Table 3 (continued)

	Industrial Countries	Upper Middle Income	Portugal	Greece	Spain
Exports/GDP					
1960	12	18	17	9	10
1981	20	23	27	20	17
Structure of exports % 1960 → 81					
Primary	34 → 28	84 → 55	45 → 28	90 → 53	78 → 28
Textiles	7 → 5	4 → 10	18 → 27	1 → 17	7 → 5
Machinery and transport equipment	29 → 35	2 → 13	3 → 13	1 → 3	2 → 26
Other manufacturing	30 → 32	10 → 22	34 → 32	8 → 27	13 → 41
Current balance of trade 1981 $ billions			−2.6	−2.4	−5
Funds repatriated by emigrant workers 1981 $ billions			2,896	1,177	521
Debt service as % of exports 1970 → 82		10.7 → 16.9	n.a. → 20	7.1 → 13.1	24.6[1]

1) OECD figures; total debts, whereas World Bank figures give only publicly guaranteed debts.

Sources: World Bank, *World Development Report* 1983, 1984. All growth rates are given as yearly averages.

matured in these countries. The agricultural sector had declined considerably, and Spain appears to have reached the point where the modern tertiary sector grows faster than manufacturing.

If, however, we look more closely at the figures, we can see that we do not have to go back to Rostow's rather crude chronological scale (take off/industrialization), which would suggest that Spain was first in the race and that Greece was last.

There are major differences between the three in terms of wealth and population. Spain, for instance, is much wealthier than Portugal. Spain, like South Korea, has a population of 38 million; both Greece and Portugal have a population of 9.7 million. It is only in Spain that the home market has always played an important role; Spain in fact exports less than the average 'industrial' or 'middle-income' country. Portugal, on the other hand, has been a 'manufacturing' country for much longer than either Greece or Spain.[12] Spain manufactures more than the average industrial country, whereas Greece depends more upon agriculture and less upon manufacturing than the average 'middle-income country'.

One immediately assumes that (in relative terms), Greece is closest to the 'old international division of labour' (producing and exporting primary commodities), that Portugal is characterized by a form of 'primitive Taylorization' (exporting cheap industrial goods, and with a weak home market) and that only Spain represents a fully developed form of 'peripheral Fordism'.

If we examine the structure of exports, these differences become more pronounced, and they seem to confirm the initial diagnosis. By the early 1960s, Portugal was no longer primarily a 'primary exporter'; that sector was already less important than it would be for the 'upper middle-income' category in 1981. Besides, Portugal was at the time a colonial power in its own right. Greece on the other hand relied upon the primary export sector to the same extent as the upper middle-income countries, and was to continue doing so. Portugal was from the outset a major exporter of textiles, and that sector continued to expand. Greece had begun to export more textiles than the average upper middle-income country. That in itself is not, however, an index of higher development; on the contrary, Greece and Portugal were simply approaching the textile specialization rate for low-income countries and lagged far behind India and Bangladesh.[13] Unlike Greece, Portugal began to export machinery; its exports in this sector were average for a middle-income country but much lower than those from the major NICs we discussed in the last chapter. By 1981 Spain was specializing in machinery exports; it exported twice as much as the average middle-income countries, almost as much as the industrial countries had been exporting in 1960, and more than the Third World NICs, including South Korea. Portugal – and more so Spain – was exporting other manufactures (intermediate goods, etc.) to the same extent – if not more – than the industrial countries, and much more so than the average middle-income country.

The geographical structure of exports, and especially exports of manufactures, has also developed in different directions.[14] Portugal has ceased to be an English colony and an African metropolis, and has become primarily a manu-

Table 4
Changing Geographical Structure of Exports: 1960 → 1981
(% of all exports)

	Portugal	*Spain*	*Greece*
All commodities			
Industrial countries with market economy	56 → 77	80 → 56	65 → 56
Eastern bloc	2 → 2	2 → 4	21 → 8
High-income oil-exporters	0 → 1	0 → 5	1 → 13
Developing countries	42 → 20	18 → 35	13 → 23
Manufactures			
Industrial countries with market economy	56 → 81	57 → 57	52 → 56
Eastern bloc	0 → 1	1 → 2	6 → 5
High-income oil-exporters	0 → 11	0 → 5	3 → 13
Developing countries	44 → 17	42 → 36	39 → 26

Source: World Bank, *World Development Report*, 1983.

facturing platform for the EEC (mainly for France and West Germany). Spain, on the other hand, has increased its 'top quality' exports to the South, as one might expect of a developed peripheral Fordism (the change is not quite so marked in terms of manufactures), though it has also broken into the French market. Greek exports remain stable, the only change being a slight redeployment towards the oil-exporters of the Middle East rather than to the USA and Eastern Europe. It is rather as though Greece's insertion into the international division of labour remained unchanged, with only its clients changing.

The last indicator of differences in the regime of accumulation operating in these three countries (to restrict the discussion to their 'international insertion') is growth measured in terms of 'international value'. Domestic growth, expressed in volume terms, has to be corrected to take into account 'unequal purchasing power'; at any given rate of exchange, the same amount of money will buy different amounts of commodities in different countries.[15] To calculate the difference, we need a weighting index which it is not easy to establish. Very schematically, the 'higher' a country's position within the international division of labour, the more 'expensive' its products. Conversely, if a country sells its products cheaply, a fall in the real exchange rate may offset an adverse effect on its volume of output.

Table 5 (overleaf) shows that, as the crisis developed, home growth (measured in volume) slowed down in all three countries, Greece still growing faster than Portugal, then Spain. But whereas Spain's output was increasingly revalorized on the world market, Greece's output was devalorized until the crisis. Prior to the crisis, Portugal's output was valorized, but that soon ceased to be the case.[16] It was as though Spain had joined the ranks of 'countries benefitting from the terms of trade' (countries which get wealthier even though they are stagnating), whereas Portugal had joined the ranks of 'countries working at a loss'. Whilst the volume of output rose, it fell in international value.

The internal reasons for these divergent modes of insertion are too complex to be analysed here. We will restrict our discussion to two basic determinants of the regime of accumulation: changes in real wages and changes

Table 5
Conditions of Growth: 1963-80. Deviation from OECD Average.
(average annual rates)

	Real exchange rate		Domestic growth (volume)		Growth in international value	
	1963-73	1973-80	1963-73	1973-80	1963-73	1973-80
Spain	+1.19	+3.5	+1.33	−0.48	+2.53	+3.01
Portugal	+0.61	−3.13	+1.81	+0.45	+2.43	−2.67
Greece	−0.72	+0.16	+2.52	+1.19	+1.81	+1.35

Source: F. Freire de Souza, *Contrainte extérieure et régulation macroéconomique dans les économies semi-industrialisées*, Thesis, Université de Paris I, 1983.

in productivity (Table 6). All three countries experienced 'super-Fordist' productivity rises in the sixties, and then a definite downturn after the crisis. But whereas real wages rose faster than productivity in Spain (a sign that a 'consumer society' was developing at the expense of the archaic sectors), in Portugal, capital increased its share of surplus-value at a rate of 1.8 per cent a year, both before and after the restoration of democracy. This made it more competitive on the foreign market, but restrained the home market.[17] In Greece, the crisis and the restoration of democracy seem to have swung the balance in favour of wage-earners.[18]

All three countries are deficit countries (Table 3). Peripheral industrialization always presupposes that sources of finance can be found within the 'old' division of labour and from international credit. Between 1967 and 1980, the funds repatriated by emigrants, and tourism, accounted for 96 per cent of Portugal's trade deficit; the figures for Spain and Greece were 87 and 52 per cent respectively. There were, however, major differences between the three. Emigration was Portugal's main source of income, whilst Spain's was tourism and Greece's, commissioning ships. The balance had to be found, and like all NICs, Spain, Portugal and Greece found it by borrowing. Only Spain received any significant inflow of private foreign investment during this period (£5,700 million in Special Drawing Rights, as against £800 million for Portugal and £500 million for Greece). The

Table 6
Division of Relative Surplus-Value.
(average annual rates)

	Productivity		*Real wages*	
	1963-73	*1973-80*	*1963-73*	*1973-80*
Spain	5.46	4.14	6.38	4.40
Portugal	6.81	3.05	4.99	1.20
Greece	7.51	3.42	6.98	5.06

Source: Freire de Souza, *Contrainte extérieure* ...

total inflow was, however, still below 5 per cent of the level of gross domestic investment.[19]

If, then, we adopt the sinister system of ranking countries in terms of debt-servicing, Spain ($5.7 billion in 1982) comes fourth after Brazil ($18.5 billion), Mexico and Venezuela. Spain (25 per cent) is also very badly placed in terms of the debt-service/exports ratio (Brazil: 32 per cent; Mexico: 28 per cent; Chile: 27 per cent). In terms of these indicators, Greece and Portugal were much closer to the average of middle-income countries. But, like them, they were threatened with economic strangulation and with the possibility that their young democracies would be made wards of the IMF.

Conclusion

The mid-seventies 'crisis of the dictatorships' in these three Mediterranean countries does seem to have been one of the early effects of the industrialization of the 'NICs of the sixties'. Unfortunately, the restoration of democracy coincided with the global crisis in Fordism, and it hastened the crisis in peripheral Fordism by denying these countries the advantages enjoyed by Asian countries in terms of the exploitation of the labour force.

There are, however, major differences between the three in terms of their insertion into the world economy. Greece is still the closest to the agricultural export model, whereas it is Portugal which relies most heavily on industrial exports based upon low wages (primitive Taylorization). Spain has developed a home market by raising wages. Even if we do take into account the wretched state of the peasantry in the South and that of the agricultural proletariat, Spain strongly resembles the Italy of the 1960s. The purchasing power of the working class in the teeming shanty towns of the industrial belts has increased out of proportion to average productivity. Cheap housing is available, and in 1984 25 per cent of the working class owned television sets – to use only one of the indicators chosen by *L'Etat du monde* to gauge the spread of mass consumption – as against 39 per cent in Italy, 16 per cent in Greece, 27 per cent in Korea and 12 per cent in Brazil. In terms of car-ownership, Spain is well launched upon the postwar 'Franco-Italian' trajectory.

I will not be so foolish as to attempt to deduce explanations for the different political processes that followed the crisis of the dictatorships from a handful of figures. That task can be left to sociologists, political scientists and militants. Nor should we forget the contingent factors that influence historical processes: the role played by colonial wars and the radicalization of a sector of the military in Portugal, the role played by Juan Carlos in Spain, and the Greek colonels' unfortunate experiences in Cyprus (the Greek equivalent to Argentina's Falklands affair). But the differences we have noted (but not analysed!) in their regimes of accumulation may provide a starting point for future work.

Greece changed little during its short-lived dictatorship. Being a small agro-exporting country, it was able to negotiate entry into the EEC on not unfavourable terms under a government of notables from an earlier period in its history. With the emergence of PASOK, the time had finally come for an interclass bloc dominated by the internal bourgeoisie, and it was stable enough to bring social legislation into line with European norms.

In Portugal, on the other hand, the fall of the dictatorship led to a real national crisis in the Leninist sense of the term. The ruling classes could no longer rule in the old way, and the working classes were no longer willing to obey in the old way. 25 April 1974 was Portugal's February Revolution: the entire country rose up against a discredited regime, demanding bread, freedom and peace in the colonies. Between 28 September and 11 March neither the ruling

classes nor the internal bourgeoisie, which had rallied around Soares's PS, could control working-class unrest. The gap between working-class aspirations and the low wages imposed by the logic of primitive Taylorization was so great that European norms of consensus could not be applied.

The only alternative to a revolutionary breakthrough was a brutal normalization. The Portuguese October never came because there was no revolutionary leadership, even though the people did have some access to arms. There were also divisions within the people, and differences between the North, with its small farms and its reliance upon agricultural exports, and the South, with its modern industries and its large waged labour force on the latifundia.[20] On 25 November 1975, power was restored to various fractions of the internal bourgeoisie, but Portugal's unfavourable insertion into the international division of labour forced them to adopt a stop-go policy.

In Spain, the transition did not pose any serious problems for the internal bourgeoisie, thanks to the skill of the king, thanks to that of Prime Minister Suarez and thanks, above all, thanks to the leaders of the Communist Party and the trade unions, who agreed to exchange the interests of democracy against those of social peace rather than return to the horrors of the civil war of 1936. The PSOE came into its rightful inheritance. And like the French Socialist Party, it did so during the dark days of the general crisis in Fordism.

But neither Portugal nor Spain are out of the woods yet. Portuguese industry, like Spanish agriculture and Spanish fisheries, remains dependent upon wage relations which have more in common with primitive Taylorization than with social democracy. Spanish industry still enjoys the protectionist measures adopted under Franco. The entry of both countries into the EEC will create more economic and social problems for them than for their partners. It will also seriously compromise the position of other EEC partners such as the Maghreb countries. Spain and Portugal will find it very difficult to clamber aboard a train which set off in 1957, when the countries of what was once Lotharingia decided to pool their Fordist growth. They will find it all the more difficult in that the EEC's archaic institutions are making the crisis even worse.