

LEFTERIS
ANASTASAKIS

Industrial innovation & transformation Postwar Greece 1950-1973

Widespread myths and invisible truths

Prologue: **Giannis Stournaras**
Epilogue: **Panagis Vourloumis**



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Athens 2023

Preface

This English version of the original Greek edition aims to acquaint the non-Greek reader with the postwar history of Greece, focusing on industrial development from 1950 until 1973. Greece's industrial and technological history has been, until recently, a neglected field of research. It is the first empirical book that examines postwar technological industries in-depth and challenges established prejudices prevalent in Greek economic historiography.

Through case studies of seven important companies that accounted for one quarter of Greek industrial output post war, the book analyses how micro-innovations paved the way for Greece's international success and development. Utilising precise and scrutinised statistical data, this specific history is evidence that the Greek industry had a constructive role in the socio-economic development of Greece after 1950. For readers who enjoyed the sold out Greek first edition, the 500 page second edition is now available.

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Foreword

by Yannis Stournaras, *Governor of Bank of Greece*

This book by Lefteris Anastasakis is a summary of his recently completed doctorate at Athens University. His choice of topic is the post-war history of Greece and its industries, as he covers the course of the Greek manufacturing industry from 1950 almost to the end of the military dictatorship in 1974. As an industrial scholar with long tenure (over 30 years) and experience in various fields, L. Anastasakis has the intimate knowledge and experience required to approach his subject with scientific skill and professional conscientiousness.

The author examines his subject through seven emblematic Greek industries in six key industrial sectors, all of which were vital components for the rapid economic development of the country. These companies, alongside a few more dozens of corporations, are examples of innovative practices that contributed to the improvement of living standards for Greeks. The seven firms are: Halyvourgiki SA (steel sector), TITAN Cement, AGET Iraklis Cement, Piraiki Patraiki textile, IZOLA home electrical appliances, Petzetakis SA hoses and plastic pipes sector and Skaramanga Shipyards. These seven names are iconic in Greece, imprinted in the subconscious (and in the conscious) of those who lived during most of the 20th century. The seven companies together accounted for 25% of the total size of Greek industry in the examined period.

The author aspires in his multi-page work (which is condensed in English to almost 65 pages) to answer three basic questions:

1. Was there applied industrial innovation in Greece?

Introduction

Three basic questions are posed in this book:

1. Was there applied industrial innovation in Greece?
2. Did domestic industry really contribute to the improvement of the living conditions of the Greeks?
3. Did the industry contribute to the education and development of its technical and administrative staff, as well as of Greek workers as a whole?

The answers to these questions are reached through the case studies of seven major Greek companies which accounted for 25% of the Greek industry sector of the first post-war decades. The names of some key industrial players of the era, i.e., entrepreneurs, managers, foremen and engineers are mentioned in Chapters 3 to 7.

The book is composed of 8 Chapters. In Chapter 1 a very brief summary of the information presented in each chapter is given. The general historical post-war context is also presented.

Chapter 2 discusses the total contribution of the Greek industry in the first post war decades. Considering that the general mindset rejects the notion that the Greek industry made positive social and economic contributions, I use “reverse engineering” to prove the constructive role of industry in Greek society. I present the **12 most common fallacies** related to the Greek industry and using statistical data I prove that the common beliefs are wrong.

The debunking of the 12 fallacies requires the reading of Chapters 3 to 7 which analyze the post-war course of the seven

Major political and financial events in Greece and worldwide

Political events in Greece	Financial events in Greece	Major international events
12-10-1944: Withdrawal of German troops. Arrival in Greece of the exiled Greek Government under G. Papandreou, of which K. Varvaresos was a member until 27-6-1943.	Hyperinflation and rapid collapse of public confidence in the Greek currency (drachma).	
1-12-1944: Withdrawal of EAM (connected with the communist party, the KKE) from the Government. Fierce armed conflicts in Athens. G. Papandreou resigns.		
12-2-1945: Agreement of Varkiza, partial disarmament of ELAS (the armed branch of the communist party).	Two failed attempts to stabilize the Greek currency (drachma).	1945: Germany surrenders to the Allied forces. Allied conference held in Potsdam. Atomic bomb detonation in Hiroshima and Nagasaki. Japan surrenders.
	1945: The “disappearance” of Germany from the European economy created major problems in Greek exports. Before 1939, 38% of Greek exports were to Germany.	1945: Bretton-Woods Agreement. International system of fixed exchange rates with the USD (United States dollar) as a pillar. Creation of the United Nations.
March 1946: Victory of the conservative faction, under K. Tsaldaris. Abstention of EAM-KKE.	1946: Third attempt at monetary stabilization. Received loan from England. Establishment of the so-called “Monetary Committee”, with the participation of two representatives from Britain and the USA, with the right of veto on governmental financial decisions.	
Spring 1946: Outbreak of civil war.		

Epilogue

by Panagis Vourloumis, *Ex-Governor of Commercial Bank
and Ex-Chairman & CEO of OTE Group*

Athens, April 2021

Upon reading Lefteris Anastasakis's book, my initial reaction was that of resentment. Why, after all, does he insist on constantly emphasizing that during the period he examines, 1950-1973, the standard of living in Greece improved so much? But then I realized that the book may be written for a different demographic, particularly readers born after 1950. For my generation who lived through it, it is just a commentary on self-evident truths. For today's youth, and even the middle-aged population, these truths are terra incognita; without having experienced it, the perception of this period is at risk, and can even become fertile ground for the growth of various myths about the allegedly negative impacts the industry and its creators had on our country. And this issue is serious, because it is not only about restoring this historical fallacy but reintroducing our past values and social norms. Well done! Not only was this needed, but it was about time someone started putting things in their proper place.

In the years following the revaluation of the drachma in 1953, and until about 1973, Greece's average annual growth rate was 6.2% compared to 3.8% for Western Europe. The contribution of industry to the National Product rose from 20% to 35% and exports of manufactured goods multiplied. The boom in the economy positively affected the standard of living for all Greeks. The era

[...] This book helps to initiate a fruitful discussion about the Greek post-war industry, an issue that has either not been adequately discussed or has often been viewed with suspicion. It is time to overcome the anxieties of the past and to examine objectively and from a distance the substantial contribution of the Greek industry to the reconstruction of the country after the Second World War. [...] A different standpoint can only positively contribute to the discussion and evaluation of one of the most dynamic sectors of the post-war economy.

From Prologue of Giannis Stournaras

[...] Anastasakis places emphasis in many ways on the contribution of industrial enterprises to education. There is an incredibly important dimension here. Being involved in the industry, regardless of level, cultivates virtues such as responsibility, discipline, and competitiveness. [...] The virtues mentioned, in countries with industrial traditions, are diffused in society; they are reproduced and positively influence the characteristics of its people. Here, the creation of an industrial critical mass was violently halted in the 1980s. [...]

From Epilogue of Panagis Vourloumis

[...] Dr Lefteris Anastasakis is to be congratulated, because he went through a lot of archives and dug up information that was scattered or hidden in forgotten and dusty warehouses. He presents the relevant information to us in an organized, summarized, and logical manner. [...]

George Tsatsos, ex CEO Hercules Cement S.A.

