

THE PROCESS OF ECONOMIC DEVELOPMENT IN CORINTHIA

By Dr Christos Ap. LADIAS

The Corinthian region, and especially the city of Corinthos the capital of the Achaean League, the big maritime and commercial center of the Ancient times, today, is a dynamic prefecture which is located at the North-Eastern part of Peloponnese and includes another small part of Sterea.

Its geographical position, to the way into Peloponnese and between the first (Athens) and the third (Patra) populous center of the country was a determinative factor for its rising economic development.

The prefecture's economy is agricultural with a significant development of the Industry and handicraft of refinement, elaboration and packaging of the agricultural products, during the second half of the century. The main agricultural product of the prefecture until 1955 was raisin. But after the decrease in the product's demand by the foreign market, the restructuring of the cultivation and the introduction of new ones was what they aimed at. So, the cultivation of citrus fruits, gardening, and fruit-bearing trees was expanded.

The growth of agriculture and industry took place mainly in the plain regions of the prefecture, while in the inner highlands economy didn't follow the same development, and as a result the depopulation of the countryside by people moving to urban centers is going on. This moving to the urban center resulted in the dual character that the economic development of the prefecture has, that is a two level development.

Another characteristic of the prefecture's economy is the development of the tourist Industry and the holiday resorts, such as Loutraki, Xylokastro, Agioi Theodori, Kiato, Ancient Corinthos, and other areas located at the coasts of the Corinthian and the Saronic Gulf.

After the liberation of Greece, the region of the present prefecture constituted a province of Argolida-Corinthia.

In 1899 it was divided into the prefecture of Argolida and the prefecture of Corinthia. Later on, in 1909, these two prefectures united again to be divided once more and that is how the boundary is today.

From the administration point of view, the prefecture is composed of one province

(Corinthia) and 4 municipalities (Corinthos - Sikiona - Kiato - Loutraki - Perachora and Xylokastro: 120 communities and 196 settlements in total).

As far as the population is concerned, from 1879 to 1951 the prefecture shows a continuous increase - with a small standstill during 1907-1920 and 1940-1951 due to the two world wars (Table 1).

Table 1
Population’s development from 1879 to 1951

Year	Pr. Corinthia	Corinthos	Loutraki	Kiato	Xylokastro	Nemea
1879	48.488	2.619	335	796	618	1.530
1889	57.813	4.124	758	1.315	3.037	1.984
1896	64.577	4.188	685	2.528	1.140	2.211
1907	71.229	5.340	1.179	1.903	2.099	2.331
1920	74.748	6.141	1.399	2.341	2.236	2.823
1928	90.192	9.944	2.112	3.413	2.946	3.487
1940	111.547	12.715	4.135	5.210	3.877	4.249
1951	113.358	17.728	6.166	5.206	4.004	4.720

Two of the most important projects of that time were the opening of the Corinthian Canal (1882-1893) and the costruction of the railway line (1884-1902) which rendered Corinthos a railway, marital and road junction.

Althought the primary sector has a leading role in the making of the product, it is the olive, the raisin, the cereals and the resin that give the raw materials for the first manufacturing units of industrial nature.

Electricity appears for the first time in Corinthos and Loutraki in 1917 and in 1920 the first Power Company is established in Corinthos which survives until 1957.

The tourist industry in Loutraki begins with the first wooden spa in 1855 and in 1910, 23 hotels are already run.

At the same time tourists make their first appearance at the prefecture’s coasts and the first important hotel on a mountain resort opens in Ano Trikala, Corinthos in 1936.

After the catastrophe of Asia Minor, the refugees that arrive in the city of Corinthos give a new dynamic impulse to industry and commerce, that is more workers, cheap wages and the experience of the art and the technique of the Ionian Civilization.

Throughout the war there is a satisfactory economic development. The middle urban class appears and a relative improvement of the life standards is noticed.

During the post war period big moves from the highlands to the urban centers of the prefecture and Athens take place.

The immigration into Germany, Australia, Sweden and North America is relatively small as compared to the emigration of the other prefectures in Greece respectively.

Since the mid 60’s many new residents settle down in the municipal, that is new labor work force which finds jobs in newly established industries and constructions.

It is characteristic that during the 60’s Corinthia is one of the six prefectures which has an increase in population, besides Attica and Thessaloniki. (Table 2).

Table 2
Population's development from 1961-1991

Year	N. Corinthia	Corinthos	Loutraki	Kiato	Xylokastro	Nemea
1961	112.505	15.892	6.843	6.147	4.569	4.720
1971	112.404	20.773	7.490	7.437	4.903	4.356
1981	123.042	22.658	8.543	8.232	5.188	4.182
1991	142.365	28.903	11.031	9.172	6.052	4.041

The decades after 1950 is a period of rapid growth for Greece and especially for Corinthia, the development rate of which is quicker than the average rate of the country.

Especially during the last 30 years the economic development of Corinthia is connected to all three sectors: primary, secondary, tertiary.

As it is clear from the facts of Tables 3 and 4 of the year 1970, the 34% of the GDP of Corinthia comes from the forests, agriculture and fishery, the 31,68% of the GDP of the prefecture comes from industry and handicraft and the 33,72% of the G.D.P comes from services and tourism.

In 1970 within the whole area of Peloponnese the prefecture of Corinthos comes second after Messinia in the distribution of the GDP.

Also in 1970 the prefecture's primary sector was 2,52%, the secondary 1,34% and the tertiary 0,89% compared to the corresponding sectors of the country taken as a whole.

Table 3
GDP according to sectors of economic activity at area level
Department of Regional Development (DRD) of the year 1970

In rates of production factors					In Millions of Drs In current prices			
Structure in (%) per DRD-PREFECTURE								
DRD Of Peloponnese	Total	Agriculture Forests Fishery	Industry handicraft	Services	Total	Agriculture Forest Fishery	Industry Handicraft	Services
DRD of								
Peloponnesse	14.561	5.562	3.559	5.440	100	38.20	24.44	37.36
1. Pr. Corinthia	3.434	1.188	1.088	1.158	100	34.60	31.68	33.72
2. Pr. Argolida	2.507	935	744	826	100	37.30	29.68	33.03
3. Pr. Arcadia	2.322	695	568	1.059	100	29.93	24.46	45.61
4. Messinia	4.185	1.813	788	1.584	100	43.32	18.83	37.85
5. Pr. Lakonia	2.113	931	371	811	100	44.06	17.56	38.38

Remarks

* Table Section

*Source: Ministry of National Economy Gen. Direction of Nat. Accts

Table 4
GDP according to sectors of economic activity at area level
Department of Regional Development (DRD) of the year 1970

In rates of production factors
In Millions of Drs.
In current prices
Structure in (%) - out of country's total

DRD	Total	Agriculture Forests Fishery	Industry Handicraft	Services	Total	Agriculture Forests Fishery	Industry handicraft	Services
Country's Total	258.000	47.058	80.976	129.966	100			
DRDof								
Peloponnese	14.561	5.562	3.559	5.440	5.64	11.82	4.40	4.19
1. Pr. Corinthia	3.434	1.188	1.088	1.158	1.34	2.52	1.32	0.89
2. Pr Argolida	2.507	935	744	828	0.97	1.99	0.92	0.64
3. Pr. Arcadia	2.322	695	568	1.059	0.90	1.48	0.70	0.81
4. Pr. Messinia	4.185	1.813	788	1.584	1.62	3.85	0.97	1.22
5. Pr. Lakonia	2.113	931	371	811	0.82	1.98	0.46	0.62

Remarks

* *Table Section*

* *Source: Ministry of National Economy Gen. Direction of Nat. Accts*

Also, according to the facts indicated in Tables 5 and 6 of the year 1980 coming from the Ministry of National Economy, we can see that the economic growth of the prefecture is more connected to the secondary sector (Industry and Handicraft) and less with the primary and tertiary sectors (Agriculture and Tourism) which means that the 38,09% of the GDP of Corinthia comes from the secondary sector, the 31,58% from the primary sector and the 30,33% from the tertiary sector.

Within the area of the the Peloponnese, Corinthia comes first as far as the distribution of the GDP is concerned, while Messinia, which was first during the last decade, follows closely.

During 1980 the primary sector of Corinthia is 2,64% out of the country's primary sector, the secondary sector is 1,81% out of Greece's corresponding sector and the tertiary 0,88% out of the country's sector.

Also, according to the elements indicated in Tables 7 and 8 coming from the Ministry of National Economy of the year 1988, the economic growth of Corinthia is connected even more with the secondary sector. The 42,06% of the prefecture's GDP comes from industry and handicraft, the 33,44% from the tertiary (Services-Tourism) and the 24,50% from the primary (Fishery-Forests-Agriculture) which has a significantly smaller participation than that of the last decade.

Finally from the elements that are indicated in Table 8, the primary sector of

Corinthia is 2,24% out of the country’s total primary sector, the secondary 2.24% of Greece’s corresponding sector and the tertiary 0,91 % out of country’s tertiary sector. while at area level the prefecture’s GDP is bigger than that of Messinia’s compared with that of the last decade.

Table 5
GDP according to sectors of economic activity at area level Department of the Regional Development (DRD) of the year 1980

In rates of production factors					In Millions of Drs In current prices			
Structure in (%) - per DRD-PREFECTURE								
DRD	Total	Agriculture Forests Fishery	Industry Handicraft	Services	Total	Agriculture Forests Fishery	Industry	Services
DRD of								
Peloponnese	87.616	32779	24.886	29.951	100	37.41	28.40	34.18
1. Pr. Corinthia	22575	7.129	8.599	6.847	100	31.58	38.09	30.33
2. Pr Argolida	15.274	6.235	3.651	5.388	100	40.82	23.90	35.28
3. Pr. Arcadia	15.396	4.558	5.599	5.239	100	29.61	36.37	34.03
4. Pr. Messinia	22.556	9.207	5.102	8.247	100	40.82	22.62	36.56
5. Pr. Lakonia	11.815	5.650	1.935	4.230	100	47.82	16.38	35.80

Remarks

** Table Section*

** Source: Ministry of National Economy Gen. Direction of Nat. Accts.*

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Markets
Co-operative Principles

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Table 6
GDP according to sectors of economic activity at area level Department of Regional Development (GRD) of the 1980

In rates of production
factors
Participation (%) - out of country's total

In Millions of Drs
In current prices

DRD	Total	Agriculture Forests Fishery	Industry Handicraft	Services	Total	Agriculture Forests Fishery	Industry	Services
Country'sTotal DRD of	1.523.724	270.058	474.286	779.380	100			
Peloponese	87.616	32.779	24.886	29.951	5.75	12.14	5.25	3.84
1. Pr. Corinthia	22.575	7.129	8.599	6.847	1.48	2.64	1.61	0.88
2. Pr Argolida	15.274	6.235	3.651	5.388	1.00	2.31	0.77	0.69
3. Pr. Arcadia	15.396	4.558	5.599	5.239	1.01	1.69	1.18	0.67
4. Pr. Messinia	22.556	9.207	5.102	8.247	1.48	3.41	1.08	1.06
5. Pr. Lakonia	11.815	5.650	1.935	4.230	0.78	2.09	0.41	0.54

Remarks

* Table Section

* Source: Ministry of National Economy Gen. Direction of Nat. Accts.

Table 7
DGP according to sectors of economic activity at area level Department of Regional Development (DRD) of the year 1988

In rates of production
factors
Structure in (%) - per DRD-PREFECTURE

In Millions of Drs.
In current prices

DRD	Total	Agriculture Forests Fishery	Industry Handicraft	Services	Total	Agriculture Forests Fishery	Industry	Services
DRD of								
Peloponese	354.363	108.930	104.229	141.204	100	30.714	29.41	39.85
1. Pr. Corinthia	99.024	24.260	41.652	33.112	100	24.50	42.06	33.44
2. Pr Argolida	59.701	19.496	13.886	26.319	100	32.66	23.26	44.08
3. Pr. Arcadia	63.177	13.292	25.036	274.849	100	21.04	39.63	39.33
4. Pr. Messinia	85.915	30.984	16.977	37.954	100	36.06	19.76	44.18
5. Pr. Lakonia	46.542	20.897	6.677	18.968	100	44.90	14.35	40.75

Remarks

* Table Section

* Source: Ministry of National Economy Gen. Direction of Nat. Accts.

Table 8
GDP according to sectors of economic activity of the year 1988

In rates of production
factors
Participation (%) - out of country's total

In Millions of Drs
In current prices

DRD	Total	Agriculture Forests Fishery	Industry Handicraft	Services	Total	Agriculture Forests Fishery	Industry	Services
Country's Total	6.578.295	1.085.449	1.857.563	3.635.283	100			
DRD of								
Peloponese	354.363	108.930	104.229	141.204	5.39	10.04	5.61	3.88
1. Pr. Corinthia	99.024	24.260	41.652	33.112	1.51	2.24	2.24	0.91
2. Pr Argolida	59.701	19.496	13.886	26.319	0.91	1.80	0.75	0.72
3. Pr. Arkadia	63.177	13.292	25.036	24.849	0.96	1.22	1.35	0.68
4. Pr. Messinia	85.915	30.984	16.977	37.954	1.31	2.85	0.91	1.04
5. Pr. Lakonia	46.542	20.897	6.677	18.968	0.71	1.93	0.36	0.52

Remarks

** Table Section*

** Source: Ministry of National Economy Gen. Direction of Nat. Accts.*

According to Table 8, it is clear that the contribution of the GDP among the prefectures of Peloponese, classifies Corinthia first on the basis of GDP's size, something which also defines the dynamic form at the prefecture's economy.

Table 9
CDP contribution at prefecture level and classification according to the size of the Cross Area Product GAD of the years 1970, 1980, 1988

PREFECTURES	1970			1980			1988		
	GAP	(%)	Diminishing order of periphery's prefectures	GAP	(%)	Diminishing order of periphery's prefectures	GAP	(%)	Diminishing order of periphery's prefectures
1. Pr. Corinthia	3.434	1.33	2	22.575	1.48	1	99.024	1.51	1
2. Pr Argolida	2.507	0.97	3	15.274	1.00	4	59.701	0.91	4
3. Pr. Arkadia	2.322	0.90	4	15.396	1.01	3	63.177	0.96	3
4. Pr. Messinia	4.185	1.62	1	22.556	1.48	2	85.917	1.31	2
5. Pr. Lakonia	2.113	0.82	5	11.815	0.78	5	76.543	0.71	5

Remarks

** Table Section*

** Source: Ministry of National Economy Gen. Direction of Nat. Accts.*

According to the above Table we can conclude that the prefecture connects more and more its economic growth with industry and handicraft and less with tourism and agriculture.

This rendered Corinthia the first prefecture in Peloponnese.

The main reasons which defined the economic growth of Corinthia this century were:

The geographical position of the area

The railway and road net, and the maritime contact with several commercial centers.

The existence of curative spas with the renowned waters of Loutraki.

The natural beauties and the great archaeological sites.

The use of machinery in agriculture, the increase of cultivable land, the creation of irrigation system and the intensification of the existing cultivations in combination with new dynamic cultivations.

The dynamic and constantly developing industry and handicraft and the vigorous and export trade.

Corinthia shows auspicious prospects of development and should keep playing a leading role in Greece.

In this decade, Corinthia has the potential and should be developed with a rate of 4,5-5% that is 0,5-1% more than Greece's necessary rate of development.

On condition, of course, that there will not be any energy crisis or war and that will be a climate of social consensus and peace.

This development will come, primary from foreign and home investments and will be supported mainly on industry on industry and tourism.

The private, state and co-operative sector will also contribute to the whole effort with the Prefecture, the Chamber and the co-operatives being the main key-stone.

The organization for the promotion of investments and the Greek Center of Productivity (EL.KE.PA.) should undertake the organization of seminars and meetings which will contribute to the promotion of the prefecture's exports.

-The Hellenic Organization of Small and Medium Size Industries and Handicrafts (HESMSIH) should open an office, which will give information to the businessmen.

We will try to examine each prospect in detail:

In the primary sector of the prefecture it is possible to have:

An increase in the animal production of 5% annually.

An increase in the vegetable production (agriculture) of 0,5-1% per annum.

An increase in the production of resin with the construction of projects for the improvement of the pine-tree forests.

These projects will contribute to the rapid development in the field are:

- The construction of land reclamation projects in the region of Doca Feneou, Fonissa and Stymfalia as well as the irrigation project of Feneou.

- The construction of the cattle-breeding station for the improvement of the existing slaughter-houses.

- The reclamation works of the pasture lands of Ziria, Dardisas, Killini and Gavrea.

- The construction of the rain - water tanks in Soligia.

- The creation of fishing shelters at Derveni, Isthmia, Skino and Korfo.

- The opening of forest roads, with a rate of 30 Km annually.

- The expansion of the reforest regions giving priority to the burned forests of Loutraki and Sarantapihos.

- The development of hydro-geological searching programs.

In the secondary sector the prospects for further Industry's development and brilliant and this sector is expected to be rendered as a leading one for the economic growth of the prefecture.

The target should be the creation of units in the fields of electronics, consumable goods and process of the agricultural products.

The infrastructural projects which will reinforce the effort to succeed these targets are:

- The creation of an industrial area;
- The construction of gas conduit;
- The exploitation of the geothermal sources of Sousakion.

In the tertiary sector the natural beauties of the Prefecture and the archeological sites can support tourism if there is a systematic and methodical promotion of Corinthos to the foreign markets.

Furthermore, the construction of big and organized units will also promote the prefecture's tourist market.

The massif of Ziria should be developed with the construction of a ski-resort for holidays throughout the year.

In the field of communication and transportation, the completion of the new National road on the way to Corinthos - Tripoli, Kalamata, in combination with the project of the Canal and the construction of the double railway line, will render Corinthos a maritime, railway and road junction.

The construction of a Satellite telecommunications station in Nemea by the Hellenic Telecommunications Organization (O.T.E.), will considerably contribute to the quicker and more perfect communication with the prefecture.

As far as education is concerned the aim should be the building of the necessary classrooms so as all schools could have morning lessons. Whilst the creation of a brach for enology studies in Nemea will upgrade Corinthia not only intellectually but culturally as well.

The completion of the new wing of the General Hospital of Corinthos and the foundation of Trauma Unit Clinic will render Corinthos, as far as Health is concerned, a center offering the most complete sanitary hospitalization according to European standards, whilst the foundation of new kindergartens will help the labour and social policy sector.

The cultural activity of the prefecture should go on with the organization of higher level shows with the promotion of our archaeological sites and the creation of cultural centers.

In order to avoid in the future forms of wastage, we should take into account the protection of the environment when it comes to the construction of projects.

In conclusion, prefecture's economy is a dynamic economy which can achieve quick rates of development and can keep its rising development provided that will exploit all the comparative advantages which has in combination the completion of the projects we have already mentioned.