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FORMS OF IDEOLOGICAL HEGEMONY: THE EXAMPLE OF “INFORMAL LABOUR” AND THE CASE OF GREECE

ABSTRACT

Widely used in the social sciences, the concept of “informal labour” affects our perception of the social world. But is it a neutral and impartial concept? This study draws on extensive and unexploited archives of the International Labour Organization that established the concept of “informal labour”; it outlines the broader historical context of the concept’s genesis, the process of its diffusion and highlights the main ideological obsession of the time: the imperative of economic development through massive industrialization. Focusing on the case of Greece, from the beginning of the 20th century until the 1980s, the study constantly contrasts the factual data and their ideological interpretation. The concept of “informal labour” is considered as a key indicator for approaching the complex phenomenon called ideological hegemony.

Keywords: *informal labour, ideological hegemony, social history of Greece, International Labour Organization, economic development; industrialization*

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ΜΟΡΦΕΣ ΙΔΕΟΛΟΓΙΚΗΣ ΗΓΕΜΟΝΙΑΣ:
ΤΟ ΠΑΡΑΔΕΙΓΜΑ ΤΗΣ «ΑΤΥΠΗΣ ΕΡΓΑΣΙΑΣ»
ΚΑΙ Η ΠΕΡΙΠΤΩΣΗ ΤΗΣ ΕΛΛΑΔΑΣ

ΠΕΡΙΛΗΨΗ

Η έννοια της «άτυπης εργασίας» χρησιμοποιείται ευρύτατα στις κοινωνικές επιστήμες και επηρεάζει την αντίληψή μας για τον κοινωνικό κόσμο. Πρόκειται όμως για έννοια ουδέτερη και αμερόληπτη; Η παρούσα μελέτη βασίζεται σε εκτεταμένα και ανεκμετάλλευτα αρχεία της Διεθνούς Οργάνωσης Εργασίας που καθιέρωσε την έννοια της «άτυπης εργασίας»· σκιαγραφεί το ευρύτερο ιστορικό πλαίσιο γένεσης του όρου, τις διαδικασίες διάδοσής του και αναδεικνύει την κύρια ιδεολογική εμμονή της εποχής: την επιταγή οικονομικής ανάπτυξης μέσω μαζικής εκβιομηχάνισης. Επικεντρωμένη στην περίπτωση της Ελλάδας, από τις αρχές του 20ού αιώνα έως τη δεκαετία του 1980, η μελέτη αντιπαραθέτει διαρκώς τα πραγματολογικά δεδομένα και την ιδεολογική τους μεθερμηνευση. Η έννοια της «άτυπης εργασίας» αντιμετωπίζεται εδώ ως ένας βασικός δείκτης για την προσέγγιση του σύνθετου φαινομένου που ονομάζεται ιδεολογική ηγεμονία.

Λέξεις κλειδιά: άτυπη εργασία, ιδεολογική ηγεμονία, κοινωνική ιστορία Ελλάδας, Διεθνής Οργάνωση Εργασίας, οικονομική ανάπτυξη, εκβιομηχάνιση.

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The major function of history [is] to provide instruments
for overthrowing the overly familiar and seemingly natural.

Bourdieu (2014, p. 366).

INTRODUCTION: INFORMAL LABOUR, A POLYSEMIC CONCEPT

For more than 50 years, the notion of “informal” has inspired the international academic community. Starting from the fields of economics and labour, the division of social activities into “formal” and “informal” is continuously expanding, and the relevant publications are proliferating. However, the core, i.e., the historical context, and the specific ideological and political processes that contributed to the genesis and establishment of the term “informal” remain unexplored.

The present study follows a different approach by focusing on the history of the notion of informal labour. Although familiar today, this notion has a complex history, and the first part of the paper briefly reconstructs the ideological, political, and institutional background that gave birth to the informal labour notion. It appeared during the early 1970s within the International Labor Organization (ILO) and, through the ILO’s extensive networks and publications, spread rapidly to the academic world; it was adopted by other international organizations and later, in Europe, by the European Economic Community (EEC). The ILO aimed to gather under the same denomination those workers who did not belong to the category of wagedworkers and were not protected by the state, institutions, legislation, and trade unions.¹

The social realities summarized by the term “informal labour” obviously existed long before the invention and diffusion of the new concept. Until then, however, such realities were apprehended through a variety of terms, definitions, and interpretations, thus accumulating a rich tradition of specific analyses (Castel, 1995). After World War II, this kind of theoretical activity flourished immensely;² but from the 1970s onward, as we shall see, the term “informal” largely supplanted the terminology

1. For the ILO’s current definition of informal labor, see <https://www.ilo.org/resource/45-informal-economy-workers>

2. The postwar literature on the realities encompassed by the notion of “informal work” is extremely voluminous, both before and after the invention of the term. It is impossible to mention here all the relevant publications.

and definitions previously used by researchers. Moreover, for many years, the ILO and scholars would apply the new concept of informal labour exclusively to “Third World” countries, resulting in an impressive amount of fieldwork and publications (Cordonnier, 1991). In those regions, it turned out that the concept of “informal labour” corresponded to a fundamental socioeconomic structure which had very specific characteristics and involved a large proportion of the population (Hart, 1973; ILO, 1972a, 1974a, 1975; Turnham et al., 1990). But, despite this major finding, the term “informal labour” was subsequently adapted to the changing political and ideological priorities of international organizations (Lautier, 2004, pp. 22-37) and became synonymous with the vaguer concepts of marginal people, underemployed, or vulnerable workers (Bangasser, 2000, p. 26; Portes & Haller, 2005, p. 404) – a semantic alteration which erased the particular structure that originally characterized the notions of informal labour and economy (Vaxevanoglou, 2024).

Generated by international organizations during a specific era, the concept of “informal labour” influences the representation we have of the social world. This study considers the case of Greece by constantly contrasting the factual and conceptual levels. It uses “informal” labour (and its ideological foundations) as an indicator to address the complex process called ideological hegemony – always aware that hegemony requires forms of institutional, symbolic, and moral legitimation.³ From this perspective, the issue of “informal labour” in Greece for most of the 20th century –that is, until the 1980s– necessitated to recover the original meaning of the concept, namely the structural dimension of informality.⁴ To this end, information was gathered from the ILO’s voluminous international archives on informal labour, while numerous ILO memoranda and studies by other international and supranational organizations concerning working conditions in Greece during the relevant period were also identified. Within Europe, Greece is a notable exception since, even in the 1970s, salaried labour was not the norm, and most people worked “informally”. Using censuses and surveys, as well as a corpus of interviews with elderly people who worked in informal employment after World War II and a series of

3. The political scientist Robert Cox (1926–2018) was the first to apply Antonio Gramsci’s concept of ideological hegemony to international relations (Cox, 1977, 1981, 1983). It should be noted that after 25 years as a high-ranking ILO official, Cox resigned in 1971.

4. The present study ends before the last two decades of the 20th century and the significant transformation of the Greek labor landscape, i.e., proliferation of “formal” flexible jobs and massive influx of immigrants (Karamessini, 2007, pp. 10, 13).

interviews with a wide range of Greek families,⁵ the second part of this paper analyzes the configuration of work in 20th-century Greece.

Let us start with the very concept of informal labour, its history and meaning.

THE ORIGINS OF THE CONCEPT

The central axis of this study, the concept of informal labour, emerged from a particular historical context and belongs to the broader dynamic of the “development saga” that characterized the postwar era.

The Postwar “Development Saga”

At the end of World War II, a wave of research flooded the world’s poorest countries. It consisted of Western experts specializing in poor countries, working for international organizations, governmental or private agencies and collaborating with universities or research centres (Cooper and Packard, 1997, p. 1). The cessation of hostilities marked the end of European supremacy, the gradual liberation of vast geographical areas from the colonial power system, and the creation of new states. Many poor countries –primarily former colonies– would vigorously claim a better future, while the USA would assume a hegemonic role on a planetary scale and soon emerge as the world’s banker, arbitrator, and policeman, as well as the expert, preacher, and teacher of the global system (Mazower, 2014; McCormick, 1995, p. 33).

Hegemony, however, requires some kind of legitimacy and consensus (Cox, 1983). The main forum for the debates and policies related to this legitimization process was the newly established United Nations (UN) organization (Alacevich, 2018, p. 219) with its various specialized agencies, such as the ILO.⁶ At an ideological level, a decisive consensus was built around the imperative of the economic development of the “underdeveloped” regions of the world to eradicate poverty – an imperative that took very tangible forms. In 1949, for instance, the UN created the Expanded Program

5. This corpus consists of 15 semi-structured interviews with people from poor socioeconomic groups born between 1920 and 1947. Collected by the author in 2000-2003, these interviews provided data for more than 300 individuals (extended family history). Until 2023, the previous information was supplemented with interviews focusing on the implicit functioning of the “traditional” Greek family.

6. Founded in 1919, the ILO became a specialized agency of the UN in 1946.

of Technical Assistance (EPTA), in which the ILO participated along with other UN agencies. For elites in poor countries, the vision of development was an attractive prospect; in the richest countries, this vision was invested with moral connotations, becoming a “humanitarian duty” and replacing the older European precept of the “civilizing mission” inherited from the colonial era (Cooper & Packard, 1997, p. 1). In the postwar age of *Pax Americana* (Cox, 1981), the new form of domination of the Western world was presented as technical superiority and thus appeared neutral and apolitical – if not outrightly “anti-political” (Engerman, 2011, p. 144; Ferguson, 1990). Identified with poverty alleviation, the development of poor regions became a moral imperative and was pushed to the top of the international diplomatic agenda (Alacevich, op. cit., p. 261).

But for the standards and requirements of Western scholars, poor countries –especially the former colonies– were “uncharted” areas, i.e., lacking socioeconomic data. So concern for the development of poor countries initially took the form of research missions and reports, addressed to the departments of the respective organizations and, where appropriate, to the governments of the countries involved. Under different jurisdictions and assignments, international organizations, Western governmental and private institutions, universities or research centres conducted, via their experts, a systematic mapping of the socioeconomic characteristics of poor countries (Bøås & McNeill, 2004).

The ILO

The ILO was perfectly prepared for action of such scale. Founded in 1919, at a time when Europe was in the “midst of revolutionary disorder,” the ILO was conceived as an alternative to the Russian Revolution; it aimed to prevent the emergence or worsening of “social tensions,” the danger of “violent revolutions” (Shotwell, 1933). Through appropriate reforms at the global or national level, it sought to promote “social justice,” “human conditions of labour,” and a fair economic order (ILO, 1921).

The ILO was born within the framework of the League of Nations, originated from the reformist trade union movement, and supervised by the “reformist nebula of enlightened experts” (Cox, 1977, p. 387; Kott and Droux, 2013, p. 10; Topalov, 1999a); it defended the common interests of the “civilized world” and the fundamental values of Western liberalism – namely freedom of association, respect for civil and human rights– but also the elimination of differences in national working conditions that distorted

international competition (ILO, 1921, p. 3). Based on the optimal working conditions in the richest Western countries (Cox, op. cit.; Strang and Chang, 1993, p. 241), the ILO indicated to its member states the ideal standards and the sort of appropriate reforms – such as improvement of their labour legislation (banning child labour, promoting the eight-hour working day, etc.), establishing or strengthening social security systems, etc. Of course, the ILO was not able to supplant any internal social dynamics – what used to be called class conflicts. It could only make recommendations to those member countries that violated these “ideal norms” and, eventually, influence or encourage certain enlightened local elites. But it certainly could not impose norms and standards, and, in fact, it merely recorded the differences between countries in this field (e.g., ILO, 1974b, pp. 1-4). While collecting information and setting standards (Bonvin, 1998), the ILO was also making systematic efforts to harmonize the definitions of labour used in different countries, namely the definition of employment, unemployment, and occupational categories. From 1923 onward, the ILO Statistics Department organised every five years the International Conference on Labor Statistics, which channelled the relevant information to governments, trade unions, and researchers (Maul, 2019, p. 40).

Until World War II, the ILO's activities were primarily confined to the socially homogeneous industrialized countries. However, as early as the 1930s, the Organization, wishing to expand geographically, conducted fact-finding and assistance missions in various “backward” (*verbatim* ILO, 1934, p. 1) countries to disseminate its ideal standards – countries such as Romania, Greece, China, Egypt, Cuba, Venezuela, etc. Most of these early missions sought to help governments implement specified legislation and insurance schemes intended to support industrialization (Maul, 2019, p. 108). Greece, one of the first ILO member states, had received many missions and, by 1936, had ratified 17 conventions out of a total of 52 ILO international labour conventions. These 17 conventions mainly concerned child labour, the protection of pregnant women and nursing mothers, workplace hygiene, and the duration of work. The ratification of these conventions did not mean that they automatically became part of Greek legislation, and only 30% of these conventions were voted by the Greek parliament (Liakos, 1993, pp. 246-250). Above all, it did not mean that they would be applied in practice – with perhaps the most notable examples of non-application of ratified conventions in the Greek case being the ban on child labour, the implementation of occupational hygiene, and the observance of the eight-hour working day.

The ILO's vocation, however, was international, and after World War II, this aspect was favoured by the broader political, institutional, and ideological context.⁷ Under the aegis of the American David Morse, its Director General from 1948 to 1970, the ILO gradually became an "organization of technical cooperation" (Maul, 2019, pp. 163-172). As early as 1948, the Technical Assistance Program was created, and between 1950 and 1965, the ILO sent almost 2,000 experts in 3,000 different missions involving more than 100 countries around the globe (Ghébal, 1987, p. 303). In 1969, with the newly launched World Employment Program (WEP), the ILO –always in close collaboration with other UN agencies and the World Bank– organized "Comprehensive Employment Missions," i.e., fact-finding missions staffed by experts to study the problems of labour in poor countries (Bangasser, 2000, pp. 5-12).

Framing the world

All these "development missionaries" were not just vectors of Western rationality. Capturing the "unexplored" reality of poor countries was achieved through specific concepts, like the key concept of productivity (Alacevich, 2018; Engerman, 2011; Maier, 1977) and classificatory categories that had been established in prosperous countries, sometimes since the 19th century — such as the one whereby workers are only wagedworkers, traceable in the labour market (Topalov, 1999b; Van der Linden, 2008). However, as in the myth of Procrustes, such preconceived terms were either restrictive or superfluous.

Moreover, these "missionaries" brought with them a worldview which held that poor countries simply reflected the past of rich countries before the upheavals engendered by the agricultural, commercial, and industrial revolutions. By analyzing their own past, Western scholars turned it into technical programs for the development of poor countries (Engerman, 2011; Gilman, 2003). The history of mankind had –supposedly– a well-defined direction, and the richest countries represented its supreme achievement (Rist, 1996, pp. 61-94). Therefore, they had to share their historical experience and technical knowledge: In short, they had to change the "problematic" structures of "underdeveloped" societies and help them approach the norms of rich societies. The result would (allegedly) be the homogenized and democratic world of the global market (op. cit., pp. 131-150).

7. The ILO adapted its policies to the new international postwar order (Kröss et al., 2022, pp. 250-263; Van der Linden, 2019, pp. 20-28).

This interpretation of development (and of history's direction) was not impartial; on the contrary, it implied a particular relationship of financial, technological, political, ideological, and cultural dependence between the wealthy industrialized world and the poor countries. It was no coincidence that the postwar period was characterized by an impressive body of Marxist-inspired literature on the inequality of global development, which would lead to the elaboration of dependency, unequal exchange, and centre-periphery theories (Amin, 1957; Arrighi, 1967; Emmanuel & Bettelheim, 1962; Sweezy, 1946; Wallerstein, 1961, etc.). Nevertheless, the idea of "global development" was mainly an outcome of the Cold War, and Truman's inaugural address to the USA Congress on 20 January 1949, marked the launch of the "new development era" (Cooper & Packard, 1997, p. 8; Gilman, 2003, pp. 68-78; Lorenzini, 2019, pp. 22-32; Rist, 1996, pp. 131-150). In Southern Europe, however, the "new era" had already begun with the Marshall Plan (enacted in 1948), which included support for the economic development of poor countries such as Greece, Italy, and Turkey. These countries functioned as "laboratories," testing methods and experiments that would later be extended to the whole planet (Lorenzini, *op. cit.*, pp. 69-70). In the Greek case, the "experiment" had started earlier with the application of the Truman Doctrine of containment (announced on 12 March 1947) and the American management of the Greek Civil War (Stathakis, 2004; Voglis, 2005, pp. 299, 300). This corresponded to the harshest version of hegemony and the saga of "peaceful" global development.

In any case, the perception of poor countries as "backward" and the consequent "moral obligation" of the richer countries towards them preexisted, both in the context of colonial power relations and for "peripheral countries" such as Italy or Greece (Alacevich, 2018). However, during the postwar era, it was systematically supported by all international organizations and acquired new dimensions (Kröss et al., 2022). After World War II, the ILO devoted most of its activities to delivering in-depth studies, organizing special seminars or international conferences on "underdeveloped" countries, and providing technical instruction to the governments of the countries concerned: i.e., advising them on how to institute or improve labour legislation, statistical services, and social insurance system; how to rationalize their labor market (e.g., by founding employment agencies); how to persuade their enterprises to introduce new management methods, upgrade their workforce (by retraining executives and employees), benefit from the official bank system of lending and, above all, how their states should selectively support a few small

manufacturing units, the breeding ground for larger enterprises capable of joining the global market.⁸ Between 1947 and 1979, like a multitude of other countries, Greece received the ILO corresponding assistance. This assistance continued during the dictatorship (1967-1974), a regime whose first actions were the imprisonment of left-wing or democratic citizens, politicians and trade unionists, the dissolution of trade unions, and the replacement of senior officials. But since development was seen as an “apolitical policy,” in 1968–1969, always in “close collaboration with government representatives,” the ILO carried out studies on the labour market and small enterprises in Greece. Fully in line with the dominant assumptions about small manufacturing units, these publications assert that, with proper guidance and adequate adaptations, some units would be transformed into highly competitive enterprises. In the same vein, in 1969 the ILO established the Centre for Industrial Development (KEVA), intended to assist small-scale enterprises (ILO, 1972b, 1973). The concrete results of such assistance are questionable: A study on Greek craft units between 1960 and 1980 emphasizes that, despite all the assistance granted, not only did the small units remain small, but they proliferated. Furthermore, many of them managed to mechanize without resorting to banks or state loans, but by using family savings and social networks, i.e., the traditional way of financing (Koniordos, 2015, pp. 44, 47-48).

All international organizations promoted the transition process of the poorest countries into the world system — but always through the same development paradigm. Being primarily agricultural, poor countries had to reduce their undernourished but “overabundant” population, diminish their “unproductive” agricultural sector and, above all, by establishing large industrial units, make productive use of their “surplus labor force” (Lewis, 1954; Rostow, 1960). Even for the UN Food and Agriculture Organization (FAO, 1947) the future of the Greek agricultural sector was teleologically predetermined: The many small farms had to disappear, a few had to be enlarged and mechanized, and the resulting (huge) surplus population would serve, through rural exodus, the vision of industrialization. Once again, reality largely disapproved theory – especially, since the subsequent rural mobilizations prevented the implementation of a systematic agricultural policy and ended up in favour of the perpetuation of existing structures (Louloudis, 1986, pp. 399-400). In short, real society was reacting.

8. Evidence from hundreds of ILO international archives. For Greece, see ILO, (1972b), (1973), (1978a), (1978b), (1979), etc.

Nevertheless, the prevailing theory required the elimination of tiny agricultural, manufacturing, or commercial units –the main attributes of poor countries– and their replacement by large enterprises accumulating capital, wagedworkers, modern machinery, and technical knowledge. Through this one-way development imperative, “postwar imperialism was the imperialism of knowledge” (Cooper & Packard, 1997, p. 64), a supposedly apolitical knowledge. For the cosmopolitan scientific community back then, small sizes and lack of “rational scientific organization” were enough to explain the poverty and “backwardness” of the South (Bangasser, 2000, pp. 3-4). In this context, the concept of informal labour would constitute the “Trojan horse” of the international organizations’ ideological hegemony.

The establishment of the term

Coined in 1971 by the English anthropologist Keith Hart,⁹ the concept of “informal labour” was immediately adopted by the ILO as its central interpretative axiom for the WEP, a vast program covering many countries in Africa, Asia, and South America. In the space of a few years, the WEP produced hundreds of studies on the “informal economy” of countries such as Kenya, India, El Salvador, Indonesia, Ivory Coast, Colombia, Brazil, the Dominican Republic, Mexico, Ethiopia, etc.¹⁰ Through the publication of these studies, the term informal labour spread within the international scientific community and was quickly adopted by powerful organizations, such as the World Bank, as an indicator of labour “irregularities” around the world (World Bank, 1977).

Initially, the concept of informal labour referred exclusively to poor countries, where it corresponded, as we shall see, to a phenomenon of the greatest magnitude. However, the socioeconomic reality identified by this concept was not *terra incognita* for historians, sociologists, economists, anthropologists, or geographers (e.g., Amin, 1957; Arrighi, 1967; Bourdieu et al., 1963; Geertz, 1963; Santos, 1971). The term “informal” was by no means a scientific discovery but merely a neologism. Nevertheless, it gradually

9. In September 1971, at the major conference on “Urban unemployment in Africa,” organized by the Institute of Development Studies (University of Sussex) and attended by leading ILO researchers, Hart presented a paper entitled “Informal income opportunities and urban unemployment in Ghana,” which was subsequently published (Hart, 1973).

10. The relevant material consists of many hundreds of studies. Indicatively, see ILO, (1972a), (1974a), (1975).

supplanted the terms previously used to describe the economic activities of most “Third World” inhabitants – including “primitive,” “traditional,” “pre-capitalist,” “bazaar-economy,” “underdeveloped,” “lower economic sector,” “small-scale entrepreneurship” or, in a more scientific version, “simple commodity production” (Hugon, 2014). From the 1970s onward, under the aegis of international organizations, the term “informal” took precedence over all others. And strangely enough, from the purest Marxists to the most liberal neoclassical, everyone nowadays uses the same term (Barnes, 2012; De Soto, 1989). Furthermore, the “informal” term has managed to blur very familiar socioeconomic realities –like small farms, handicrafts, microenterprises, self-employment, family work and solidarity– which are now assimilated into the “informal sector” (Lautier, 2013, pp. 41-42). “Informal” seemed ideologically neutral and “politically correct”, but it once again confirmed Western supremacy: by alleging an absence of form and configuration, the ineluctable solution to “informality” was its... formalization, i.e., its alignment with Western production and labour standards – an alignment which, of course, never took place (Bremen and Van der Linden, 2014).

However, the “informal mania” has had the inestimable benefit of generating a profusion of valuable studies on this pattern of production and work organization. And yet, their results were unexpected. These studies identified the same organizational structure in African, Asian, or South American countries, contradicting in this way the intrinsic meaning of the word “informal” – *économie non-structurée* in French publications (Cordonnier, 1991). Based on the common features of informality, the Fifteenth International Conference of Labor Statisticians undertook to define the informal economy in a methodical fashion (ILO, 1993, pp. 51-64).

VICISSITUDES OF THE INFORMAL CONCEPT

The initial definition

The term “informal” was initially employed by the ILO for poor countries; it implied a specific organizational structure articulated around small family units operating in the primary, secondary, or tertiary sectors. The family is the productive unit, possessing its means of production (land, workshop, shop), while its members constitute the workforce. Family units display little to no division between labour and capital. Operating on a small-scale and involving a high labor intensity, their primary objective is to generate employment and income for the people concerned (ILO, 1993, pp. 51-64).

Small units mainly provide cheaper goods and services accessible to the poorer sections of the population: food processing and trade, repair works (cobblers, painters, plumbers, electricians, car mechanics, etc.); transportation of raw materials, commodities, or people; production of low-priced clothing, footwear, carpets, or furniture, various inexpensive household products, etc. Their clientele consists mostly of “acquaintances” (relatives and friends), and often the prices of products and services are not fixed, but subject to bargaining. Finally, working hours are longer than in the formal sector (Turnham et al., 1990).

Workers classified as “informal” are predominantly self-employed or working members of family units. Such workers are defined by a shared cultural and social background where vocational training is “informally” provided through apprenticeship (the heads of informal units are usually former apprentices in “informal” or “formal” units), where enterprise financing is also “informal” (i.e., from family savings and/or intrafamily loans), where people do not approach “special agencies”, but informally their relatives and friends to find a job (Turnham et al., 1990). Finally, in the absence of a “strong” and “efficient” state and the lack or insufficiency of welfare systems, it is the family that –once again “informally”– protects against life’s risks (unemployment, illness) and takes care of children and the elderly.

In the South, people working in the “informal economy” may be poor, but they are certainly not socially marginalized, as they represent the rule rather than the exception. Relationships within the “informal economy” are highly structured and largely embedded in family, kinship, or neighbourhood ties (e.g., ILO, 1993, pp. 54, 58; Pizanias, 1998, pp. 116-119). The term “informal” corresponds neither to the “floating population” nor to Marx’s passive “reserve army,” and the “informal” sector does not only comprise “underemployed shoeshine boys and sellers of matches,” nor does it consist exclusively of people living from casual jobs (Hart, 1973, pp. 61, 68, 78). “Informal” workers are real labourers, people who work hard, producing real products and services, as well as genuine surplus value (ILO, 1972a, pp. 139-140). Dynamic and inventive,¹¹ profitmaking and productive, the informal sector was not initially considered an obstacle to economic development (Hart, *op. cit.*, p. 88; ILO, 1972a, 1974a, 1975).

11. In their analysis of the informal labor in Greece after 1980, Vaiou and Chatzimichalis (1997) insist on the dynamic and inventive character of the informal sector.

Linked to simple commodity production, such “informal” activities were key components of Western societies before industrialization. Not only did industrialization bring about a radical change in the organization of production and work, but it also shaped a different society, a new kind of state, a distinct way of life, and a specific culture (Allen, 2017). Above all, industrialization did not automatically lead to secure working conditions in the West; these were won through workers’ long and arduous struggles – through social tensions that were often revolutionary.

Informal and its transformations

Initially applied to the world’s poorest countries, the concept of informal labour included most of their populations: During the 1960s, the percentage of wagedworkers in Africa was estimated to be less than 20%, while the overwhelming majority –over 80%– had informal occupations (ILO, 1974c, tbl. IG, p. 34).

Completing its staggering trajectory in the late 1970s, the concept of informality was applied to affluent countries, where it certainly reflected a different reality. In 1980, the informal sector in New York City involved only 7.3% of the workforce and consisted of small-businesses workers, the self-employed, and, to a lesser extent, domestics. The remaining 90% of the city’s population held formal jobs (Portes & Haller, 2005, tbl. 1, p. 414). According to an ILO study, a similar situation was found in Northern Europe, where in 1970, wagedworkers reached 90.15% of the total workforce in the United Kingdom and 83.90% in West Germany. Southern Europe displayed lower rates of wage employment: Italy had 71.54%, Spain 64.19%, and, especially, Greece 41.77% (ILO, 1974c, tbl. IA, pp. 6–8).

Compared to its structural dimension in poor countries’ economies, the term informal labour reflected a kind of “residual” category in the economies of the richest countries: those “left behind” without the state-guaranteed status of formal workers and were therefore excluded from the widespread job security that characterized the richest countries during the postwar era. With the onset of the crisis in the mid-1970s, variants of “informal” (i.e., precarious) labour proliferated in rich countries, although it was a new type of informal employment approved by governments (Karamessini, 1999, p. 8).

But what was the situation in Greece, a poor European country where, even in 1970, 58.23% of its population worked in informal employment?

The notion of informal in Greece

Having never been a colony, Greece was not considered a “Third world” country and was not part of the ILO’s WEP, which disseminated the term informal. However, Greece was from early on the object of studies as well as the recipient of recommendations and assistance through other ILO programs, such as the EPTA. Although the various ILO reports on Greece are not (as within the WEP) overrun with the term “informal”, they nevertheless contain the same verdict on tiny units: They constituted the major problem. Greece’s development was identified with the mass industrialization of the country’s economy. This process was perceived to require the upgrading of a few small-scale enterprises and the disappearance of others – meaning the disappearance of around 90% of units in almost all sectors. Just as elsewhere, these were one-person units or little family businesses, which did not use bank loans but social forms of financing. Management responsibilities were assumed by the owner, who, trained by apprenticeships in small or bigger enterprises, used empirical methods, etc. The ILO experts estimated that if some small units eliminated their “irrational” mode of operating, they could join the global system.¹²

The neologism of “informal” reached Greece at the end of the 1980s, mainly through the large-scale research program funded by the EEC concerning the informal economy of Southern Europe (Barthélemy et al., 1990) – and accordingly, “informal” became the main explanation for the discrepancies between EEC countries. In Greece, however, this neologism was not adopted by journalists and politicians (as was the case in other countries) and did not spread beyond the circle of social scientists. Moreover, primarily studied by economists, the term “informal” was identified with the notion of *para-oikonomia* – a parallel economy defined by tax evasion (Pavlopoulos, 1987) – and not with the “nonstandard” employment conditions and the specific structure discussed here.¹³

The next section focuses on the obscured landscape of working patterns in 20th-century Greece and the significance of “informal” labour.

12. Information from the ILO reports on Greece, e.g., ILO (1973).

13. For a thorough analysis of the concept of informality in Greece and its differences with *para-oikonomia*, see Pizanias (1998); Vaiou and Chadjimichalis (1997).

THE GENERAL PICTURE OF EMPLOYMENT IN GREECE

At the beginning of the 20th century, Greece was a poor country where small farmers, craftsmen, petty traders, self-employed, and their families constituted most of the workforce – displaying the very characteristics that, many years later, the ILO would define as “informal” employment. In 1928, for example, waged workers represented only 32.2% of the workforce (1928 Census, tbl. III, p. 14) – without this automatically implying that their jobs were formally secure and protected.

Starting with the rural sector, let us look at the information on employment from national censuses, studies, many ILO reports on Greece, and the corpus of interviews.

The rural space

For centuries, the regions corresponding to present-day Greece belonged to the Ottoman Empire and consisted mainly of rural areas characterized by very small family holdings. The Greek Revolution of 1821 created an independent state, nationalized Ottoman property, and systematically redistributed land to peasants. This measure – which determined the structure of the emerging society – was facilitated by the fact that the groups who led the Revolution were not landowners. The formation and concentration of Greek commercial capital did not result from landownership but from other, more complex mechanisms (Pizaniyas, 2020).

Therefore, in independent Greece, most peasant families cultivated their little plots of land. Having long since abandoned the “autarky economy”, which allowed them to produce everything they needed, peasant families were forced to buy food in local markets at retail prices, while selling their production at wholesale prices. To cover these budget shortfalls, family members – especially men – sought temporary employment as labourers (in road construction, public works), as transporters of raw materials or merchandises (using their animals), or as seasonal workers in the cities employed in tobacco processing, local crafts, etc. (Evelpidis, 1934, pp. 22-23). Although poor, peasants remained owners of their minuscule plots, and the political power steadily supported the country’s rural basis through land redistribution and tax concessions (Dertilis, 1993).

A similar structure was reproduced during the 20th century. The average (tiny) holding of 2.55 hectares in 1928 had risen only to 3.22 hectares in 1961, while most peasant families continued to own their land: from

83.59% in 1928 to 89.6% in 1961 (Gritsopoulou, 1972, tbl. 3, p. 226; 1928 Census, tbl. III, p. 4; 1961 Census, tbl. III.7, p. 26). In this context, where many peasants were poor but not proletarianized, a significant part of the rural exodus to the cities was only temporary, and peasants returned to their smallholdings (Foudanopoulos, 1999, pp. 90-92). A broader variant of this strategy might also include emigration. Indeed, in the first decades of the 20th century, migration abroad came chiefly from rural areas, was temporary, and did not correspond to a definitive break between the parental family and the village (Tournakis, 1932). A similar pattern persisted until 1959–1975, a period during which nearly half of Greek migrants were still temporary and originated mostly from the countryside (ILO, 1978a, p. 14). In any case, by 1970, migrant remittances represented 4.1% of the gross domestic product (Glytsos, 2006, p. 208) and, through these transfers, migrant labour contributed to maintaining small local family units.

Within the Greek territory, temporary wage work by a member of the peasant family functioned as a complement to the family's agricultural activities. In its most classical version, it corresponded to the short-term employment of the household head – usually lasting until the required amount of money to supplement the family income was collected (Foudanopoulos, 1999, p. 90-92). The same pattern of the *ad hoc* allocation of the rural families working time emerges from the corpus of interviews with people who had lived in rural areas after World War II: either the seasonality of agricultural activities made it possible to free up some labour time for “working somewhere else,” or the family could reallocate the duties of its members (the mother or older children assumed the working roles of the absent father). This way of balancing the fragile accounts of rural families continued for decades. One of its consequences was the very slow eradication of illiteracy in rural areas, where –despite the existing legislation– children, who had to contribute to their family income, attended school sporadically (Vaxevanoglou, 2010, pp. 40-41).

A thorough ILO study emphasizes that, as late as 1971, 9.14% of children aged between 10 and 14 were involved in child labour, around half (54.36%) of which were found in rural areas. As noted in the report, Greek legislation, which regulated child labour in the industry quite strictly, made no provision for child labour in agriculture — a sector dominated by family units for which, in general, there was no labour legislation. While setting some overall restrictions, Greek legislation did not prohibit child labour within the family context in agriculture, manufacturing, trade, or services (barbershops, cafes, restaurants, hotels, etc.), provided that the family of

the minor worked there. As the report explained, although Greece was in the process of transitioning to modern urban life, the extended family remained predominant, strictly structured according to the traditional family culture. Within the household, child well-being (food, clothing, shelter) took priority, but the family was reluctant to accept interference from the state (ILO, 1979). Depending on their basic needs, families decided what to do with their children, and inevitably, the state complied with these decisions, dictated by a precarious and minimum standard of living.

Moreover, the interviews revealed that these children were not “sent to the labour market” but worked on the family farm, or, always in a family context, were employed as assistants and apprentices in small commercial or manufacturing units run by a relative. Placing children in a “foreign” (i.e., non-kin-related) house, workshop, or shop was considered a “great shame” and a sign of extreme pauperization. Although destitution was rare, many social classes had only a rudimentary standard of living, and the Greek state did not intervene in these fragile social conditions, letting poor families sort out their internal problems as they saw fit.

In addition to child labour and the “compromises” between state and families, the notion of salaried employment in rural areas –but also that of the labour market– remains open to question. As a whole, the peasant family was not dependent on wage work and kept control over its members’ working time. Any supplementary labour, whether rural or urban, was part of a strategy and functioned only in a subsidiary way: while preserving the relative autonomy of the family, some of its members could work outside the family land according to the fluctuations of the family’s needs. However, peasants maintained a targeted and temporary relationship with wage employment and the labour market.

As Didier Terrier observes (1994), the concept of the labour market is confined to a particular social space. But what happens in societies where most people work in a rural environment? As Terrier argues, this concept fails to capture any rural activity that did not pass through the labour market. Early manufacturing occupations, along with all the possible forms of craftwork in the village, are also omitted. And what about Terrier wonders, urban workshops and proto-industries? Originally located on the outskirts of cities, workshops and proto-industries nourished a constant and dense back and forth between the countryside and town. As long as the peasants were not proletarianized, these workplaces failed to stabilize and consolidate a labour market. On the contrary, this “labour market” was an ever-changing reality.

The concept of the labour market –the theoretical place where labour supply and demand meet– is an invention of economists and emerged from concrete historical circumstances. Having the present as a reference, this concept attempts to interpret incompatible historical realities and fails to approach those forms of labour that retained a high degree of fluidity and did not take on the aspect of stable wage labour, i.e., seasonal workers or peasants working –always temporarily and in a targeted way– as wagedworkers. Moreover, the labour market concept is intertwined with the equally questionable concept of *homo oeconomicus* – this lonely individual who, having an accurate consciousness and knowledge of his/her interests, seeks, selfishly and by all means, to support them (Gautié, 2014, p. 125). As the anthropologist Maurice Godelier argued years ago (1966), neoliberal theories have become so influential that historians want to prove their validity, retrospectively, in every place and time: The market concept replaced the very complex concept of exchanges. Contemporary markets and *homo economicus* are endowed with a fictitious centuries-old historical depth and erroneously considered to be the “natural condition” of human societies. Projecting onto the past current social relations, as well as analytical categories or ethical principles in use today, leads to a false interpretation of the social relations under consideration here.

In rural Greece, families were poor but compact and cohesive, managing thus to survive. They constituted the decision-making center for the employment of their members and the income distribution among them: Financial pressures were not dealt with individually (Foudanopoulos, 2002, p. 300). This is of fundamental importance – all the more so since the same pattern of families’ income generating activities was reproduced in the Greek urban centers too.

The urban space: A constant dual structure

Although Greece acquired few industrial units during the 19th century, the seasonality of wage employment remained a key feature. After 1922 –thanks to the arrival of some 1,200,000 largely deprived refugees from Asia Minor– a more stable nucleus of wage earners was established in Greek cities. At the same time, however, the opposite tendency of temporary wagedworkers, self-employed, and minuscule units where the whole family worked was also reproduced. In 1928, 61% of workers in manufacturing were employed in family workshops, while only 39% worked in larger units. In cities, such small workshops constituted the backbone of the

country's productive life, and in 1930, nine out of ten enterprises were tiny units located in every neighbourhood throughout the country. Very few enterprises (10%) were mechanized, and their major features were intensive labour, low wages, and endless working hours. Stores were always open, and workshops often functioned even on Sundays (Foudanopoulos, 2002, pp. 302-303). As the ILO would define it forty years later, this was an essentially "informal" employment condition.

A 1947 ILO mission that visited Greece during the Greek Civil War highlighted similar issues. Its 398-page report contains impressive analyses of the working conditions in Greece; in 1947, as before World War II, the report underlined, that the vast number of non-wageworkers is due to the numerous little farms, small crafts, and workshops that do not employ wageworkers but only family members. The report indicated that Greek labour legislation, unlike those of other countries, sought from the outset to encompass all workers and not just factory workers – with the sole exception, however, of family units. Regarding rural areas, the mission noted both the minuscule size of the plots and the importance of family ties – since, for example, the main feature of Greek emigration, primarily involving very young men of rural origin, was the significant remittances that migrants sent back to their families. Despite the unfavourable conditions, the conscientious ILO representatives spent part of their time visiting working-class neighbourhoods and residences, small businesses and workshops in Athens, Piraeus, and Thessaloniki. Just like before World War II, much of the manufacturing activity was carried out, according to the report, in small establishments of twelve to twenty workers and in workshops employing only two or three people. It also pointed out the vast variety of products manufactured by small establishments (textiles, ceramics, glass, rubber and plastic products, cigarettes, etc.) and by family workshops (clothing of all kinds, metal products, carpets, furniture and other household items, printing works, small engineering and mechanical workshops, etc.). But in such workplaces, the mission concluded, ensuring satisfactory working conditions and the effective enforcement of Greek labour legislation (whatever it might be) was a particularly thorny issue (ILO, 1949).

Thirty years later, in 1978, an ILO report noted similar structural characteristics – even though Greece had in the meantime experienced significant industrialization, a decline in its agricultural sector, and, since 1974, a democratic regime. All sectors of the Greek economy were characterized by a very high number of microscopic enterprises and self-

employed workers: farmers, craftsmen, petty shopkeepers, and a multitude of small professions. These made up 60% of the workforce – whereas, according to the report, the corresponding percentages in the countries of the Organization for Economic Co-operation and Development (OECD) were between 10% and 20%. In the manufacturing sector, 95% of enterprises were small family or self-employed units, operating in almost all fields. As might be expected, these units were still self-financed, their managers were invariably self-taught, and working conditions remained deplorable: lack of hygiene, excessive working hours, etc. But, curiously enough, these units were generally well-equipped, and when their equipment was obsolete, productivity increased through ingenuity.¹⁴ Meanwhile, wagedworkers, who accounted for 32.2% of the active population in 1928, had risen to 45% in 1975 and were concentrated in major industries, banks, public works, and the public service sector (ILO, 1978b).

The same pattern was reproduced until the end of the 20th century, with the multitude of very small enterprises and self-employed people remaining the main characteristic of the country (Chletsos, 1989; Pizanias, 1993). Nevertheless, during the period 1953–1973, Greece experienced explosive economic development –the “modern Greek miracle”– which belied the forecasts of (almost) all economists. The average growth rate of gross domestic product per capita (6.5% per annum) was the highest in Western Europe and, among OECD member countries, the second highest after Japan (Iordanoglou, 2020, p. xvii). And yet, this “miracle” was achieved thanks to small family units and the self-employed, thanks to their extremely intensive labour, “the overwork that exhausted their physical limits” (Stathakis, 2002, pp. 56-57). The “miracle” was also achieved thanks to the capital accumulated and invested in the economy; however, most of these funds did not derive, as elsewhere, from the banking and business sectors but, unexpectedly, from small family savings and intrafamily microcredit (op. cit.). The inherent vitality and adaptability of small family units have largely contradicted mainstream economic theory.

The structure of production and labour is, according to ILO criteria, dual, which means divided between “formal” wage labour and “informal” nonwage labour, i.e., the hard work of the small family units and the self-employed mentioned above. However, real life is much more complex than any dualistic schema, and at the individual or family level, the interviews revealed a high degree of mobility and fluidity between “formal” and

14. As expressly stated in an earlier ILO report, ILO (1973).

“informal” employment – mobility and fluidity confirmed by the literature (Hart, 1973; Turnham et al., 1990). Some interviewees had worked simultaneously in the formal and informal sectors or had temporarily held an informal job while looking for a formal one; conversely, salaried workers had sought to shorten their “formal” salaried career by setting up “informal” small family businesses... Nevertheless, at the national level, this dual structure has been constantly reproduced in Greece. How can this phenomenon be explained?

POLITICS

Although he did not deal with modern Greece, in his seminal book *La dynamique du capitalisme*, Fernand Braudel (1985) offered many explanations. He wrote about the coexistence of different modes of production at the same historical moment and in the same country. He also noted that capitalism exists only when backed by political power and triumphs only when identified with the State, when it is the State. So the State is either favourable or hostile to the financial world according to its equilibrium and its capacity for resistance (p. 68). Finally, Braudel stressed that one must distinguish between capitalism and the “market economy,” i.e., an economy that existed long before capitalism and developed through trade. The market economy encompasses the multitude of simple and daily exchanges of goods or services that occur in bazaars, stalls, small shops, and so on. The market economy, Braudel argued, continued to exist after the prevalence of capitalism.

Leaving aside the third element, let us turn to the first two and explore their implications for our subject.

The South European Model of capitalist development

In Greece, as in extensive rural areas of the South, commercial capitalism –i.e., capitalism that expects to make a profit from the circulation of goods rather than their production– dominated early on, but it did not evolve into large-scale industrialization, a massive peasant proletarianization, or the predominance of wage labour (Mingione & Magatti, 1993). In short, the Greek state was not identified with industrial capitalism, and thus the collective mass worker of Northern Europe never prevailed (Stratigaki & Vaiou, 1994). More precisely, during the phase of the country’s astonishing development (1953-1973), the Greek state supported both poles, the

industrial and the small commodity production: while completing the country's essential infrastructure and industrial framework, it also sustained its broad "informal" basis, allowing it not only to survive but also to generate more income and employment (Voulgaris, 2019, p. 225). What could reasonably be considered a "reactionary" (or a nonprogressive) policy concerning the country's economic development was, in practice and by necessity, a "social policy". In any case, as long as there was a demand for wagedworkers from rich countries, Greek migration abroad was encouraged by all governments – but, more importantly, by international organizations that assessed which parts of the population were "underemployed" and "minimally productive" and therefore "eligible for emigration" (ILO, 1954). But at the same time, migration helped the "decongestion" of a system dominated by small family units, which, thanks to migrants' remittances, had managed to reproduce themselves regularly (Mingione, 1995).

The results of the coexistence of these two distinct modes of organizing production and work (but also of different social and cultural models) are numerous: the limited prosperity of the South; the avoidance of massive proletarianization; the "incomplete" social security system; and the formation in the South of a particular form of family. Let us look very briefly at the last two aspects.

The "incomplete" Southern welfare system

After World War II, the global division of labour brought unprecedented prosperity to the industrialized North. Combined with the workers' gradual conquests, it led to the "Fordist compromise," a new equilibrium between the state, the market (i.e., employers), and workers; it also generated the welfare state in its diverse variations (Esping-Andersen, 1990). The welfare state, built around the fundamental value of labour, protected and secured wagedworkers. However, in the European South, the welfare state developed its particular characteristics.

In Greece, as in most countries, the insurance system started from mutual funds organized by specific professional categories. In 1946, there were 168 such funds, offering a variety of benefits and covering mainly wagedworkers. Legislation provided for the gradual integration of all "formal" workers into the Social Security Institute (IKA), the main insurance system established in 1934 with the assistance of the ILO. However, this "standard" insurance system was acclimatized and adapted

to domestic political, economic, and social realities (Liakos, 1993, pp. 529-539). Such “acclimatization” and “adaptation” would continue throughout the 20th century, recycling gaps, dysfunctions, and inefficiencies — always in comparison with the dominant pattern of workers’ insurance in wealthy countries. But the so-called informal occupations concerned a considerable proportion of the population, who, if anything, contributed significantly to the country’s gross national product from agriculture, construction, tourism, food and drink, tobacco, leather, ready-made clothing, etc. At the end of the Greek Civil War in 1949, all these “informal” professions were integrated into the insurance system (Karamessini, 1999, pp. 10-11). Their socioeconomic characteristics, however, had a significant impact on the process and degree of integration. The self-employed and small family units (agricultural and other), included in the Greek Fund of Professionals and Craftsmen (TEVE) and the Agricultural Insurance Organization (OGA), had been comparatively excluded from the benefits of the welfare state, given the low level of pensions and the lack of family allowances. These fragmented, socially disadvantaged, and poorly organized groups had a weaker voice in the political arena. They were, nonetheless, integrated through the tolerance of tax evasion and poor or semilegal working conditions (Andreotti et al., 2001) — a reminder that any state, whether “strong” or “weak”, must ensure the integration of its population. And in the South, the family remained the key institution for this integration.

The Southern European welfare state is defined as the regime where the family continued to play a decisive complementary role: The family ensured the unemployed against insufficient benefits, nurtured children (thus compensating for the deficit of nurseries and kindergarten), and acted as a counterpart to the “gaps” of the educational, health, or pension systems (Reher, 1998).

The Southern family

Families in Southern Europe had a very distinct function — and sociologist Luis Moreno (2006) highlighted the “superwomen of the South” who largely assumed these complementary activities by meeting the family’s and relatives’ needs. Some scholars argue that families in Southern Europe were more conservative socially, but not politically. Southern family members were, as individuals, less independent than in the North, but the southern family offered greater social cohesiveness and successfully reduced delinquency (Reher, 1998, p. 217). Furthermore, through daily

communication, emotional and psychological support, providing home-cooked food or housing, supplying assistance and a variety of daily services, offering gifts of all kinds and interest-free loans, the southern family was able to deal effectively with problems such as unemployment, the well-being of the elderly, child or young people poverty, single parent families, loneliness and despair. Although in the South there were no developed civil societies, social associations, and initiatives, the southern family systematically cultivated an extended kinship conviviality, redistributing informally –i.e., for free and outside the market– food, commodities, assistance, housing, loans, and income, thus reducing social hardships or deadlocks.¹⁵ This continuous “informal” circulation of goods, services, and money was never recorded as such. But, calculated in financial terms, it would correspond cumulatively to enormous amounts of capital...

Many features of the southern family are rooted in the *longue durée* (Goody, 1983), but the divergences between North and South were decisively reinforced by the expansion of industrial capitalism in Northern Europe and the preservation in the South of small productive units (Reher, 1998, pp. 214-215). In the North, as already mentioned, the enormous social problems created by the new system of production triggered the workers’ struggles and finally led to a new social consensus, an innovative sociopolitical rebalancing, and the establishment of the welfare state (Castel, 1995). The phenomenon of “informal” employment was reduced to a minimum until the 1970s (Karamessini, 1999, p. 5). In the South, meanwhile, social problems were solved in a combined way, but still relying on phenomena that the ILO would later define as “informal” (such as various forms of family solidarity). Moreover, occupations that in Northern Europe belonged to the past and were considered “informal”, such as self-employment, family units, and seasonal or uninsured labour, remained so widespread in Southern Europe that they were perfectly “regular” (Kassimati, 1989, p. 36). Especially since, despite the lack of wage work, they have enabled the survival and integration of these social groups.

CONCLUSION: THE PROCRUSTEAN LEGACY

The concept of “informal” labour is a systemic concept rooted in the theoretical paradigm of economic development.¹⁶ While today the same

15. From the series of interviews involving extended Greek families.

16. Concerning the notion of “systemic concept,” see Bourdieu and Wacquant (1992).

term is synonymous with vulnerable workers of all kinds, the original definition of “informal” labour referred to craftsmen, small traders, family labourers, and self-employed people. All these workers, as well as cultivators on small family farms, were considered an obstacle to economic development. Nevertheless, the ideological obsessions of the era produced remarkable field studies demonstrating that the socioeconomic reality of poor countries known as “informal” labour affected most of their population and reflected a particular structure deeply rooted in family relations: It belonged to the market economy, as Braudel defined it.

The years following the end of World War II were marked by a remarkable optimism regarding the state of the world (Bangasser, 2000, p. 2; Engerman, 2011, p. 143). Driven by the belief that poverty could be eradicated, “the idea of development became the key to a new conceptual framework” – a key which, of course, presupposed a relationship of dependency between rich and poor countries (Cooper & Packard, 1997, p. 1). The economic development paradigm had a long tradition based on the historical experience of Western countries; however, during the Cold War, it was manifestly influenced by the rapid and successful industrialization of the USSR in the 1930s (Engerman, 2000; Rostow, 1960). This new development paradigm was built on a fundamental assumption: to escape poverty, the “underdeveloped” countries had to repeat, at an accelerated pace, the process of development of the richest countries (Gilman, 2003; Maul, 2019, p. 168). Largely identified with mass industrialization (Rist, 1996, pp. 251-300), this development paradigm was systematically promoted by international organizations and scientists and widely disseminated throughout the world. All the bodies involved shared the conviction that poverty eradication could not derive from a self-regulated development process or social change. Development, on the contrary, necessitated “a concerted intervention by the national governments of both poor and wealthy countries in cooperation with an emerging body of international aid and development organizations” (Cooper and Packard, *op. cit.*). But which characteristics of poor countries had to be eliminated to escape from “underdevelopment,” “backwardness,” and poverty? The concise answer to this crucial question would be the neologism of “informal”.

Initially, the term “informal” was not associated with poverty. It was intended to investigate a “specific form of relationships of production, while poverty is an attribute linked to the process of distribution” (Portes, Castells & Benton 1989, p. 12). Subsequently, however, the ILO redefined “informality” as synonymous with poverty (Portes & Haller, 2005, p.

404), and the concept of “informal” would evolve into a “nebulous concept”, a confusing amalgam of disparate, unrelated elements. By lumping small family units and self-employed labourers (both socially well-established), together with vulnerable workers, such as undeclared workers, underemployed, unemployed, or marginalized people, the term “informal” has effectively blurred the landscape and obscured essential but distinct social realities.¹⁷ Moreover, by ignoring the global division of labour and suppressing the specific history and particular social structures of poor countries, the real causes of poverty were replaced by supposedly neutral (and anti-political) technical explanations. All previous scientific knowledge about these countries was erased (Ferguson, 1990), and the “informal” emerged as the generic term by which wealthier countries would henceforth perceive the socioeconomic reality of poor countries: The designation of “informal” came to summarize the collective identity of poor countries and provide the only “rational” explanation of their poverty. Thanks to its strong ideological impact, the notion of informal has evolved into a convenient tool for legitimizing the policies of international and transnational organizations (Lautier, 2004, pp. 22–37).

Although the term “informal” never prevailed in Greece, an examination of the social relations of production and labour during the greater part of the 20th century highlights the importance of small “informal” family units and “informal” self-employed workers, as well as their incredible tenacity, resilience, and dynamism. Such small units, as we have seen, corresponded to a particular system of production and labour organization – a well-structured system deeply embedded in family, kinship, and neighbourhood relations. Driven by specific codes and values, workers in small units followed their distinctive practices, making little use of salaried employment, bank loans, or “formal” vocational training. They appeared only episodically in the “formal labour market” and maintained a flexible relationship with official labour legislation (e.g., work duration, hygiene rules, etc.). They did, however, produce goods, provide services, generate surplus value, and display a real capacity for economic growth (Stathakis, 2002). And what is more, they selectively incorporated crucial components of the contemporary world – such as the gradual eradication of child labour and the increase in school attendance, which, after World War II, would eliminate illiteracy, thus reversing a centuries-old situation (Vaxevanoglou, 2010).

17. For present-day Greece, see ILO (2016).

An examination of the social relations of production and labour in Greece also highlights the considerable discrepancies between reality and the dominant ideology. Small units and the self-employed in rural and urban areas constituted most of the active population (Iordanoglou, 2020, p. 65), but the dominant ideology considered them an obstacle to the country's economic development – with the sole exceptions of Kyriakos Varvaressos (1952) and Andreas Papandreou (1962, pp. 110-111). These two eminent economists opposed the prospect of the country's massive industrialization and advocated development based on small productive units of all kinds. Although they were not listened to at the time, the facts proved them right. The Greek economic “miracle” did occur, while the “ideal” paradigm of economic growth through mass industrialization and the prediction of the prevalence of salaried labour have both been disproved: The dual structure of production and work was constantly reproduced. However, despite this evidence, it was not the misleading paradigm or the erroneous prediction that was challenged but...reality. International and transnational organizations have tried to change the hardest core of Greek reality, namely social relations, either “mildly” (in the cases of the ILO and the EEC), or more “dynamically” (see subsequent Structural adjustment programs). Greek governments, however, had to deal with real people and real society – and Greek society, like any society, is a battleground between pressure groups and conflicting interests (Iordanoglou, 2013, p. 108). Whether successful or dubious, Greek governments have maintained unstable balances; they have chosen middle pathways, thus resolving, creating, or recycling numerous problems, such as the social security system based informally on family assistance (Symeonidou, 1996).

Yet the worst effect of this ideological domination has been the growing divergence between the prevailing ideology, i.e., “the wisdom of received ideas,” and the reality of poor countries – a reality that, in the case of Greece, remains unexplored.

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