especially during major economic and social crises. The agencies of social economy, during their activities, are going to use the autonomous workers. When the abovementioned policy is active, they are benefited by

the low prices and use the abundant human resources during their programs for the social solidarity. When there is not any such option, they use the same model of work integration with the assistance of a similar “security” (a relative institutional regulation is needed). The actions of social solidarity are, in the last case, accompanied with the respect to the laborer, who is simultaneously a free individual, a citizen and an autonomous worker. The last combination is more effective for the gracious interferences in the communities. So, it balances very well with the institution of voluntary work (by the members of the agencies of social economy). The intellectual release from the pattern of dependent (wage) labor would add the new potential for the productivity in social economy activities and is going to make solidarity economically effective too. A new type of partnership for social solidarity rises.

One basic care of this analysis is the maintenance of the already self-employed people and small employers in all the three sectors of production. The main problems of the present time are basically the heavy taxation and the burdens of their obligations to the social security system. In both issues they can’t fulfill their obligations. The result for them is definitely an

economic deadlock and for the public economics are the several dozen of billions of Euros (about or over 80 billions) unpaid debts by the citizens. These amounts are typical (or even more *faux frais*) obligations in the real world and could not be fulfilled ever. The only reasonable option is the haircut of the older obligations with fast institutional procedures and in return the modification of the public obligations to the own-account workers and small employers with innovative measures. An example for the analogous measures is the haircut of the obligations to the public social security system, with the removal of the public obligation to cover the concrete years in the pension system. If there will be the ability for the concrete payment in any future time, the debtors would fulfill their obligations later, in order to recover their pension rights. Meanwhile, the pension funds recover the balances of their budget for the inflows and the spending, according the common sense. After the release of the weaker factors of economy (between them are many of own-account workers) by their burden, accordingly to the rule of social responsibility, they could become the receivers of a further beneficial policy measure. The launching of the constant collaboration with an autonomous worker for two years

could help the own account workers and the small employers (up to five employees) for the “haircut” of the tax obligations for one of the previous years. These motivations are enough to create a new entrepreneurial recovery and perhaps several hundred thousands of new jobs in the country. Everybody can imagine the great returns for the public treasury and the tackle of fiscal policy. The development of contemporary, combined and “effective autonomy” renovates the employment on a basis of work flexibility, in a competitive context, creates decent incomes, and contributes to social equilibrium.

Anyway the high and well organized intelligence in capitalistic society is only a rare commodity and therefore has a high price. For this reason the international organizations spend a lot of money to use the expertise of the agents of high intelligence. The lenders count their future losses; the country paid the expensive price of high intelligence and counts the devastation of its previous serenity; the international funds look for plots of land at the cheapest price; and the people looks for a god. Probably, it is a tale. In some cases, the tale is the truth. Perhaps, the treasure there is under our feet, or inside us. Who really knows? Let's try more.

The background of the proposals

The reader of this study could believe that the writer intends the return of social and economic organization of the country in the previous and romantic eras. Such approach looks, superficially, to have some bases, but is wrong. In contrary the proposals are based on the contemporary transformations of production and work organization.

The overcoming of *fordism*, from the middle 70s, has reconstructed, in stages, the division of labor. The (somehow) futuristic attempt in the factory of Volvo in Kalmar had proceeded to the redesign of the line of production and the appearance of a new kind of working collaboration, namely the working group or team (Williams 1995, Cohen and Bailey 1997, Kulwiec 2001, Bedwell *et al* 2010). The working teams, self-directed in some degree, have disclosed the virtues of semi-autonomy and their potential for the improvement of productivity, therefore for the increase of profits too. The flatter work organization is characterized by the fewer managerial controls on the personal labor and the faster interim decision making, but keeps strong the initial planning of production and the detailed

programming (Sandberg 2007). The changes in Toyota have created the most known transformations in the contemporary industrial production (Ohno 1991). The several innovations have made the specializations on the working floor fewer, and the middle managers focused on the controls of the procedures. The reduction of the paid but unfulfilled working time has made an obsession and bodes further work transformations, via the methods of quality management. The virtues and the achievements of the Toyota model are a myth. The realities of that myth are going to be better known after the establishment of new company in the USA. The new company is the result of entrepreneurial collaboration between General Motors (G.M.) and Toyota.

The above company has disclosed, that many of the Toyota's achievements were based on the virtues of working groups or teams, the fewer specializations on the working floor (only three from the about two hundreds in the typical American factories), and the function of managers as coordinators (Holden 1986). The production is characterized by all the innovations of post-fordism era (the *kanban* system, the *andon* system, the *kaizen* system etc.). The similar modifications in all the major industries are

only a matter of time. The notification of the new trend is going to change the working environment. The technology is an asset for every ambitious holder of knowhow, but its potential needs money to demonstrate its abilities.

The needed capitals are coming from the advantages of the new organization of labor, namely from the cheapening of working time. The function of labor in working teams or groups saves money for the enterprises, because reduces the need for expertise and personal controls (this means fewer experts and managers), adapts the coordinating role of middle management (this means lower wages for the managers), regulates the continuous rotation and substitution of the members of the working groups (this means lower real differences of the wages inside the working group and the lower total spending for wages), and the significant increase of profitability (according the increase of productivity and the high level of competition between workers, *inter alia*). The enterprises have taken the opportunity, which is built on the background of their initiatives (Hirschhorn 1988, Hammer and Champy 1993), and proceeded to the further adaptable development of the abilities of new technologies.

The enterprises buy then only the working time and reduce their long term commitments with the physical agent at any post of job. The jobs symbolically are not any more steady positions (posts) of work in the regular bureaucracy, but are the working time which is going to be fulfilled by people in the several statuses in employment and the new flexible schemes of labor (Daskalakis 2013, pp. 605 et seq). In this course the labor organization hosts the part-time work, the innovative forms of labor flexibility, and some “external” collaborators, who seem like or even are independent professionals. The whole combination permits the function of work as a pure commodity and the laborers from the different statuses and schemes compete to find or keep a job and compensation (sometimes a wage and sometimes an income of the own-account worker). The releasing from the exclusivity of the wage is, in this moment, obvious and clear. The new profits are the final results. The same procedure and evolution has taken a new height in the services of new era. The commuting technologies permit the extension of the already strong networks (Castells 2010, pp. 166-168, 172-180) with the national and international networking of the working groups, subgroups, and smaller teams within the larger groups. The

teleworkers broaden their autonomy, during the working time, are self-directed, and work, in the most cases, from a (or a long) distance by the bases of the companies. In many instances of the abovementioned cases the workers are typically employees (wage-earners), and in some instances are own account workers (Malone and Laubacher 1998), but in both situations they are more productive, effective, and autonomous (Nilles 1996, Eurofound¹⁸³ 2010, WorldatWork 2009, 2011, RW3 Culture Wizard 2010, 2012). The new larger status of autonomous or semi-autonomous workers, namely the own-account workers of the new era is clearer than the conditions of the work of wage earners. The status of the last cases of employees is, in my opinion, a fossil of the previous economic and institutional phase. Practically, the role of the employees and the own-account workers is expressed as the absolutely same functional autonomy. The entrepreneurs keep the status of employees either as the symbol of their domination on the people, or as inertia of the previous economic conditions. The inertia probably is accompanied by the illusion that the maintenance of the multitude of statuses contributes to the cheaper working time. The reality, however, speaks loudly: the profitable companies are based on the

¹⁸³ European Foundation for the Improvement of Living and Working Conditions (Eurofound).

autonomy of work, the short-time commitments to workers and their rapid mobility. Even, if this consideration looks excessive, it has strong evidences.

In Greek society, the work autonomy, which comes from the past but is modern, meets a strange bridging with the latest evolutions of division of labor. The abovementioned proposals for the decisive empowerment of work autonomy as an alternative for combating unemployment and the future economic improvement are totally realistic and adaptable. The reconstruction of social structure brings on the surface the only “narrative” for work organization, which could be recognized as “post-modern”. Until then, there is still the bad luck: the experts of international organizations govern, without any legitimation, the country with the leas of “modernity”. When they leave the leas will stay here.

The dispute on the different structures and the illusion of wellbeing

The capitalist development has two successful ways for the formation of employment and social structure in the cycle the developed countries: the older (classical or typical) and some contemporary exceptions. According to

my view the Greek and Korean instances belong in the few exceptions of the different pattern of the initial conditions, the orbit of statuses in employment, and the trends to polarization [Lytras 2016b, p. 135 (Chapter 2.6, Graph 2.6.2)]. The typical model regards the affluent and pioneer countries, which are big national economies, with many tenths of millions of population and labor force. They originally represent the social formations of *fordism* (even after its overcoming) and are characterized by the intense polarization between the, by far, vast majority of employees and the extremely small minority of wealthy employers (according the ILO, ILOSTAT they are: 2.1% in Australia 4.3% in France, 4.7% in Germany, 2.5% in UK, 2.2% in Japan and 3.8% in Netherlands in 2013). In these paradigms the own-account workers represent an, arithmetically and proportionally, small group in employment, which is definitely larger than the group of employers. The group of contributing family workers is an insignificant status in employment. The employment structure in the advanced societies is suitable for the classical welfare state and the full-controlled populations in whole the stages of their lives. The regularities of the welfare state or society (Aspalter 2001, Esping-Andersen 1990) are now

under a long-time crisis, mighty disputes, and continuous revision. The poorer people, the unemployed persons, the homeless, the low-paid wage-earners, the part-timers, and the flexible workers live difficult lives, or even unacceptable social conditions in the center of the centers of luxury (U.S. Department of Housing and Urban Development 2013, DeNavas-Walt *et al* 2013, pp. 13, 33). But the luxury and the high life style “belong” to the local elites, who are of course the employers, their families, the members of top management, the speculators and some stranger celebrities, who don’t regularly work, but are benefited by the crumbs of the circulated wealth. There is definitely the famous “middle class”, a phantom of the contemporary affluent societies, after the overcoming of the older type of hierarchy in the entrepreneurial bureaucracy. The description of middle class in some of the pioneer countries of capitalistic development is the “objective” result of the self-definition, during official opinion polls, of the population and its subjective “aspirations” for the future income and the desirable standard of living. Nevertheless, the analytical comments negate all the dimensions of the above definition of middle class. An analogous commentary finally notes: “Unfortunately, not all families are able to afford

the sort of expenditures that we lay out in this report. Even those families that can afford a middle class lifestyle must make regular sacrifices and may be one unexpected event away from disaster” (U.S. Department Of Commerce and Office of the Vice President of the United States 2010, p. 26). We can understand that the “middle class” there is only in the unfulfilled aspirations of the people, who declare that they prefer the concrete status. The somehow simpleminded definition is also negated, by the strong evidences of other official reports on the income distribution and the problems of poverty or homelessness (DeNavas-Walt *et al*, *ibid*). The success story is an illusion, or even worse the valuable instrument for the propaganda of the strong elites.

The most representative exceptions of employment and social structure are, according to my view, the Greek and S. Korean societies. Greece and Republic of Korea (S. Korea) have had the post-war era a somehow similar and painful experience of a civil war. At the end of the harsh conditions the Korean Peninsula has divided in two countries: the Republic of Korea in south and the North Korea (Democratic People’s Republic of Korea). In Greece the civil war ends in 1949. Greece and

Republic of Korea were located, by a coincidence, in two different but extremely sensitive territories, during the Cold War. Despite the different momentums and rhythms of their evolution the two countries have had a remarkable economic development, during the last 60 years, of course, by a coincidence. The continuous development has created the uninterrupted improvement of the standard of living (UNDP 2010, p. 148). Both countries are distinguished by the very high level of the global list, accordingly to the Human Development Index (HDI). The achievements of the two societies are built on a structure of employment, which is based on the great analogy of the own account workers and the high level of family networks' involvement in economic activities. The social polarization is much lesser than in the pioneer countries, by another coincidence. The Republic of Korea (with a population of about 50 million people) participates to the group of twenty wealthiest countries (G20)¹⁸⁴ of the Globe and in 2010 had the 12th position between the countries with "very high human development" (UNDP *ibid*, 143). Greece (with a population of nearly 11 million people) was in 22nd position (UNDP *ibid*), in 2010. The two countries confront with the same manner the process of modernization

¹⁸⁴ Group of 20 (G20).

within employment. Year by year the analogy of own-account workers is reduced and the employees are increased (Lytras 2016b, Graph 2.6.2).

The partly analogous phenomena to the two examples could be sought in the cases of Brazil and Mexico. The last cases are more recent and the analogies, up to now, regard the constant reduction of the own-account workers and the enhancement of the status of employees (Lytras *ibid*, Graph App.1.4.2, Graph App.1.4.4), along with the rapid economic expansion and their general developmental enhancement (they are now members of the G20). Despite their achievements, the profile of social well-being is rather low (Mexico was in 56th and Brazil in 73th position, in 2010, according to the Human Development Index) and the majority of their population lives in difficult or unacceptable conditions (UNDP *ibid*, p. 144). All these similarities or the deviations from the strict rules are, of course, coincidences. If we have to choose, we choose the strong development with a high standard of well-being.

Greece has not yet any ambitious neighboring enemy and has launching to pay the cost of its audacious and vainglorious improvement (by a bad coincidence or an accident). The Republic of Korea still has a

dangerous and aggressive neighboring country, namely the N. Korea (by a bad coincidence), and keeps its developmental orbit (by a lucky coincidence or due to the laborious efforts of its people).

Conclusion

The Greek society is characterized by the major social analogy of petty bourgeoisie in social correlations for about sixty years, during the post-war era. The petty bourgeoisie, which is based on the self-employment and the small private property, restrains the intense of the social polarization and the problems of poverty. Step by step, after dictatorship, the country achieved a great economic improvement. The petty bourgeoisie's strata did not pay the cost of development. They remained for years arithmetically at about the same level. They have lost proportionally their previous position, due to the new masses of employees who have entered in employment (after 1992). Some of the members of petty bourgeoisie involved, occasionally or steadily, as employers in the new conditions and flourished until 2008. After the explosion of crisis the

society confronts the harsh conditions, something like “a necessary punishment”. The economy, after the generous economic aid, has been totally blocked, the consumption and the GDP collapsed, the enterprises laid off their personnel in masses, and the unemployment rate approached enormous percentages. All these events are not the symptoms of the very internal crisis, but the outflow of the imposed policy, by the *ad hoc* memoranda (in my opinion). Six years after the first attempt, we can make a small report: The absolute failures of the imposed policies give to the country a pessimistic perspective of the present conditions. The already results bode a harsh and turbulent future for the society, without a visible end. The condition looks like a continuous nightmare.

The catastrophe is easy, but the restructuring needs the fast, adaptable, and key policies. The proposal, which is noticed in the lines of this paper, includes two main measures in a common direction, namely the supporting of the autonomous work. The first is an innovative and radical method for combating the massive unemployment, through the combination of private and public financing, and the activation of unemployed persons with the form of autonomous workers. The second regards the partly haircut

of the debts to the public treasury of own-account workers and some small employers, in order to absorb a proportion of unemployed persons for two years. In any case these proposals are only the indicative presentation of the proper choices, which could immediately produce an economic and social recovery. The proposals recall evidences and pieces from the social realities and functions. They build on the existing economic foundations and reflect the basic lines of social culture.

The aforementioned approach does not look backward. In contrary, it gleans the most recent evolutions and fertile events of productive and work organization, worldwide, and shows the proper modifications for the suitable options. The proposal expresses a kind of work flexibility, which could be easily implemented in Greek society. The potential of implementation gives time and space for the gradual renewal of the older formations, while the new formations are going to transform the society. This is a realistic method for the country. Greece could improve its economic performance, with the analogous surpluses, and pay totally and decently back its debts. The same proposal is compatible with the active trend of work flexibility. The cautious transfer of the same choice to the

advanced countries could make the broad youth unemployment a distant memory and the social conditions of non-privileged people livable or even acceptable.

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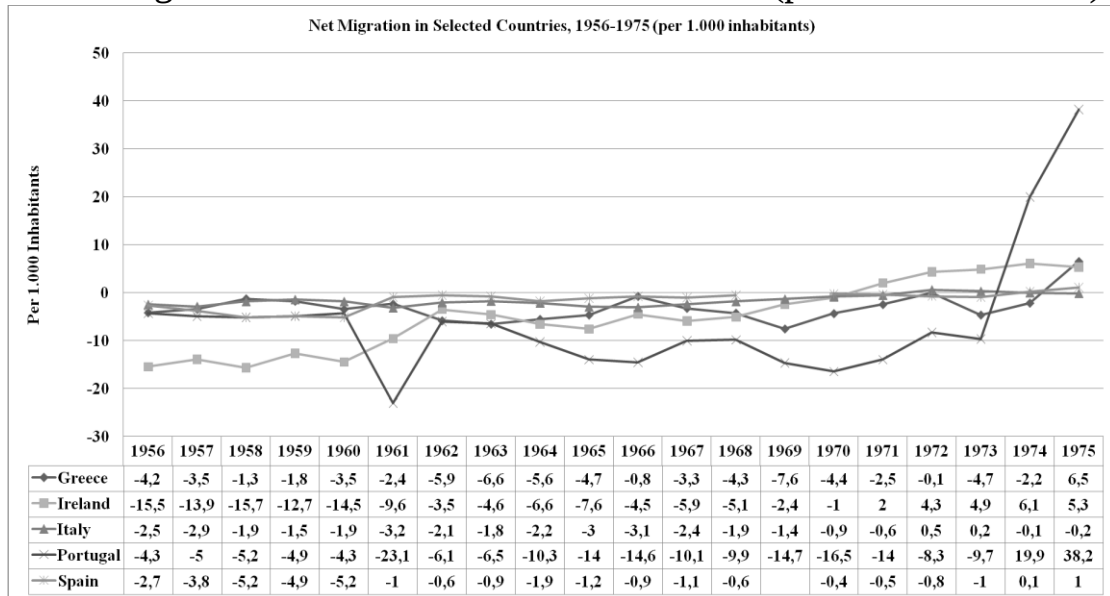
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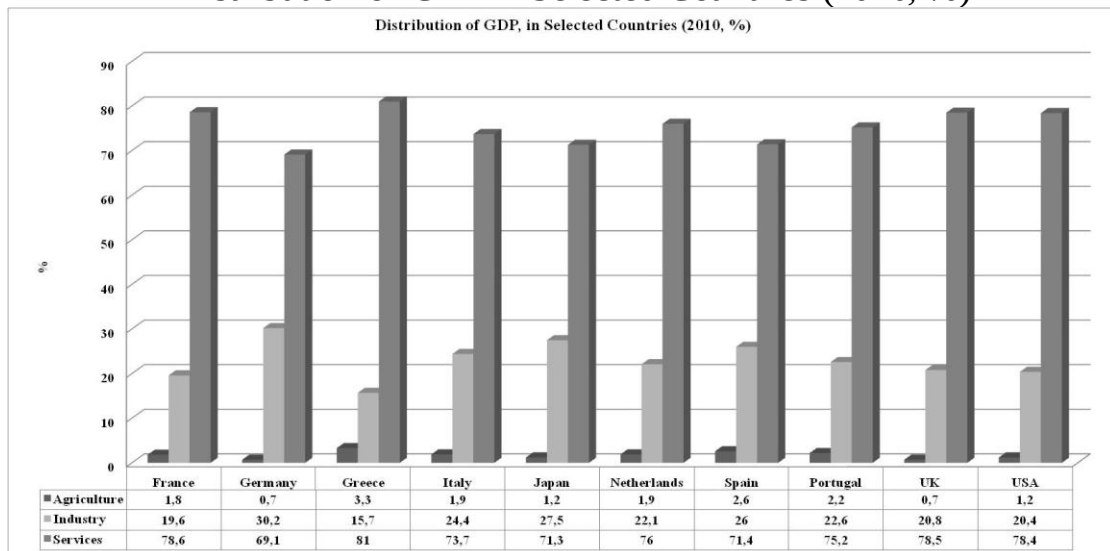
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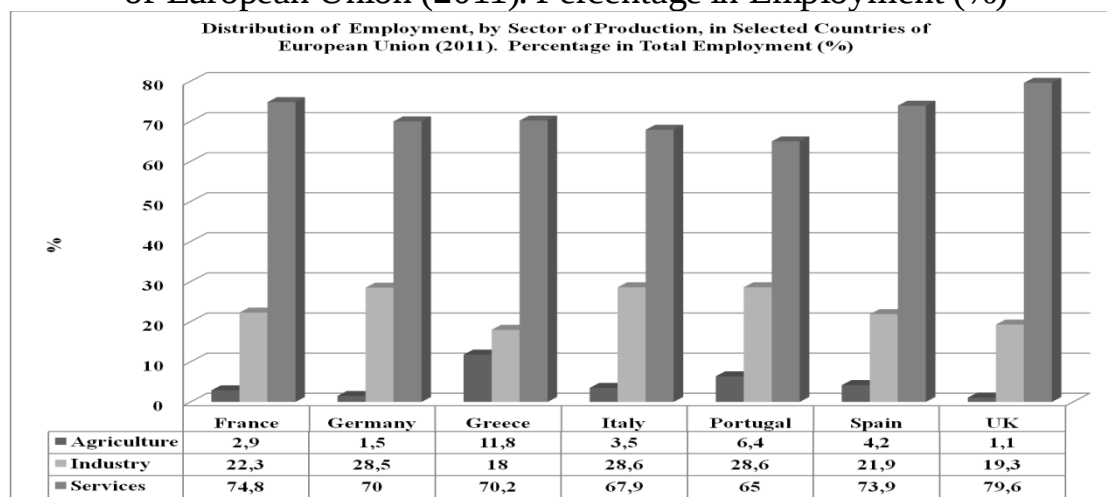
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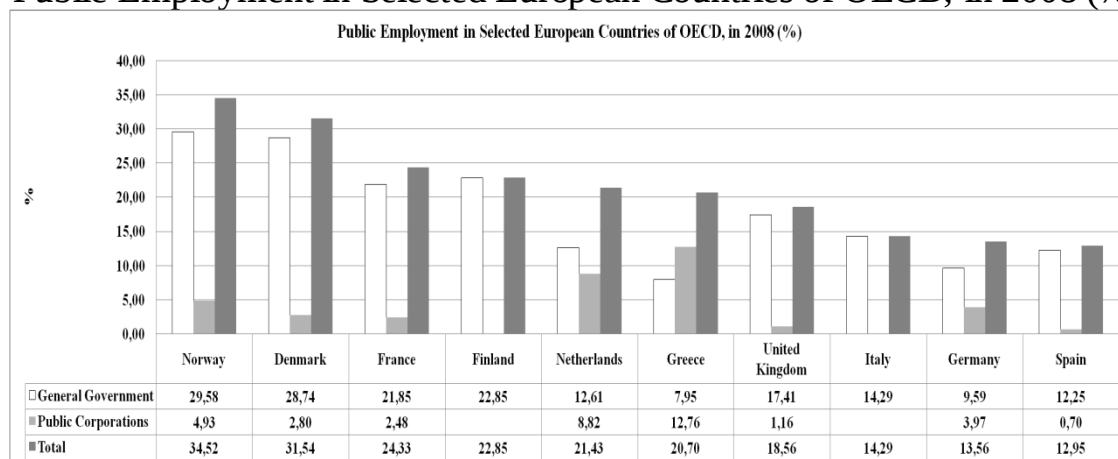
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Figure 3
Distribution of Employment, by Sector of Production, in Selected Countries of European Union (2011). Percentage in Employment (%)



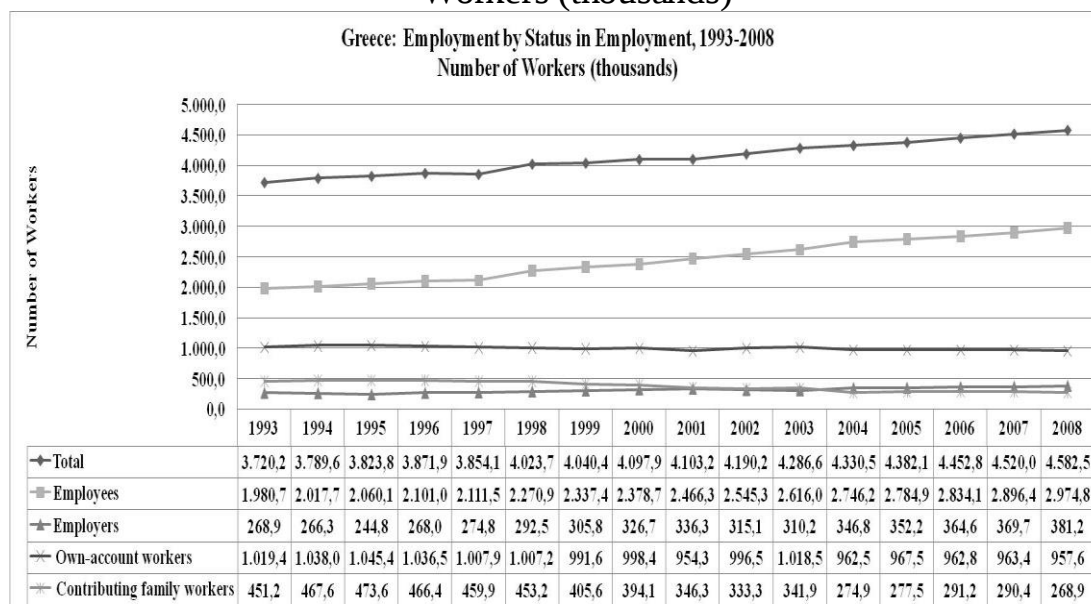
Source: Eurostat 2013.

Figure 4
Public Employment in Selected European Countries of OECD, in 2008 (%)



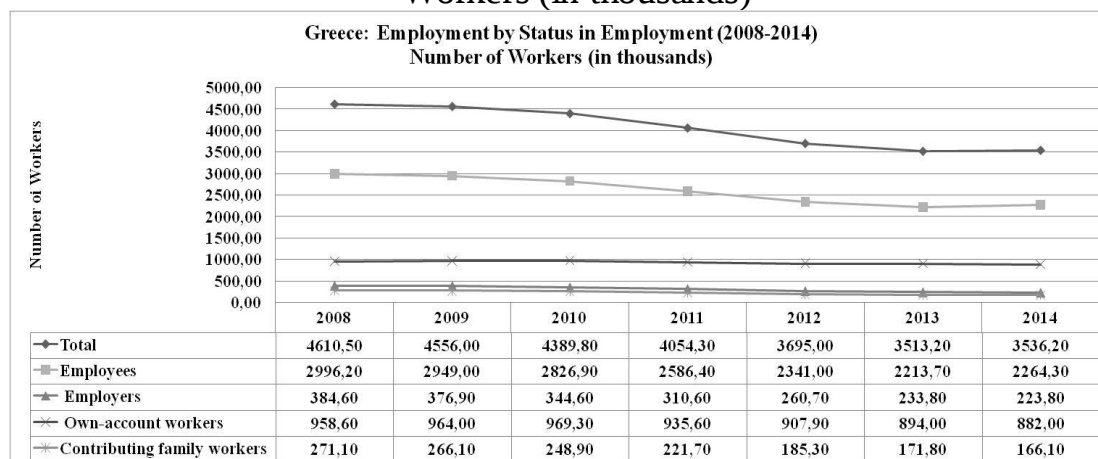
Source: OECD 2011 (Chapter 5).

Figure 5
Greece: Employment by Status in Employment, 1993-2008. Number of Workers (thousands)



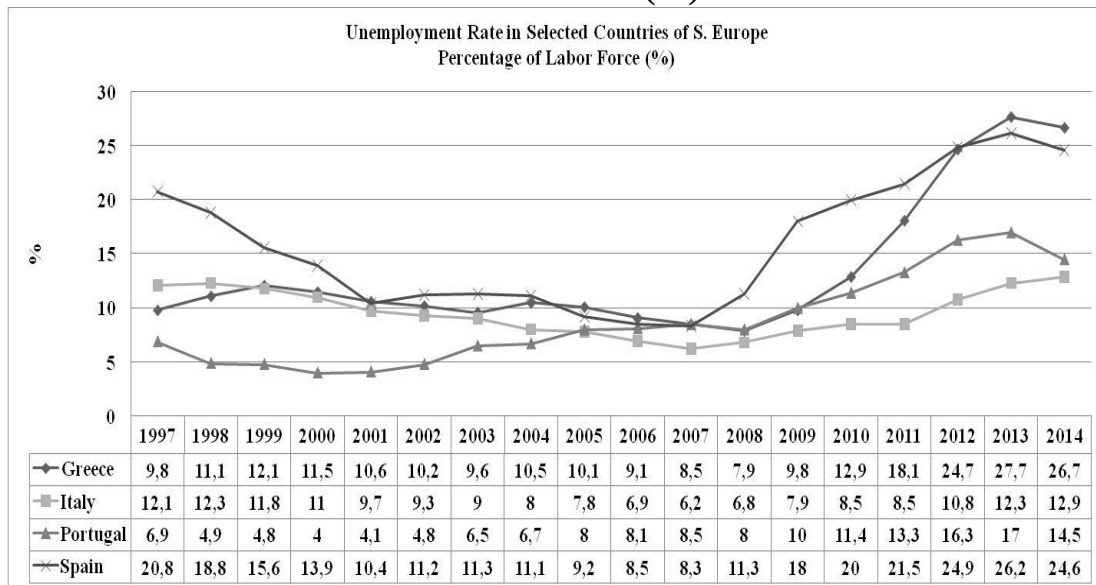
Source: ILO, LABORSTA (Database). *Employment by Status in Employment.*

Figure 6
Greece: Employment by Status in Employment (2008-2014). Number of Workers (in thousands)



Source: ILO, ILOSTAT (Database). *Employment by Status in Employment.*

Figure 7
Unemployment Rate in Selected Countries of S. Europe. Percentage of
Labor Force (%)



Source: ILO, ILOSTAT (Database). *Unemployment.*