

Can Local Production Challenge the Current Economic Crisis?

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Greece over the last four years stands on the center of a turbulence that shakes most of Europe but particularly the Southern part bringing about devastating effects on almost every aspect of the society and economy. For more than six years, Greece goes through a unprecedented recession with record high unemployment rates, around thirty percent, and in some regions half of the population is unemployed. Under such circumstances the EU, the IMF, the economists offer relentlessly their advise and recommendations on the appropriate reforms to alter this down sloping course of the economy. Nevertheless, the economy itself releases its power and tries to identify new opportunities and chances to respond to the crises and drive the economy towards growth and development. Researches and policy makers can derive new insights by watching and explaining the observed changes in Greek economy under those circumstances of severe recession and high unemployment.

The current Greek economic crisis demonstrates that one of the most powerful growth potentials rest on a unique sector, which over the last twenty years have undermined and neglected, the agricultural and more generally the Mediterranean local agro-food production. Nowadays, a return of thousands of people back to their villages and to rural areas is witnessed throughout the country rejuvenating the long time deserted rural areas. Rural areas have started to demonstrate an unexpected resilience and a message of "hope" is spreading to the society. While employment rates are dropping almost for all industries only in certain rural areas have recorded an upwards trend. New agricultural products (aromatic and medicinal cops, new varieties of fruits and vegetables) have started to be cultivated in most of the rural plains and mountains. The rejuvenation of the Greek rural areas can be noticed today by any visitor even in most mountainous and remote areas.

The aforementioned trend confirms what several agricultural economists advocate in the relative literature that agro-food production can ignite the economy and support the employment. Mediterranean countries where the climate and geographic variation offer perfect conditions for a large number of crops and food products could focus on the production of a numerous local products, most of them very healthy and nutritional, which can boost the engine of the regional economy, since several other enterprises will accompany this production (processing, trade, marketing).

This shift toward local products comes at a time when an increasing interest in local food products is expressed by consumers worldwide,

evaluating them as healthier, fresher, more safe and of high nutritional value. Local food products also represent a special value for the native inhabitant/consumer of a rural area and not only, since it is a part of his food culture, in contrast to the case of a non-native resident, who conceives the consumption of local food products as a singular gastronomic experience that he would like to discover and experience. In addition, prices of local foods are very competitive compared to global massive production of food industry, especially when these products are sold at local markets. Thus producers purchase local food in lower prices since the cost of local produce does not include excessive transport, package and chemical expenses,

Studies that carried out to measure the effects of economic crisis to local food demand and the development of the relative market in Greece, indicate an compelling shift in consumers' food choices. In the light of the economic crisis, a growing number of consumers are more receptive to changes in long-standing consumption patterns, even at the expense of their convenience and are ready to show their active support for suffering small-scale independent retailers and domestic producers realizing that buying local supports the regional economy. The current economic crisis appeared to have significant impacts on buying behavior; consumers became more price sensitive, seeking for information on the quality of the product, the production place, the processing details and the price of the respective industrially produced products.

On the other side producers, especially the ones who started farming due to crisis, try to create a permanent relation with the consumers, offering high quality fresh products directly to consumers via local markets, local networks, web based markets, and any new forms of marketing. This shift towards the local production revives the remote rural areas but also preserves the nature, since much of transportation pollution, package disposal and chemical use are avoided, and the cultural environment of the region.

The response to current economic crisis is worth noting for all Mediterranean countries as same conditions and same potentials exist throughout the Mediterranean basin. Mediterranean countries have to unlock all the potentials in producing unique local products instead of bulk products (maize, cotton), in which they cannot compete large producers without the EU funding support. Focusing on the production of local products could later create new stable channels of inter collaboration and development among Mediterranean and EU countries. Let's this crisis provide an impulse for a new direction of agricultural production towards local production, which supports the wellness of the farmers and, at the same time, invigorates the whole rural economy.

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