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"EVALUATION OF THE COMPETITIVENESS AND THE BUSINESS ENVIRONMENT IN GREECE"

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ABSTRACT

The economic crisis started from 2008 and onwards is considered by many economists as the most terrible financial crisis since the Great Depression of the 1930s. It resulted in the danger of entire fall down of large financial institutions, the bailout of banks by national governments, and as a result a huge recession in most of the regions. Especially for countries with major economic problems the competitiveness and the business environment are essential for them to reverse the climate and restart their economy again.

The growth of business environment and the competitiveness are being measured by two globally accepted measures: The World Economic Forum publishes the Global Competitiveness Report and the World Bank publishes The Easy of Doing Business Smarter Regulations for Small and Medium Size Enterprises Report. This study will attempt to evaluate Greek performance according to those indexes and suggest solutions for an attractive business environment as a prerequisite for the recovery of the Greek economy.

INTRODUCTION

The European sovereign debt crisis (often referred to as the Eurozone crisis) is a continuing financial crisis that has made it difficult or impossible for some countries in the euro area to repay or re-finance their government debt. In 1992, members of the European Union signed the Maastricht Treaty, under which they guarantee to limit their deficit spending and debt levels. Though, in the early 2000s, a plenty EU member states were failing to stay within the limits of the Maastricht criteria and turned to securitizing future government revenues to reduce their debts and deficits. From 2009, worries of a sovereign debt crisis developed among investors as a result of the rising private and government debt levels around the world together with a wave of downgrading in some European states. Causes of the crisis varied by country to country.

The Greek government-debt crisis is one of a number of current European sovereign-debt crises and it is believed that it have been caused by a combination of structural weaknesses of the Greek economy together with the incomplete economic, tax and banking integration of the European Monetary Union. In late 2009, fears of a sovereign debt crisis developed among investors concerning Greece's ability to meet its debt obligations due to strong increase in government debt levels.[1]

Austerity measures have been taken posed by the IMF because of this economic crisis, while Greek government showed inability/unwillingness to implement the needed economic structural reforms.

The results of this crisis were many and mostly unpleasant although there are a few changes that happened which helped Greek economy in some fields, giving a little hope that things will improve in a period of time. Some of the austerity measures have implemented are:

- Rise of Vat
- Rise of tax on petrol
- Rise in the taxes of imported cars
- Extraordinary taxes on company profits

[1] "Acropolis now". *The Economist*. 29 April 2010. Retrieved 22 June 2011.

- Rise in the value of property
- Great rise in taxes on fuel, cigarettes, alcohol
- Encouraged privatisation and sales of government property
- Health and Defence spending cuts
- A few of the dramatic changes appeared in the Labour Market.

Although all the measures have taken until now grew the recession, we can see a few changes in some fields that improved the economy:

According to the latest **Doing Business Report**, Greece showed a great improvement of business climate between the years 2013/2014. It ranks 72 in the latest Ease of Doing Business Index, a big step forward compared to the previous year when it ranked 78. For policy makers trying to improve their countries economic environment for business a good start is to compare it with other countries business environment. Easy of Doing Business report helps the entrepreneur to learn how easy or difficult is to run a small/ medium enterprise in certain country and at the same time offers quantitative indicators on business regulations that can be compared among 189 countries.

In recent years, the concept of competitiveness has emerged as a new paradigm in economic development. Competitiveness captures the awareness of both the limitations and challenges posed by global competition, at a time when effective government action is constrained by budgetary constraints and the private sector faces significant barriers to competing in domestic and international markets, the **Global Competitiveness Report** of the World Economic Forum defines competitiveness as "*the set of institutions, policies, and factors that determine the level of productivity of a country.*[2]"

There are many factors influencing productivity and competitiveness, there many different dependencies, each one determine Competitiveness from another side.

At the first part of this essay we are going to concentrate to Global Competitiveness Report, by using Global Competitiveness Index, we will examine how competitive is the Balkan Region in comparison with European Union, China, USA, and secondly

[2] (World Economic Forum, The Global Competitiveness Report 2009-2010).

we will evaluate Greek Competitiveness compared with the other Balkan countries. We will also make an extend country analysis; we will see how Greek economy scored in each one of the 12 pillars which are decisive to country's economic competitiveness.

At the second part we will focus on Easy of Doing Business Report, which concentrates around the procedures and effective regulations needed to start in a country a small and medium size enterprise. We will also compare the opportunities of starting a business in the Balkan Region, European Union, USA, China and in a second phase we will evaluate the score that Greece obtained in each one of the 10 pillars this index consisted. In working to overcome present difficulties we will suggest a few proposals which will may help Greece improve its economic profile and as a result to be more competitive in the worldwide economic arena.

GLOBAL COMPETITIVENESS INDEX – METHODOLOGICAL ISSUES- INTRODUCTION TO PILLARS

The Global Competitiveness Report is crucial to understand the key factors that reveal economic growth, contributes to understand the different level of economic development that exists from country to country, the more competitive is an economy the more capable is to create higher income for its population and to grow faster over time. It is therefore vital, competitiveness to be a primary goal for every economy (advanced- emerging- developed)[3]. The GCI includes many components its one explaining a different aspect of competitiveness. Global Competitiveness Index captures 12 pillars decisive to country's economic competitiveness.

The 12 pillars are classified in three categories:

1. Basic requirements
2. Efficiency Enhancers
3. Innovation and Sophistication factors.

Each pillar is analyzed to thematic topics. Basic requirements subindex includes the following pillars:

- Pillar 1. Institutions
- Pillar 2. Infrastructure
- Pillar 3. Macroeconomic environment
- Pillar 4. Health and primary education

Efficiency enhancers subindex consists of the following pillars:

- Pillar 5. Higher education and Training
- Pillar 6 . Goods market efficiency
- Pillar 7. Labor market efficiency
- Pillar 8. Financial market development
- Pillar 9. Technological readiness
- Pillar 10. Market size

And finally the third category Innovation and Sophistication factors subindex consists of:

- Pillar 11. Business sophistication

[3] (World Economic Forum, The Global Competitiveness Report 2013-2014).

- Pillar 12. Innovation

Each country gets a score in each pillar, in scale from 1 to 7, where 1 is the worst performance and 7 is the best.[4]

In the factor-driven stage (1st stage) countries compete based on their factor endowments, inexpert workforce and natural resources. The companies in these economies trade basic commodities; productivity and wages are usually low in these countries. Pillars 1,2,3,4 drive productivity at this stage[5]. The first pillar institutions influences investment decisions and reflect the way the societies allocate all the profits and how they handle the costs from the development strategies. Second pillar is Infrastructure; effective infrastructure is vital for ensuring the efficiency of the economy, reduces the distance between regions, integrates the national markets and helps the connection with other markets with the minimum of cost[6]. Third pillar is the Macroeconomic Environment; a stable macroeconomic environment reflects a competitive and healthy economy, Greece is considered to be a weak country in terms of Macroeconomics, because of the high public debt the government cannot provide effective services. The last pillar which is decisive for factor-driven economies is the fourth one, Health and Primary Education, poor health indicates major costs for businesses, and also inadequate education can be an obstacle for the progress of businesses[7].

As a country becomes more and more productive and the wages rising with advancing development then the country change stage of development and climbs to efficiency driven economy. At this stage economies are more affected by 5,6,7,8,9,10 pillars. Fifth pillar is Higher Education and Training; well-educated work force can adopt more easily new technologies, can handle complex tasks, which are prerequisite for a competitive economy. Good market Efficiency is the sixth pillar, a healthy antagonism between markets enhance productivity. Seventh pillar is Labour Market Efficiency, when workers are allocated to their most efficient use in the economy and its being given to them all the incentives to work hard that has a direct positive effect in productivity. Eighth pillar is Financial Market productivity; business investment as

[4] Ibid
[5] http://en.wikipedia.org/wiki/Global_Competitiveness_Report
[6] (World Economic Forum, The Global Competitiveness Report 2013-2014, p.5).
[7] (World Economic Forum, The Global Competitiveness Report 2013-2014, p.6).

well as a resourceful financial sector that allocates the resources in most productive uses can facilitate the competitiveness of a country. Ninth pillar Technological Readiness measures the ability with which a country uses technologies in favour of its productivity. Tenth pillar has to do with the Market Size; big markets make available for firms to develop economies of scale, international markets have replaced the domestic ones, that trade openness is being related with economic growth[8].

Finally in the innovation driven stage (3rd stage) the wages continue to increase and a higher standard of living is obtained as long as businesses are able to compete by providing new or unique products. At this advanced stage, companies are struggling to produce innovative and distinctive commodities[9]. Competitiveness here is determined by 11, 12 pillars. Eleventh pillar is Business Sophistication advanced business practices contribute to higher efficiency in the production of goods and services. Last pillar is Innovation, a pillar directly connected to technology; innovation means sufficient investment in Research and Development.

We have separate results for each pillar although they are not independent from one another. A low result in one pillar has a negative impact to others and opposite.
‘’The level of GDP per capita at market exchange rates is one of the two criteria that allocates countries into stages of development, the second one is used for countries which their economy is based on mineral exports and it is measured by the share of exports of mineral goods in total exports. Countries that exports more than 70% mineral products are usually factor-driven economies.’’[10]
GCI uses enrolment rates, government debt, budget deficit, and life expectancy to get all the statistical data needed, which can be found from Globally recognized agencies, such as World Bank, the International Monetary Fund (IMF), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the World Health Organization (WHO).
‘’The World Economic Forum relies on a large set of data sourced from plenty international organisations and from its own annual executive opinion survey. This

[8] (Ibid p.7-8)
[9] (Of course here there are countries that are in transition from stage one to two or in transition from stage two to three regarding their GDP)
[10] (World Economic Forum, The Global Competitiveness Report 2013-2014, p.10).

year survey captured the opinions of over 13000 business leaders in 148 economies; fourteen sections conduct the survey:

1. About Your Company
2. Overall Perceptions of Your Economy
3. Infrastructure
4. Innovation and Technology Infrastructure
5. Financial Environment
6. Foreign Trade and Investment
7. Domestic Competition
8. Company Operations and Strategy
9. Government and Public Institutions
10. Education and Human Capital
11. Corruption, Ethics and Social Responsibility
12. Travel & Tourism
13. Environment
14. Health

In this survey it is been asked from the respondents to evaluate from scale 1-7 (1 is the worst scenario and 7 is the best one), specific aspect of their operating environment. All these responses are edited and summarised in order to produce the score of the economies.'' [11]

Banks, Country Experts, Policy Makers, Business Consultants, Investment Funds advice the Global Competitiveness Report in order to help a country's economy to be more competitive or to consult their customers which is the best place to invest.

However, there is much scepticism on how competitiveness is directly connected to domestic growth of a country's population. For example we have seen countries taking measures and finally improved many problematic areas like the macroeconomic environment, financial markets, market scope as well as business sophistication but all these changes had not been reflected in the domestic economy and while they improved their scores in many indicators wages and the standard of living fell.

[11] (World Economic Forum, The Global Competitiveness Report 2013-2014, chapter 1.3).

Many experts dare to make an overall review regarding the report; According to the report: *We define competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country*[12]. They believe there is even a problem with the definition of competitiveness; they argue that we do not have an exact definition of competitiveness but an approach that combines competitiveness of an economy with productivity; therefore GCI is an indicator scoring several factors that contribute to productivity growth. Beyond the conceptual issues for the critics of the report there is also a question with the data derived from the Executive Opinion Survey regarding the use of opinion research and whether these answers are credible and objective.

In spite of some critics this report aims to achieving every economy sustainable development. The *Report* gives a perception of the key factors that affect economic growth, helps to understand why some countries are more successful than others in raising income levels and providing prospects for their citizens.

[12] (World Economic Forum, The Global Competitiveness Report 2010-2011, p.4).

ECONOMIC COMPETITIVENESS IN THE BALKAN REGION

The Global Competitiveness Index 2013/14 classifies the Balkan Countries once again in a very low position; the score for the region is 4,1 as we see in table 1.1, a position that remains unchained for many years. This score shows that the Balkan Region did not obtain any progress for the last years in comparison with EU-28 member states that improved their score this year. Extensive measures were taken in Europe to prevent the disintegration of the euro zone and lead the region onto a more vigorous growth direction, focusing on macroeconomic measures and through structural reforms particularly in peripheral euro zone countries.

EU-28 performs much better than the Balkans and usually is among the best performers worldwide mainly because of the excellent performing of the Western European Countries especially in the fields of health and primary education, labour market efficiency and Innovation. In particular as in previous years, this year's among the top ten best performers are Switzerland, Finland, Germany, Sweden, The Netherlands and the United Kingdom. Especially Switzerland is the first most competitive economy among 148 countries and that is because Switzerland's best scientific research institutions, together with other factors, turn the country into an excellent performer regarding Innovation. Finland also remains in the third place mainly because of the highly transparent public institutions. Finland as other Western European Countries is in the top position in health and primary education and higher education and training pillar. Germany scores 4th especially because of the great infrastructure and good market efficiency. Sweden in 6th position falls two places but still is in the top ranking regarding innovation.

This year USA ranks in the 5th place enhanced by financial market development, institutions and business sophistication. Also a very good performance in higher education collaborates perfectly with Research and Development. As we see in table 1.4 USA has a very good score in labor market efficiency and a major advantage because of its market size; all these characteristics classifies USA as a very competitive economy. China remains stable in 29th place, the weaknesses of Chinese economy are found in security issues, corruption, and low levels of ethical standards between businesses, also China shows serious weaknesses in technological readiness, as we see in table 1.5, in this pillar it ranks in 85 position lower than EU, USA, and the Balkan-12 Region that's because its very difficult for the companies to adopt new

technologies. However in the macroeconomic environment scores very high, as we see in table 1.5 ranks in 10th place much higher than other regions that happens because China keeps low levels of inflation rates and because of the very low public debt[13].

In the tables below (1.4 and 1.5) we see clearly that the Balkan Countries has the worst performance compared with EU-28, USA, China in almost every pillar with very few exceptions; in higher education and training and in technological readiness BAL-12 are ranked in a better position than China but not compared with EU and USA. Balkan countries demonstrated a mixed record in terms of improvement in competitiveness, with a need to boost the Innovation pillar. It's prerequisite for Balkan countries to improve weak macroeconomic indicators and support anticorruption measures. As we see in the tables 1.2 and 1.3 Turkey ranked 44th out of 148 countries and with a score 4,45 out of 7 dropped one spot but still is the most competitive economy in the Balkans, the macroeconomic environment has worsen in some extent while fiscal deficit and inflation doubled although still performs higher than any other country in the region. According to the report the advantage for Turkey's businesses is the large size domestic market and the strong local competition. Turkey should promote labour market efficiency because has the worst performance among the other Balkan countries (Table 1.5). Also the part that has to do with human resources needs improvement that can be succeeded through better primary education, higher education and health care. Nur Gunay (director of the centre for innovation and competitiveness- based development studies at Bogazici University in Istanbul) says that for the period 2011-16 innovation technologies will be used extensively in Turkey in a way that will boost competitiveness and develop human resources based on national strategy for technology and innovation.

Very bad performance showed Serbia loosing 6 places and ranking in 101 position followed by Slovenia loosing also 6 positions and ranked 62/148, Moldova also lost 2 places (Table 1.3). On the other hand, in comparison to 2012/13 index this year Croatia climbed 6 places followed by Bulgaria, Greece and Montenegro that gained 5 positions. This year Croatia joined the EU and because of that took measures that

[13] (China's public debt-to-GDP ratio at 22.9 percent is among the lowest in the world, and the gross savings rate represents a staggering 50 percent of GDP. World Economic Forum, The Global Competitiveness Report 2013-2014, p.34).

boosted its economy; Greece also took measures forced by the IMF that helped public institutions although this is a slight improvement and much more efforts still needed.

Bosnia and Herzegovina moved up 1 place to 87th/148. Bosnia and Herzegovina has demonstrated improvement in Innovation but worsen the macroeconomic environment that is why competitiveness did not enhance enough. Poor performance in Business sophistication and political insecurity are the basic obstacles for Bosnia.

Albania with a ranking 101/148 and a score 3,8 lost 3 places in comparison with previous year (Tables 1.2 and 1.3). Albania demonstrated a very poor performance especially in Infrastructure and Technological Readiness, the worst in the Balkan region. An Albanian professor Henri Cilli (administrator in the European University of Tirana) said that the reason for Albania's bad performance is because of the delay of the reform process especially those ones that have to do with property and health care, he also added that the process to the liberalisation in all these fields will help the country demonstrate better in Global Competitiveness[14].

The worst performance from all the Balkan Region is the ones of Serbia with a score 3.77 (Table 1.2) in relation to the previous year Serbia lost 6 places mainly because of inadequate infrastructure, weak business sophistication, and low development of Goods Market Efficiency. The report mentions that corruption, political instability, and inefficient administration it is what drives the economy in a dead end.

Sava Smiljic (professor in Belgrade University for strategic and operational management) underlines the need for less bureaucracy in the country, reduction of financial support to foreign companies and suggests the country to return to the primary sector of production especially to agriculture[15]. According to the National Employment Agency, almost one third of the workforce in Serbia is currently unemployed.

Western Balkans are exposed to external shocks as they are only dependent on trade, Foreign Direct Investments and remittances from the euro zone. To obtain high levels of competitiveness, Balkan countries should proceed on serious structural reforms in their education systems, labour markets, retirement funds and focus on prosperity measures. That is a hard thing to do when they are as well fighting to consolidate their public finances - the World Bank expresses the opinion that Serbia, Albania and

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[14] **www.setimes.com/cocoon/setimes/xtml/en_GB/features/setimes/features/2013/09/13/feature-02** ***The news and views for Eastern Europe.***

[15] Ibid.

Montenegro should continue limiting public deficits and curtail debt. The competitiveness of these economies represents a strategic European interest; EU makes an effort to assist economic development for these countries by funding them under the Instrument for Pre-Accession Assistance (IPA). This is a valuable resource in these times of austerity. EU conditionality is crucial when it comes to improving the rule of law and strengthening the business environment.

With increasing global competition to draw investment private sector development policies are needed. For economic strategics to be successful in the long run, governments should identify which sectors can offer the competitive advantage and find solutions to eliminate all the obstacles to their development. [16]

With the average of wages in the Balkan region being low in comparison with other EU countries and with close proximity to EU markets the region can form as an attractive location for FDI's but to achieve this goal the governments should take certain actions like to improve companies access to finance which is the key impediment for growth, improve logistical channels, improve transport infrastructure, provide entrepreneurs with the right information on how to overcome operational and policy barriers, Balkan countries has opportunities to attract investments and remain competitive.

[16] **www.oecd.org/investment/psd/45375074.pdf**

GREECE ECONOMY PROFILE

Greece's public sector accounts almost 40% of GDP, with per capita GDP for about 2/3 that one's of the Euro zone. Tourism grants 15% of GDP. Immigrants in Greece occupied mainly in unskilled posts. The country benefits from EU for about 3,3% of annual GDP. For the years 2003-2007 had a growth rate almost 4% mainly because of infrastructural spendings for the Olympic Games of 2004. From 2008-09 and onwards the economy went to a recession because of the world financial crisis. The economy restricted to 2,3% in 2009, 3,5% in 2010, 6,9% in 2011 and 6,0% in 2012. In 2009 the deficit reached 15% of GDP, in 2012 austerity measures reduced the debt at about 8%. In late 2009 major credit rating agencies downgraded Greece because of weak public finances, incorrect and inaccurate statistics, and constant inadequate performance on reforms. All these led the country into a financial crisis, and had as a consequence austerity measures to be imposed and unpopular reforms from Internationally Monetary Fund and the Euro-zone governments in order to provide in Greece short and medium term loans so that the country could make debt repayments to creditors. In return Greece guaranteed to present extra austerity measures for the period 2013-15. Though, these enormous austerity measures are expanding Greece's economic recession and reduces tax revenues, Greece's lenders are pushing the country to make bigger efforts to raise taxes, privatize public enterprises, and restraint health spendings. There are not a few who believe that Greece will not be able to complete all the painful reforms because of the political instability that exists in the country[17].

[17] https://www.cia.gov/library/publications/the-world-factbook/geos/gr.html.

ECONOMIC OVERVIEW FOR GREECE

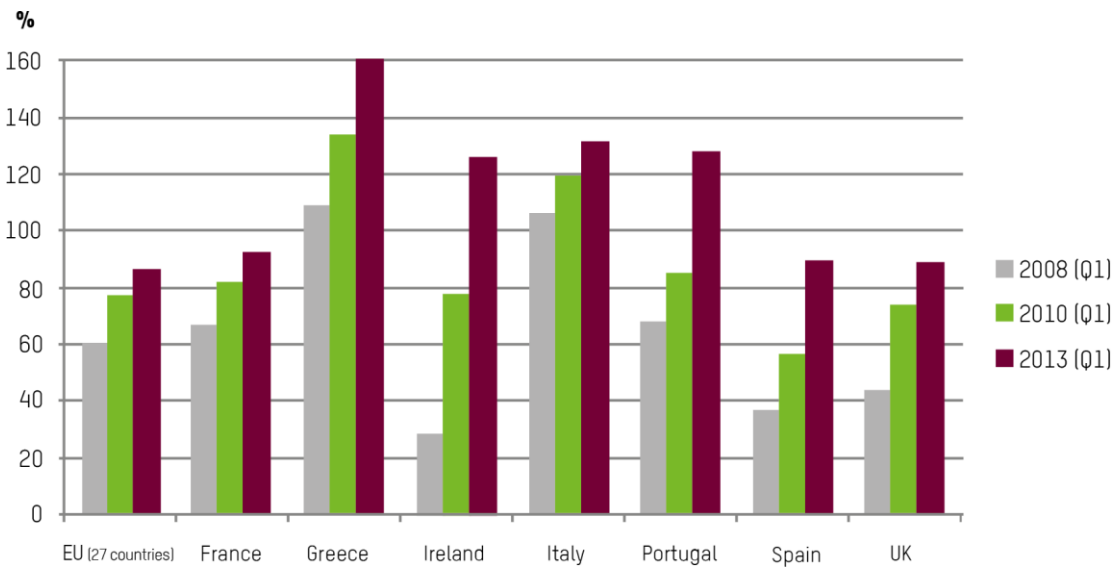
INDICATOR	DEFINITIONS	VALUE
GDP (purchasing power parity) in US $	*It gives the gross domestic product (GDP) or value of all final goods and services produced within a nation in a given year. A nation's GDP at purchasing power parity (PPP) exchange rates is the sum value of all goods and services produced in the country.*	281,4 billion (2012 est.)
GDP (official exchange rate) in US $	*A nation's GDP at official exchange rates (OER) is the home-currency-denominated annual GDP figure divided by the bilateral average US exchange rate with that country in that year.*	249.2 billion (2012 est.)
GDP (real growth rate) %	*GDP growth on an annual basis adjusted for inflation and expressed as a percent. The growth rates are year-over-year, and not compounded.*	-6,4%
GDP- per capita (PPP) in US $	*It shows GDP on a purchasing power parity basis divided by population as of 1 July for the same year.*	24,900 (2012 est.)
Public Debt	*Records the cumulative total of all government borrowings less repayments that are denominated in a country's own currency. Public debt must not be mystified with external debt, which represent the foreign currency liabilities of both the private and public sector and must be financed out of foreign exchange earnings.*	156.9% of GDP (*graph.1*) (2012 est.)

Inflation Rate (Consumer Prices)	*This entry furnishes the annual percent change in consumer prices compared with the previous year's consumer prices.*	1,5 % (2012 est.)
Debt- External in US $	*Gives the total public and private debt owed to non-residents repayable in internationally accepted currencies, services or goods. These data are estimated on an exchange rate basis, i.e., not in purchasing power parity (PPP) terms.*	$ 576,6 billion
GCI (Ranking and Score) World Economic Forum	*Global Competitiveness Index measures the Competitiveness of 148 countries.*	91 (Rank) *out of 148 Countries* 3,93 (Score)
EDB (Rank) The World Bank	*Evaluates the Business Environment of 185 economies.*	78 (Rank)

Source: CIA World Factbook

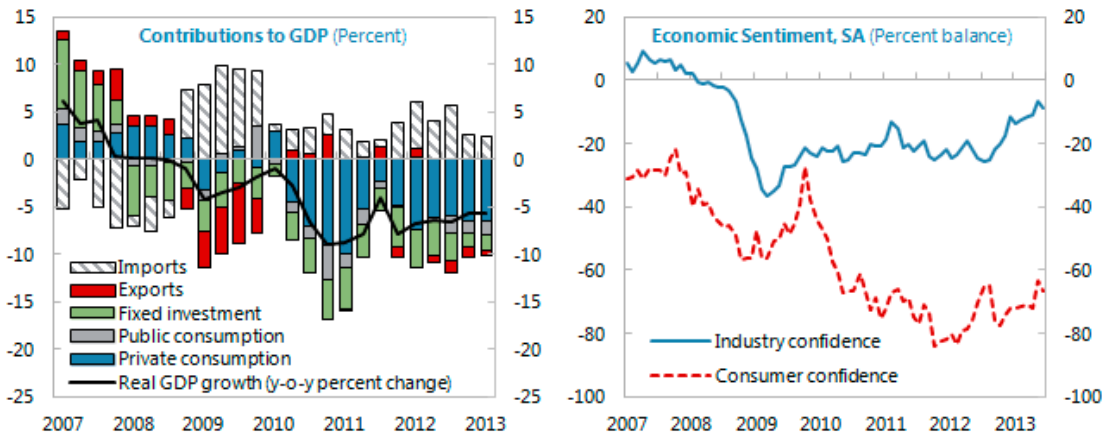
Last Update: September 10th 2013

Graph.1 Government debt as a percentage of GDB (2008-2013)



Source: Eurostat (2013) Government Debt in % of GDP – Quarterly data

Graph.2



Sources: Elstat; and IMF staff calculations.

GREECE COMPARED TO THE BALKANS IN THE FIELD OF COMPETITIVENESS

OECD notes that competitiveness in the Balkan region is prerequisite for the political stabilisation and economic growth not only in this certain region but also for the whole European Union that is why EU policies focuses to help the countries of the Balkan Region succeed in this field. The Global Competitiveness Report published by the World Economic Forum has exhibited the progress made by many Balkan countries although more structural improvements are needed in order to diminish the effects of the global economic crisis.

After continuous falling over the past years this year Greece managed to improve the economy and ranked in the 91st place. Though still remains the lowest-ranked country of the European Union. In the context of ongoing sovereign dept crisis, Greece continues to fall in macroeconomic environment pillar dropping to 147th position this year (second to the last). The country has started to show progress in plenty of other areas, possibly representing that the reform efforts are beginning to show samples of development. Small improvement had the country's institutional environment, although more efforts are still needed in the areas of the efficiency of its labor markets, and technological adoption. In spite of some progress that is made in certain pillars, public institutions (e.g., government efficiency, corruption, undue influence) still receive poor evaluation (102nd), similarly Greece's financial market sare considered more poorly than in the past, at 138th this year, showing particularly low confidence on the part of investors. Another major area of concern is the country's ineffective labour market (127th), which continues to limit Greece's ability to emerge from the crisis, representing the significance of latest efforts to increase market flexibility, although this has improved fairly since last year, maybe because of recent efforts to increase the retirement age and labour flexibility. In working to overcome present problems, Greece has a number of assets to rely on, including a very well educated labour force, expert at adopting new technologies for improving productivity[18].

[18] http://www.weforum.org/docs/GCR2013-14/CountryProfiles/Greece.pdf

Let's see how Greece demonstrates in some of the most important pillars and compare them with the corresponding of the other Balkan countries.

Slovenia we can say is the ''winner'' in the region scoring in almost the half pillars as the best performer in the region followed by Turkey, in addition Greece has not been best performer in any of the pillars, in the opposite scores as the lowest ranked country in macroeconomic environment with 2,82 and financial market development 2,86 respectively (Table 1.4 and 1.5). The worst performance in most of the pillars spotted in Serbia and Moldova. In particular, Serbia had the worst demonstration loosing 6 places in the ranking and scoring in 101 position unlike last year that scored in 95 position (Table 1.3). Greece has the second best performance in health and primary education, infrastructure, higher education and training and technological readiness after Slovenia (Table1.4). In average from 2002 until 2013 Greece comes 2nd best with Montenegro in the same place and Slovenia as the first one (Table 1.2), although as far as average ranking concerns Greece lost from 2002 until 2013 most places than any other country in the region, Greece has lost 53 positions all these years with a continuous negative demonstration. Turkey on the other hand has shown significantly improvement and gains 25 positions from 2002 until now on average (Table 1.3). Very worrying is the Greek score in the Macroeconomic environment; the economy cannot grow in a sustainable way unless the macroeconomic environment is stable. Macroeconomic stability has attracted the attention of the public recently because of the interference of IMF in some European countries like Greece.

Greece as we see in table 1.4 is considered to be a weak country in terms of Macroeconomics and Financial Market Development, with a score of 2,82 and 2,86 respectively, while Bulgaria amounted 5,61 in the field of Macroeconomics and Montenegro gained 4,4 in the domain of Financial Market Development[19].

Another important pillar is the seventh one, the *Labour Market Efficiency*. The flexibility of the labour market is important for ensuring that workers are allocated to their most efficient use in the economy and provided with motives as to give their best effort in their jobs. Labour markets should consequently have the suppleness to shift workers from one economic activity to another quickly and at low cost. Montenegro is the best performer in the Balkan area in this field because it has lower wages in comparison to Greece. But Greece is one of the best performers in health and primary

[19] Ibid

education pillar and the second best in higher education and training. High quality human capital is a critical driver of productivity, today's globalising economy requires countries to raise healthy and well-educated workers who are able to adapt rapidly to their changing environment and the evolving needs of the production system. These aspects of health and education are already included in the GCI in order to encourage productivity of economies worldwide[20].

In today's globalised world, technology is more and more essential for firms to compete. The Technological Readiness pillar measures the quickness within which an economy adopts existing technologies to improve the productivity of its industries. Technological Readiness is a domain in which Greece has high scores in comparison with other Balkan states, although Innovation is a thorn in Greek Competitiveness due to the fact that Greece does not spend a lot in research and development and as a result, its performance in this field is 3,08 contrary to Slovenia which is the champion with a score of 3,63 (Table 1.4). Those economies that are innovative binding with the latest technologies will have the advantage to adjust to the rapidly changing global economy and confront future vulnerabilities and uphold their competitiveness[21].

[20] Ibid
[21] Ibid

EXTENSIVE ANALYSIS OF THE GREEK COMPETITIVENESS

First Pillar: Institutions

Indicator	Value	Rank/148
1.01 Property rights	3.9	87
1.02 Intellectual property protection	3.7	70
1.03 Diversion of public funds	2.7	104
1.04 Public trust in politicians	1.9	138
1.05 Irregular payments and bribes	3.6	91
1.06 Judicial independence	3.4	84
1.07 Favoritism in decisions of government officials	2.6	113
1.08 Wastefulness of government spending	2.0	140
1.09 Burden of government regulation	2.2	144
1.10 Efficiency of legal framework in settling disputes	2.5	138
1.11 Efficiency of legal framework in challenging regs.	2.6	130
1.12 Transparency of government policymaking	3.6	123
1.13 Business costs of terrorism	5.3	86
1.14 Business costs of crime and violence	4.7	68
1.15 Organized crime	5.4	56
1.16 Reliability of police services	4.0	77
1.17 Ethical behavior of firms	3.5	113
1.18 Strength of auditing and reporting standards	4.3	93
1.19 Efficacy of corporate boards	4.0	122
1.20 Protection of minority shareholders' interests	4.2	67
1.21 Strength of investor protection, 0–10 (best)*	4.7	100

Source: Global Competitiveness Index edited by the World Economic Forum

Institutions is a very important pillar and depends in all the above indicators, public and private institutions are both important elements of the process of creating wealth. Protecting property rights as well as intellectual property is prerequisite to protect investors and with this way to encourage investments. Corruption, organised crime are opponents for a healthy business environment, governments are forced to spend a great amount of money in their effort to suppress crime and deprive the country from fundamental public services such as education and health. Protection of minority

shareholders is also essential; the right way to handle them may bring serious economic payback to the country.

Greek economy scores as far as Institutions concern 3,49 at 103 position this bad performance is due to the fact of the major economic crisis that doesn't let the country invest and secure with that way the institutional framework for doing business. Corruption weakens democratic institutions, hinders the development of the economy and imposes on instability of governments. It is a direct attack on the pillars of democratic institutions as it can pervert the rule of law and create bureaucratic difficulties, whose sole reason for them to be present is the seeking of bribes. Corruption, in general, encompasses illegal actions, which for the most part come into sight merely via scandals, investigations or prosecutions. Therefore, it is not easy to weigh up the entire level of corruption.

Second Pillar: Infrastructure

Indicator	Value	Rank/148
2.01 Quality of overall infrastructure	4.5	60
2.02 Quality of roads	4.2	63
2.03 Quality of railroad infrastructure	2.7	64
2.04 Quality of port infrastructure	4.5	57
2.05 Quality of air transport infrastructure	5.3	44
2.06 Available airline seat km/week, millions*	542.0	38
2.07 Quality of electricity supply	5.3	55
2.08 Mobile telephone subscriptions/100 pop.*	116.9	57
2.09 Fixed telephone lines/100 pop.*	47.8	14

Source: Global Competitiveness Index edited by the World Economic Forum

An advanced and healthy economy spends a great amount of money on investing in infrastructure, the quality of roads, air transport, railroad and telecommunication systems is vital for country's economy because help enterprises flourishing and attracts even more investments. Minimum transaction costs and speeding time are strongly bounded with a powerful economy. A well developed communication infrastructure network and a good transport is a number one advantage for less developed countries to expand its economic conducts. Effective model of transport helps the entrepreneurs to commerce in the right time and with security. Adequate electricity supplies also facilitate the entrepreneurs to work unimpeded, as well as a broad telecommunications network also facilitates the communication of enterprises.

Greece's performance as far as infrastructure concerns obtains a score of 4,79 and ranks in 38th position (Table 1.4 and 1.5) better performance than the previous year, generally Greece has a good established infrastructure with many reforms taken place in recent years because of the Olympic games of 2004.

Greece has ports of international interest, of national importance, and ports and harbours of local importance. It is worth saying that Piraeus port is expected to exceed even the most optimistic forecasts as far as movement of goods concerns within the next two years reaching to be the first port in the Mediterranean. There are ambitious plans also for Thessaloniki's port, as there is a high tendency commercial activity to be displaced from the ports of northern Europe to the South. All the above is proven from the data traffic from Piraeus port and from observations from international trade

organisations and financial firms. Freight traffic has tripled in the last three years while the corresponding growth in the Mediterranean ports in the same period was diminished. Indicative, the port of Thessaloniki is one of the two major ports in the country, in 2012 traded 4,4 million tones of freight and 317000 TEU (containers) with net income of 5,13 millions[22].

Although there is a general interest in Greek ports, their utilization is significantly delayed due to postpone of their respective officers, creating problems for national interests.

Finally TRAINOSE annually carries about 4,5 million tons of cargo and 15 million passengers, the revenues on 2012 reached 140,47 million and profit of 1,3 million euros.

In Greece, the main energetic sources are lignite and renewable sources of energy. Greece's energy mixture is comprised of 17% of energy produced from renewable sources, 49% of energy of energy produced by lignite, 17% of energy is imported gas, 9% is imported oil and 8 % is imported electrical energy. [23]

Oil consumption decreased due to raise of price in last years and renewable sources of energy cannot attract Greek consumers so much, as government does not provide the incentives to Greek people with the aim of investing on them extensively.

It s quite interesting that not only Greece produces the highest amount of electrical energy among other Balkan countries but it also consumes more electricity than other countries.[24]

Renewable sources of energy are not other than sun, biomass, geothermal, hydropower and wind power. If they are combined in the right mixture it can help us to cover our needs in an economic way and without causing any damages in our planet.

If Greece and the other Balkan countries give more emphasis in developing Renewable Sources then the diplomacy of energy would not be as aggressive as nowadays because every country can cover its needs through their own RSE. Consequently, economic dependence (which reveals to what extent a country bases on

[22] www.capital.gr

[23] Χριστοφόρου, Λ.(2012). Ελληνικοί Ενεργειακοί Πόροι. Ομιλία στην Ακαδημία Αθηνών. Available at: < URL: http://www.academyofathens.gr/Documents/ellinikoi_energeiakoi_poroi.pdf> Accessed at: 16/3/2013

[24] Indusry,services and households are the main consume a great amount of electricity but unfortunately means of transport do not follow the same pattern as households and industry.

imports of energy) will diminish and energy intensity of countries will augment in a more effective way.

Finally the liberalization of telecommunications has resulted to exist in the market a large number of telecom suppliers, the market is very competitive and responds to high standards.

Third Pillar: Macroeconomic environment

Indicator	Value	Rank/148
3.01 Government budget balance, % GDP*	-6.4	130
3.02 Gross national savings, % GDP*	10.7	124
3.03 Inflation, annual % change*	1.0	1
3.04 General government debt, % GDP*	158.5	147
3.05 Country credit rating, 0–100 (best)*	21.7	129

Source: Global Competitiveness Index edited by the World Economic Forum

A stable macroeconomic environment is crucial for business and as an extent for the competitiveness of a country. An augment public debt is an obstacle for an economy to provide services effectively; also governments should avoid deficits in favor of a balanced budget policy; high inflation mislead investment decisions, the problem with a rising inflation is when it's rising at a quicker pace than the wages. In contrast, Macroeconomic stability helps an economy to minimize vulnerability to external shocks, which in turn improves its prospects for unceasing growth.

Greece has the worst macroeconomic environment in the EU and the Balkan region, this year scored 2,82 and a rank 147 among 148 countries (Table 1.4 and 1.5) shows the importance of serious measures that must be taken in order to start having a healthy macroeconomic environment in the future. The last year's Greek economy is characterised by a lack of structural reform in taxation, enormous public dept, weakly organised fiscal policy, non-effective social services and political leaders unable to agree in a common rescue plan.

The economical and political instability augmented because of poor reliability inside and outside the country. The weakness of the domestic banking system to meet the financing needs of the private sector due to the losses suffered by both the implementation of the impairment of debt (Private Sector Involvement- PSI), and the predictable large increase in non-performing loans, because of the deep recession also contributed to the worsen of Macroeconomic environment.

Moreover, fears about the risk of disorderly bankruptcy and exit from the Eurozone made people loose confidence for Greek economy having a dramatic impact in both aggregate demand and aggregate supply. Moreover these scenarios for Greece leaving

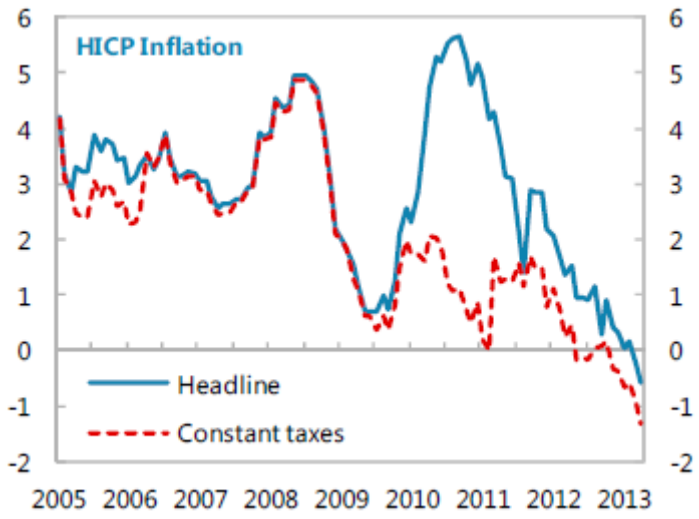
Europe had a bad effect both to the domestic demand by suspending expenditure to consumer durables and investment goods, the outflow of deposits and the liquidity of the banking system to support the real economy[25].

The Greek economy is also weak because it relied on areas such as shipping and construction, unlike other European Countries, sectors that affected first and most by a crisis.

Inflation either based on CPI or HICP was high reflecting the raise in indirect taxes and excise duties, to be more specific the reason that Inflation increased was duo to the fact that taxes increased, on 2012 inflation reduced in comparison to 2011 mainly due to the drop in final demand, oversupply conditions prevail, and because the effect of increases in indirect taxes and fuel that occurred in previous year started to subside.

For the decline in domestic demand and inflation contributed the significant reduction in labor costs per unit of products, the reduction in salaries of civil servants due to the fiscal adjustments, the pressure on wages in the private sector, the large number of unemployed seeking for a job and institutional changes in the status of collective negotiations brought about by the implementation of the commitments of the Memorandum. Although the general level of prices did not decline because enterprises found themselves with smaller or even negative margins[26].

Graph.3



Source: IMF

[25]Εθνική Συνομοσπονδία Ελληνικού Εμπορίου (2012), Το Διεθνές Οικονομικό Περιβάλλον και η Ελλάδα. Avaliable at: http://www.esee.gr/Portals/0/pdf/ektheseis%20esee/2012/01_Kef_2012.pdf

[26] Ibid

Fourth pillar: Health and Primary Education

Indicator	Value	Rank/148
4.01 Business impact of malaria	N/Appl.	1
4.02 Malaria cases/100,000 pop.*	(NE)	1
4.03 Business impact of tuberculosis	6.5	26
4.04 Tuberculosis cases/100,000 pop.*	3.8	7
4.05 Business impact of HIV/AIDS	6.1	32
4.06 HIV prevalence, % adult pop.*	0.20	45
4.07 Infant mortality, deaths/1,000 live births*	3.7	24
4.08 Life expectancy, years*	80.7	21
4.09 Quality of primary education	3.8	78
4.10 Primary education enrollment, net %*	99.0	20

Source: Global Competitiveness Index edited by the World Economic Forum

A healthy workforce is prerequisite for a country's competitiveness also this pillar highly considers the quality and quantity of the population's basic education. Workers who are not educated cannot handle complex tasks in their work and they can only carry out simple jobs, that is a barrier to the production of advanced methods and practices and do not let Innovation to flourishing.

Greece has a score 6,1 and ranks at the 35th position globally a good score, in almost the same levels with last year's results. It is crucial in long term Greece to avoid considerable reductions on the number of teachers and to their benefits and allowances because with that way will degrade the educational system. Between the years 2010-2011 gross salaries fell by 17%[27], also since the onset of the global recession in 2008 unemployment raised in serious numbers for all active population despite the level of education. The reduction of wages reflects poor incentives for teachers and also the lack of training during their working career do not give them the proper knowledge to prepare students for post school life, especially when it has to do with vocational and technical education.

Because of the economic recession schools don't have the required equipment like computers even books in some schools, to help them educated efficiently. Last year we saw school buildings even luck heat, children cannot be properly trained under this circumstances. Developing a pedagogical programme for pre school education need to be speeded up. Providing universal access to early childhood education would be in line with international trends and would ensure an affordable place for all children

[27] OECD, Country note Greece, Education at a glance 2013

who need it[28]. Greece should encourage school autonomy and give more incentives for the teachers, evaluations that check student's performance and allow benchmarking between schools can give to the primary education more quality.

Health spending in Greece is a major thorn for public health. Health spending accounted for 9,1 % of GDP during 2011[29]. In the attempt of the government to reduce the huge budgetary deficit a sharp reduction in public spending on health promoted, most of those reductions accomplished by cutting wages, by reducing the workforce, and with the reduction on the prices of pharmaceuticals, the reduction on the prices succeeded because brand medication replaced by generics that can cure the patient but costs less. Patients in Greece very difficult serve themselves in public hospitals because hospitals were merged and because there are shortages in workforce. We also saw the last years a lack of medication in the market because EOPYY couldn't pay the pharmacy owners and because of that pharmacy owners could not buy more medicines. Unfortunately because of the recession investment plans have also been on hold.

[28] OECD, Greece at a glance- police for sustainable recovery.
[29] OECD, Health Data 2013, how does Greece compare.

Fifth Pillar: Higher Education and Training

Indicator	Value	Rank/148
5.01 Secondary education enrollment, gross %*	109.5	13
5.02 Tertiary education enrollment, gross %*	89.4	4
5.03 Quality of the educational system	3.1	112
5.04 Quality of math and science education	4.3	58
5.05 Quality of management schools	3.8	94
5.06 Internet access in schools	3.9	86
5.07 Availability of research and training services	3.8	94
5.08 Extent of staff training	3.5	116

Source: Global Competitiveness Index edited by the World Economic Forum

Quality education is vital for countries that want to move from a lower level of development to a higher one. Well-educated population is more specialised and familiar with new techniques and technologies and this advantage can be used from governments in favour of competitiveness.

In the latest Global Competitiveness Index we see Greece gained the 41st position among 148 countries and a score 4,81 a little higher than the previous year in the Higher Education pillar. Because of the six-year economic crisis that has haunted Greece, the country's higher education has been mostly affected. Although the proportion has slightly increased it is still unsatisfactory. Public funding has been slashed, salaries dropped to 1995 levels, and students in the whole country have protested against the deliberate shut downs of many academic facilities. The ''Athena Plan'' is the latest government's reform that brought mass changes in higher education. This plan was described from the authorities necessary for the consolidation and modernisation of public universities. With the ''Athena plan'' many campuses and departments will be phased out, mergers and closures that started from this year are planned from the government in order to reduce public spending for education and because, according to public officials, to combat overspecialization in sectors with little or irrelevant with the true needs of the domestic economy. This plan had as an aim to reduce the higher education departments from 520 to 350[30].

Although there are also many opposites voices of ''Athena'' declaring that the loss of jobs will make even a bigger damage to the economy and to the public education.

[30] www.minedu.gov.gr

According to OECD (Education at a glance 2012) Greece has the highest level of unemployment especially to young people with tertiary education; there is a sense between undergraduate students that they want to study abroad because only with this way they will find a job suitable to their qualifications. Although the demand to study abroad is high the number of students that actually do it have fallen the last years due to financial problems Greek family is facing. According to recent research from the Development Centre of Educational Policy (KANEP on behalf of GSEE); the expenses of Greek families for the education needs of their children increased by 61% during the decade from 2001 to 2011, while the government spending per student in higher education is in the 26th position among the country- members of the EU, also expenditures per teacher in higher education institutions has fallen sharply. The whole climate is becoming impeded with the availability of administrators.

Another problem Greek Universities face is the difficulty to attract foreign students; OECD data for 2012 showed that the 78,7% of the country's foreign students are from neighbouring countries. Under the dark clouds of strikes, uncertainty about structural changes, continuous reduction on payments, all this composes a complicated climate for foreign students to study in our country. The situation is getting even worst according to NGO's for protection of human rights because xenophobic sentiments have reached serious proportion in Greece the last years.

Sixth Pillar: Goods Market Efficiency

Indicator	Value	Rank/148
6.01 Intensity of local competition	4.8	87
6.02 Extent of market dominance	3.8	73
6.03 Effectiveness of anti-monopoly policy	3.8	92
6.04 Effect of taxation on incentives to invest	2.4	142
6.05 Total tax rate, % profits*	44.6	101
6.06 No. procedures to start a business*	11	126
6.07 No. days to start a business*	11	54
6.08 Agricultural policy costs	2.8	144
6.09 Prevalence of trade barriers	4.9	18
6.10 Trade tariffs, % duty*	0.8	4
6.11 Prevalence of foreign ownership	4.4	90
6.12 Business impact of rules on FDI	3.0	141
6.13 Burden of customs procedures	3.9	81
6.14 Imports as a percentage of GDP*	30.4	122
6.15 Degree of customer orientation	4.5	72
6.16 Buyer sophistication	3.3	84

Source: Global Competitiveness Index edited by the World Economic Forum

Countries with well oriented markets are able to produce the right products and services that can be fully absorbed from other markets in the best possible prices efficiently oriented on demand conditions. Efficient market is one where the market price is an unbiased estimate of the true value of the investment.

Greece has a bad history record in this certain pillar the country ranked as bad as the previous year, in 108th position and a score of 3,93 (Table 1.4-1.5) . The country needs major structural reform in its product market. Three elements are dominant for goods market efficiency: degree of intensity of competition, business freedom, and effectiveness on the enforcement of competition law. Goods market works powerfully when there is minimum disturbance from government intervention that could deter competitiveness through an irregular taxation framework, excessively regulated markets or extensive bureaucracy. To succeed in all this Greek government should take actions such as diminishing the taxation, reduction barriers to businesses such as bureaucracy, promote ‘’starting a business’’ policy, and generally taking measures that could boost entrepreneurship and encourage Foreign Direct Investments.

Seventh pillar: Labour Market Efficiency

Indicator	Value	Rank/148
7.01 Cooperation in labor-employer relations	3.7	124
7.02 Flexibility of wage determination	3.9	132
7.03 Hiring and firing practices	3.5	102
7.04 Redundancy costs, weeks of salary*	15.9	78
7.05 Effect of taxation on incentives to work	2.5	137
7.06 Pay and productivity	3.2	129
7.07 Reliance on professional management	3.8	104
7.08 Country capacity to retain talent	3.1	86
7.09 Country capacity to attract talent	2.3	127
7.10 Women in labor force, ratio to men*	0.73	92

Source: Global Competitiveness Index edited by the World Economic Forum

A flexible labour market has the capacity to allocate workers effectively and with low cost, also has the ability to include with the most efficient way youth labour force in the market and help them reveal their talents and qualifications treating them equally regardless sex, colour, religion e.t.c.

Inefficient Greek labour market is revealed from the Global Competitiveness Report and the score that the country obtained: 127th place and 3,77 score a little better than the previous year. In Greece, unemployment has augmented since the 2008 global financial crisis, higher than 27 percent in mid-2013[31]. One of the measures forced by Troika to make the economy more flexible was the reduction of the basic wage by 22 percent in February 2012, and a 10% plus reduction for youth.

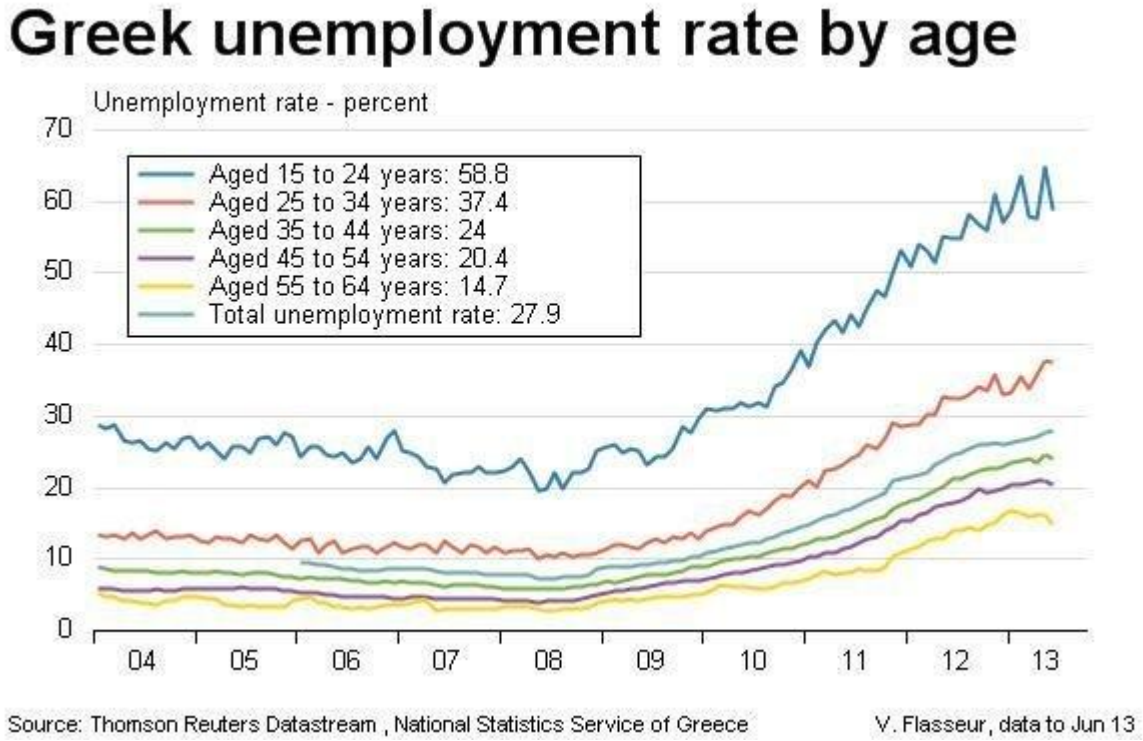
Since May 2010, the euro area Member States and the International Monetary Fund (IMF) have been providing financial support to Greece through an Economic Adjustment Programme in the context of a sharp deterioration in its financing conditions. To get this financial support Greece pledged to implement certain policies, in all the memorandums that Greece signed with Troika there were labor adjustments

[31] Factsheet- The IMF's advice on labor markets, available at: http://www.imf.org/external/np/exr/facts/labor.htm

with a certain objective to reduce the labour cost; some of the measures were already taken are:

Cut in the salaries of public and private employees, also they cut the 13th and 14th month salaries in public sector for employees which were receiving a certain amount of money, they changed the law regarding lay- offs and overtime work, they promoted the equalisation of men's and women's pension age limits, average retirement age increased from 61 to 65, they finally changed the law to make it easier to lay off workers. All these reforms that had to do with labour law generally speaking made the labour market more flexible and cheaper. The idea was to attract investments because of the cheap but higher educated labour dynamic, something that did not happen, in the opposite the unemployment augmented, the country's workforce discredited, and Greeks became pourer.

Graph: 4



Eighth pillar: Financial Market Development

Indicator	Value	Rank/148
8.01 Availability of financial services	3.8	106
8.02 Affordability of financial services	3.6	118
8.03 Financing through local equity market	2.2	135
8.04 Ease of access to loans	1.6	146
8.05 Venture capital availability	1.7	146
8.06 Soundness of banks	2.3	148
8.07 Regulation of securities exchanges	3.8	92
8.08 Legal rights index, 0–10 (best)*	4	101

Source: Global Competitiveness Index edited by the World Economic Forum

A country's ability to support investment and access to credit is prerequisite; a financial instability can prove very dangerous to the economy causing disruptions to internal enterprises and deteriorating the macroeconomic stability. A strong financial system should provide confidence to risk investors. An effective financial system supports investments, but more important lead capital investments to be highly productive and at the same time protect individuals and companies from economical risks.

The worst performance in the Balkan region demonstrates Greece's performance with a ranking 138 and a score 2,82 (Table 1.4-1.5) is the worst country in the Balkan area in this certain pillar. Now days Greece was demoted to an emerging, from a developing market by asset manager Russell Investments, which sees it as more risky, Mat Lystra, senior research analyst for Russell Indexes, said in a statement: *'' We believe a country that has become systematically riskier, while remaining capable of economic rebound, is more appropriately categorized as an emerging market''* he also pointed data from the Athens Stock Exchange showed average daily volumes for last year as being less than those in 1997[32]. However, there are opposite voices to this statement finding it pretty cruel and untrue that Greece has reached such levels of economic decline, still illustrates the difficulty to regain a stable financial environment.

[32] http://www.emergingmarkets.org/Article/3163866/Search/Results/Why-Greece-was-downgraded-to-emerging-market.html?Keywords=greece

In the first half of 2010, when Greece lost access to financial markets it was obvious, that the public debt was unsustainable. The country's colossal debt should have been restructured without delay. If Greece had sooner written down its debt by two-thirds, it would have been able to discard its devastating debt. It could have spent a part of the interest savings to recapitalise the banks. It could have reduce taxes, rather than increase them. It could have boost investments and got its economy moving again[33]. Greece now is trying to stabilise the whole climate without taking any new measures that would put in risk its financial market even more, the government is now trying to put in action structural reforms while demanding from Troika extra debt relief. But the situation cannot easily turn around. Past mistakes done not just by Greece, but also more over by its international partners, make the future of the country very difficult to recover.

[33]‘’ Greek Debt Crisis: lessons in hindsight’’ article written by Barry Eichengreen available at: http://www.theguardian.com/business/2013/jun/14/greek-debt-crisis-lessons

Ninth Pillar: Technological Readiness

Indicator	Value	Rank/148
9.01 Availability of latest technologies	5.0	67
9.02 Firm-level technology absorption	4.5	88
9.03 FDI and technology transfer	4.0	111
9.04 Individuals using Internet, %*	56.0	53
9.05 Fixed broadband Internet subscriptions/100 pop.*	23.5	28
9.06 Int'l Internet bandwidth, kb/s per user*	54.7	38
9.07 Mobile broadband subscriptions/100 pop.*	44.5	34

Source: Global Competitiveness Index edited by the World Economic Forum

The Technological Readiness Index illustrates the ability of a country to adopt new technologies and to use them in order to boost the productivity of its companies with certain goal to use the Information and Communication Technologies (ICT's) in favour of Innovation and Competitiveness.

Greece has historically good score in this certain pillar; this year's score is 4,62 and ranked in the 39th place among 148 countries. Greece possesses a highly educated workforce with strong background and skills in science and engineering. Prospects and human capital are as a result in position for Greece to become an active technology centre, creating novel and modern innovative companies with products and services designed for the global innovation economy.

As far as public policy concern Technology is used from the governments to make administration more transparent. The last years we saw public sector modernisation because of the intent use of technology; in detail the main areas that has been advantaged from ICT's are: the ministry of finance has implemented IT projects in the field of taxation like TAXIS which contributes with improved services to citizens and firms, reducing tax evasion with much less bureaucracy. Based on the same logic from 1/3/2013 the ministry of labour social security and welfare put in action the ''ERGANI'' system were every employer has to submit all the required information online for every employ. This system was created to reduce uninsured labour.

New Technologies have been used intensively in other areas, through the application of information and communication technologies in the health sector and the development of telemedicine and for better management of the transport system and environmental resources.

Also by equipping schools with the new media and wiring them to the Internet, supporting the production of educational software and training teachers in the use of new technologies in the education process.

Technological Readiness is directly connected with Foreign Direct Investments. In a country where the use of technology is expanded and secure, gives motive to a potential entrepreneur to invest in this country. In a technological advanced environment a firm can be more competitive and to operate with low cost at the same time.

Greece due to the economic recession is not adequately equipped especially in schools with computers also there is still a large proportion of its citizens that do not know how to use new technologies. The state should provide schools with all the necessary equipment and help citizens expand their knowledge in this field.

Tenth pillar: Market Size

Indicator	Value	Rank/148
10.01 Domestic market size index, 1–7 (best)*	4.2	44
10.02 Foreign market size index, 1–7 (best)*	4.8	58
10.03 GDP (PPP$ billions)*	276.9	46
10.04 Exports as a percentage of GDP*	27.5	109

Source: Global Competitiveness Index edited by the World Economic Forum

Market size can be given in terms of the number of buyers and sellers in a certain market or in terms of the total exchange of money in the market, usually in annual bases. When given in terms of money, market size is often named *market value*, but in a sense separate from market value of individual products[34].

The case of the EU demonstrates the significance of Market Size for competitiveness. By the diminution of trade barriers and the harmonization of standards the EU have succeed to raise exports inside the region, although many barriers still exists to become a true single market, the difficulty occur mainly in services and lead to serious border effects[35].

Greece this year ranked at 47th position globally and obtained a score 4,37 (Table 1.4-1.5). The country has been a member of the World Trade Organisation since 1995 like all member states of the EU.

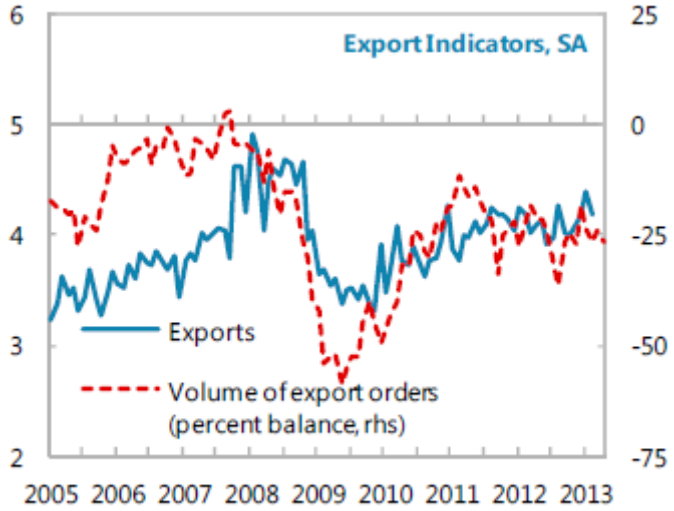
Greece's exports growth slowed down in the second half of the 1990's but recovered from 2002 onwards as growth in the Euro area and surrounding countries picked up. Greece has been a traditional exporter of food, beverages and textiles, although the 1996-2006 period Greek exports by product has changed considerably, the contribution of food stuff and other manufactured products in exports declined giving their position in products that belonged in the category of chemicals, machinery and transportation equipment. At the same time Greek exports shifted away from their traditional destination of the EU market towards new destinations in the S.E Europe region[36].

Nowadays we see the following exporting trends in Greek economy: Greek export figures for 2011 shows that 15 new products, mainly from, food and beverage, machinery-packaging, fertilizers, were included in the top 100 most exporting Greek

[34] investorwords.com > market size Retrieved on April 17, 2010
[35] (World Economic Forum, The Global Competitiveness Report 2013-2014, p.46).
[36] Bank of Greece, export performance competitiveness and commodity composition, May 2010.

products in 2011. Also new seven markets were incorporated in the list of Greek export destinations (Falkland Islands, Tongo, Benin, Argentina, Peru, Bangladesh, and Santa Helena).

Graph 5



Eleventh pillar: Business Sophistication

Indicator	Value	Rank/148
11.01 Local supplier quantity	4.5	89
11.02 Local supplier quality	4.5	63
11.03 State of cluster development	3.0	128
11.04 Nature of competitive advantage	3.8	48
11.05 Value chain breadth	3.6	84
11.06 Control of international distribution	3.9	78
11.07 Production process sophistication	3.6	79
11.08 Extent of marketing	4.1	70
11.09 Willingness to delegate authority	3.4	103

Source: Global Competitiveness Index edited by the World Economic Forum

The 11 pillar of national competitiveness is a very important pillar for innovation-driven economy and is related to the quality of a country's whole business networks, as well as the quality of operations and strategy of individual firms. This pillar is very important for economies in stage 3 of development.

Greece ranks 83rd in the global competitiveness index, in the Business Sophistication pillar the country had a score 3,84, performed a little better than last year but not much of a change. The country has difficulties to cultivate development partnerships. While domestic companies did not manage to rich the standards in quality and sophistication of advances economies. Seldom Greek firms take part in international distribution activities. We often see unwillingness to adopt modern marketing strategies loosing with that way the opportunity for greater sophistication. Greek firms need better management and more specialised personnel. In conclusion, many enterprises in recent years have focused their efforts to gain differentiation to succeed in that they adopted new technologies.

This technology can push efficiency economies towards innovation economies in order to achieve competitive advantage in many ways involving: dropping overall cost, enhancing stocktaking efficiency, developing order and production timeliness, supporting strategic planning and make easier the firm to firm information exchange.

To develop these competitiveness factors, Greece must build a strategic philosophy based on more ''open'' business sophistication.

Twelfth Pillar: Innovation

Indicator	Value	Rank/148
12.01 Capacity for innovation	3.0	117
12.02 Quality of scientific research institutions	3.6	72
12.03 Company spending on R&D	2.6	122
12.04 University-industry collaboration in R&D	3.0	119
12.05 Gov't procurement of advanced tech products	2.4	141
12.06 Availability of scientists and engineers	5.4	5
12.07 PCT patents, applications/million pop.*	8.8	37

Source: Global Competitiveness Index edited by the World Economic Forum

Innovation is directly connected to technological innovation. Though, also other non-technological factors such as know- how skills and working conditions covered by this pillar. Improving institutions, shrinking reducing macroeconomic unsteadiness, building infrastructure, investment on human capital, in the long run can bring positive effects in the standard of living enhanced by technological innovation[37].

The country is far away from the average of the EU scoring 3,08 and ranking in the 87th position globally. Overall Greece's innovation performance is low because the country doesn't invest in Research and Development[38], R&D expenditures, as a percent of GDP is one of the lowest between EU countries[39]. Greece also can be characterised as a user rather than a producer of new technologies, to a certain extent this happens because it's a small market compared to others, and the entrepreneurs inside the country lacks of innovative culture[40]. The enterprise structure have been characterised all these years by family owned small businesses, producing very often non sophisticated goods and services that could respond only in the internal market. There are many well-known Greek researchers although the Greek public research system has difficulties to co-evolve with industry; it finds difficulties to harmonise with domestic demand.

Greece has not demonstrated enough progress in the use of green technologies as well, all the investments in the country have been supported economically mainly

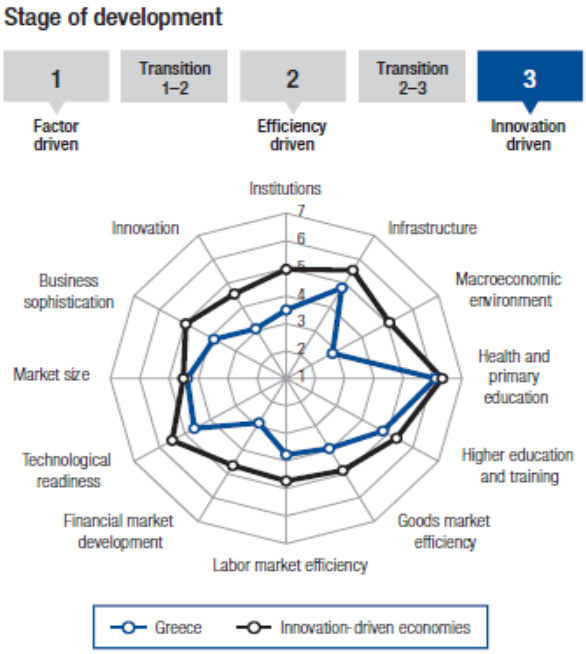
[37] (World Economic Forum, The Global Competitiveness Report 2013-2014, p.8).
[38] A usual phenomenon but now in much worsen situation, because of the economic crisis Greece doesn't invest in R&D
[39] OECD, ''New sources of growth: Innovation and Green Growth''
[40] Deniozos D. (2003), ''Research and Innovation in Greece, shaping our own tomorrow'' available at: ftp://ftp.cordis.europa.eu/pub/euroabstracts/docs/archive3-03.pdf

from EU funds while Greece's own environmental expenditures correspond to only 1% of GDP[41].

Although there are not all so bad, Greece recently demonstrated levels of improvement in this certain pillar. The creation of new businesses identified as a key point for the recovery of the Greek economy. Especially for new businesses, international perspectives is a key requirement given the small size of the Greek market. The ''startups'' meaning the new innovative enterprises are the ''new trend'', especially in the field of digital technologies, where there are significant prospects and international expansion is promising. As strange as it sounds, Greece is a world power in one of the fastest growing sectors, systems and applications and marketing services to mobile phones (mobile marketing) with companies such as Upstream, the InternetQ, the Out There Media and Velti, started from Greece , but most of them are now moving globally with turnovers of tens of millions of euros[42]. The list with the innovative enterprises of the country includes ''Globo'' as well, which has a solution in the mobile services characterized as antagonistic to ''Google'' and ''Blackberry''. The above companies which have made their appearance the last 1-2 years, are some how examples for other Greek enterprises to move in the same direction. These innovative enterprises show that they can succeed in international level, while some of them are already do[43].

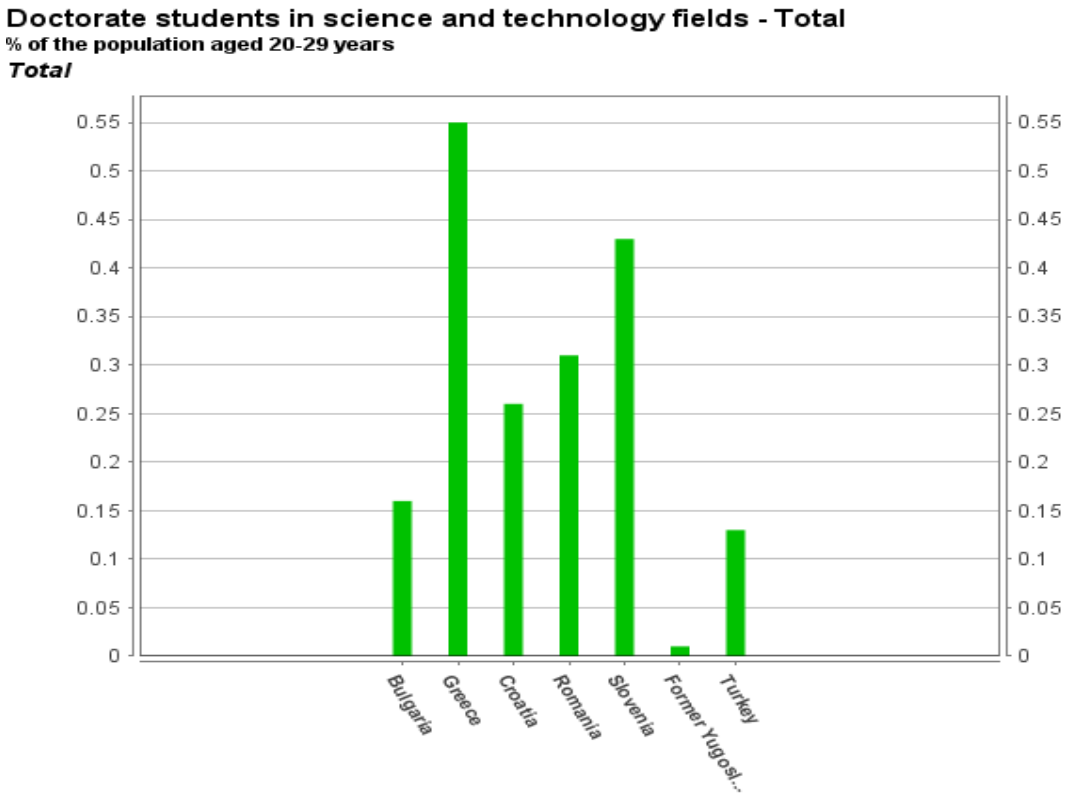
[41] OECD, ''New sources of growth: Innovation and Green Growth''
[42] ''The Greek strartups striking the external markets'' available at: http://www.imerisia.gr/article.asp?catid=30980&subid=2&pubid=113040774
[43] Ibid.

Graph 6



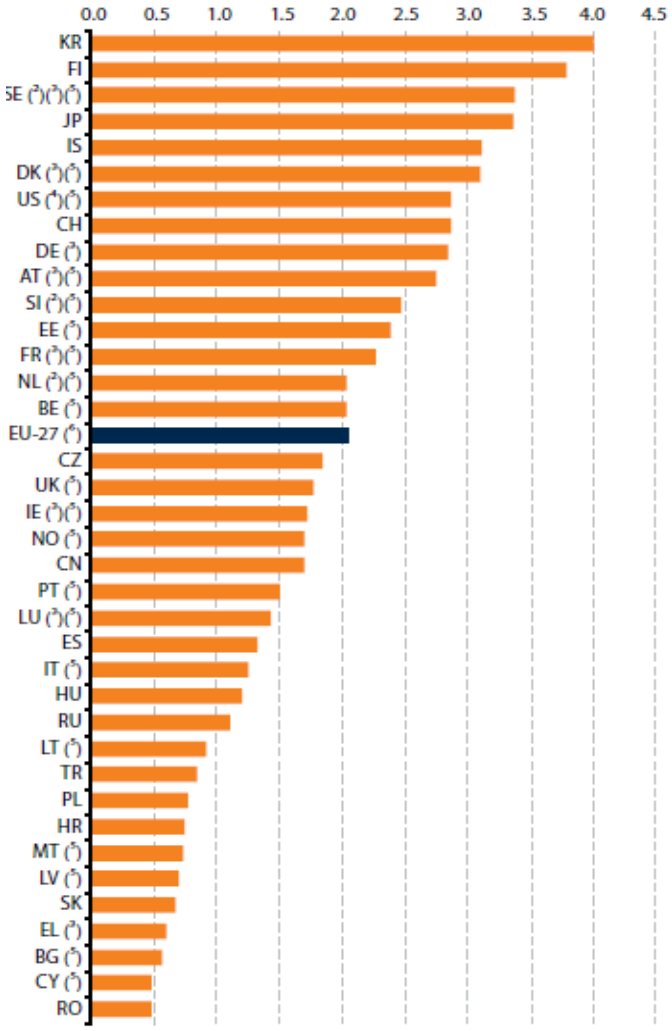
Source: GCI
Note: Global Competitiveness 2013-2014

Graph 7



Source: EUROSTAT
Note: The graph depicts the trend of 2010.

Graph 8



R&D INTENSITY (R&D EXPENDITURE AS % OF GDP), 2011

EASY OF DOING BUSINESS INDEX- METHODOLOGICAL ISSUES- INTRODUCTION TO PILLARS

The report, *Doing* Business 2014 Smarter Regulations for Small and Medium-Size Enterprises, marks the 11th edition of the *Doing Business* series. The past decade, these reports have registered about 2,000 regulatory reforms performed by 180 economies. The reforms have generated significantly important benefits for local entrepreneurs.

For example: from 2005, the average time to start a business dropped from 50 days to 30. In the past nine years, the average time to transmit property decreased by 35 days, from 90 to 55, and the cost almost by 1.2 percentage points—from 7.1 percent of the property value to 5.9 percent. In the past eight years, developments to make simpler tax compliance have reduced the time required annually to comply with the three major taxes measured (profit, labor, and consumption taxes) by 54 hours on average[44].

Greece climbed to 72th from 78th place in last year's ranking of 189 countries by the World Bank based on the business climate.

Poland, a top improver in last year's *Doing Business*, keeps improving its business climate and is 45th in this year's global ranking (graph.9). The past year the government reduced the requirements to register a new enterprise and made less complicated the construction permit.

Doing Business report series analyse policies that affect an economy's businesses during its life cycle, providing a quantitative measure for evaluating regulations on operations and start-ups, trading across borders, protecting investors and paying taxes, registering a property, getting electricity, getting credit, enforcing contracts, and closing a business. Ease of doing business rankings is based on 10 indicators and covers 189 economies. Data in Doing Business 2014 are used to analyze economic results and detect what changes of business regulation had a satisfied outcome, where and why. This year's data show that economies in all regions of the world and of all income levels have made serious progress in improving the quality of the rules reinforcing private sector's activity. The outcomes of the latest Doing Business Index have been characterised by the authors of the report very hopeful because low-income

[44] Jean Michel Lobet, Senior Private Sector Development Specialist, World Bank Group, discusses Greece's improvement in the "*Doing Business 2013*" report.

countries have improved their business regulations two times more in comparison with high-income counties[45].

Approximately, around the world starting a business takes 7 procedures, 25 days and costs 32% of income per capita in fees. From one side we have New Zealand where to start a business you need 1 procedure, half a day and almost nothing in fees, in the other side we have Suriname where an entrepreneur must wait 208 days to start a business, we observe a great discrepancy between the best and the worst performer in this certain field[46].

The ease of doing business is based on the philosophy to measure regulations straight influencing businesses and does not measure more wide-ranging conditions such as a nation's proximity to large markets, inflation, or crime. The data used for these calculations come from the Doing Business Data Base of the World Bank. The data cover 189 economies—including small economies and some of the poorest economies, for which little data are accessible in other data collections. Doing Business uses four key sources of information: ‘’*Doing Business* respondents, the relevant laws and regulations, the governments of the economies covered and the World Bank Group regional staff’’[47].

This year’s report is based on the contribution of more than 10,200 professionals. Respondents are professionals who usually administer or advice on the legal and regulatory requirements covered in each *Doing Business* topic. They are chosen on the basis of their expertise in the specific areas covered by *Doing Business*. Most of the respondents are legal specialists such as lawyers, judges’ e.t.c because most of the topics have legal interest. Officials of the credit registry or bureau complete the credit information survey. Accountants, freight forwarders, engineers, architects and other professionals answer the questionnaires that have to do with trading across borders, taxes and construction permits. Certain public officials (such as registrars from the commercial or property registry) also supply information that is included into the indicators[48].

[45] The World Bank, Doing Business 2014, understanding regulations for small and medium size enterprises.
[46] Ibid.
[47] Ibid.
[48] Ibid.

The ranking on each topic is the simple average of the percentile rankings on its component indicators. A nation's ranking on the index is based on the average of 10 dimensions:

- Starting a Business
- Dealing with construction permits
- Getting electricity
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Resolving insolvency/ closing a business

The first pillar, Starting a Business measures the number of procedures, time, and cost necessary for small and medium-size limited liability enterprises to officially operate. Starting a business is the Doing Business indicator set that has the most reforms each year. Worldwide, Greek entrepreneurs experienced the biggest improvement in this pillar. Second indicator Dealing with Construction Permits refers to procedures, time and cost, that are necessary to built a warehouse and connect it to water, sewerage and a fixed telephone line. That includes all the inspections and certificates needed before, during and after building the warehouse. Getting Electricity is another decisive dimension that indicates a healthy business environment, Doing Business measures the procedures, time and cost for a small or medium size business to get a new permanent electricity connection for a warehouse, the warehouse is assumed to be in the largest biggest city of a country were access to electricity is easier. The Registering a Property indicator considers procedures, time and cost needed to register a commercial real estate; the data here covers the full series of procedures necessary to transfer the property titles from the seller to the buyer. As far as the fifth pillar concerns, rankings on the ease of getting credit are based on the sum of the strength of legal rights index and the depth of credit information index.

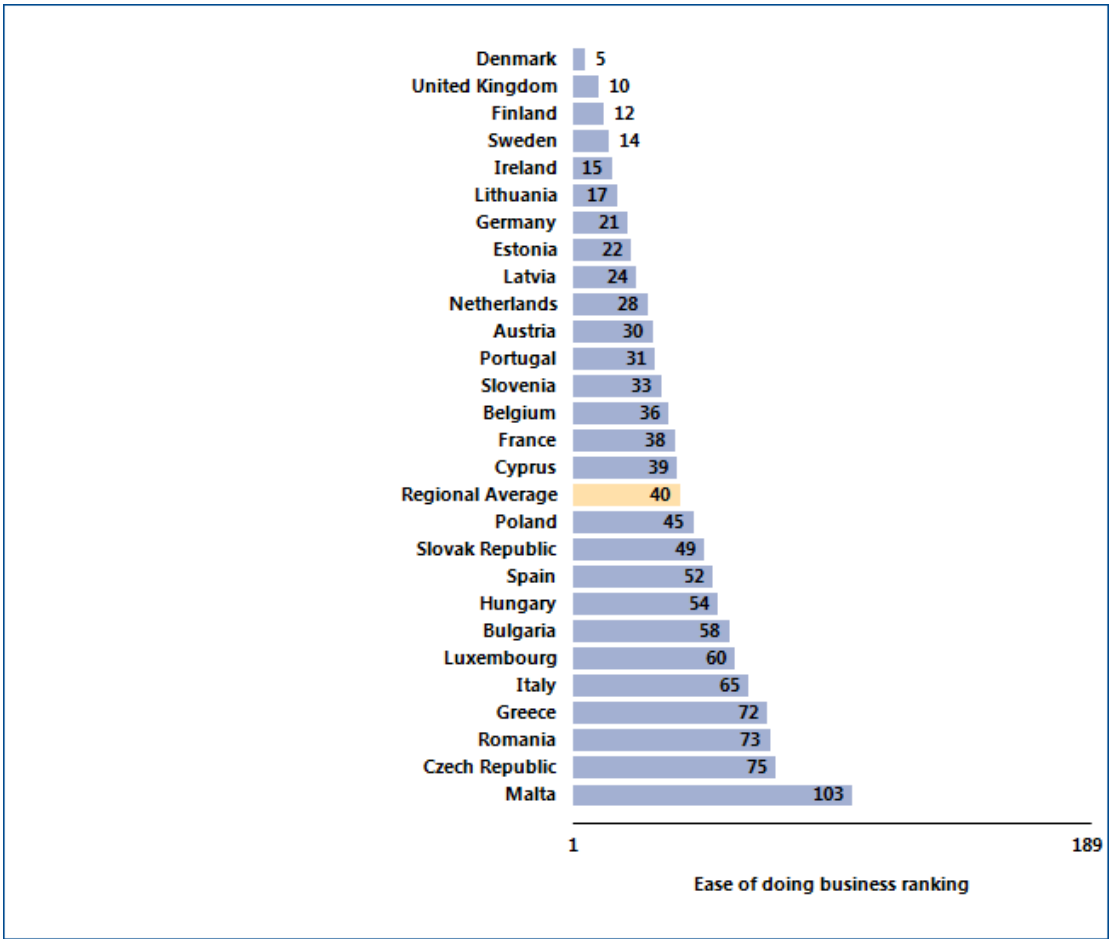
Three indices built to protect investors: a) extent of disclosure index, b) extent of director liability index, and finally c) ease of shareholder suit index. Doing Business

records the taxes that a typical medium size enterprise must pay in a given year, to measure the administrative burden of paying taxes and contributions uses three indicators: number of payments, time and total tax rate. The eighth pillar is trading across borders, this pillar counts the number of documents, cost and the necessary time to export and import, excessive delays in exporting and importing can lessen the volume of trade. Enforcing contracts relies on three indicators: number of procedures, time and cost to enforce a debt contract (a research in Eastern Europe found that in economies with slower courts, firms tend to have less bank financing for new investments). Finally Doing Business also measures the cost, time and result of insolvency proceedings involving domestic entities[49].

Doing Business does not measure all aspects of the business environment that influences firms and investors and does not take in to account all aspects that affect competitiveness. For example, it does not evaluate the attribution of fiscal management, or other factors that determine macroeconomic stability, the issue of security, the intensity of skills in the labour force, the affect of corruption, the dynamics of institutions, the quality of infrastructure or the strength of financial systems. Its findings have inspired policy debates internationally and activated a growing body of research on how firm-level regulation connects to economic outcomes across economies. Moreover the methodology of Easy of Doing Business regarding labour regulations has been criticized by the International Trade Union Confederation because it supported flexible employment regulations. In early reports, the easier it was to fire an employer for economic reasons in a country, the more its rankings increased[50].

Despite the above criticism more than 800 academic papers have exploit data from the index[51]. The effect of improving regulations on economic growth is claimed to be very significant by motivating countries to increase their annual growth.

[49] Ibid.
[50] "ITUC-CSI-IGB – International Trade Union Confederation". Ituc-csi.org. 2012-06-27
[51] ‘’Doing Business and related research - World Bank Group’’. Doingbusiness.org.



Graph.9

How economies in European Union (EU) rank on the ease of doing business

Source: Doing Business 2014

Singapore has the most friendly business environment followed by Hong Kong. The report also notes that the gap between the countries with the best performance and those with the worst has fallen this year. Georgia and another nine high-income countries are among the top ten most business friendly economies. The report also found that this year 238 reforms made by 114 countries in improving their business environment, while last year were made 201 reforms by 108 countries- there was an increase on reforms by 18%[52]. This year's top ten list includes only three European countries; Denmark in 5th place, Norway in 9th place, and United Kingdom in 10th place. In particular, Lithuania is the best performer in the EU regarding the following indicators: Starting a business, Registering a property, respectively in Dealing with Construction Permits pillar Denmark comes first in the EU region, Ireland also has the best performance in two pillars: Protecting investors and Paying taxes, United Kingdom share the top ranking with Malaysia in Getting Credit indicator, the two countries are best performers among 189 economies. In Getting electricity pillar Germany comes first in the EU and third globally[53], In Trading across Borders, Sweden comes first in the EU, and Finland in Resolving Insolvency indicator, finally Luxembourg comes first in the ranking in Enforcing Contracts. The worst performance on the other hand, in the EU region has Malta regarding the following pillars: Starting a Business, Dealing with Construction Permits, Getting Credit, and enforcing Contracts, in Getting Electricity and Resolving Insolvency Romania has the lowest performance, respectively Belgium has the worst in Registering Property[54], Italy in Paying taxes and Slovak Republic in Trading across Borders.

A majority of EU members rank in the top 40 best locations for doing business, almost half of the top 40 best performers are European Countries, but regulatory reforms must be pursued to avoid Asia's growing economies from overtaking. EU countries should keep up reforms if they want to maintain a competitive periphery internationally and persist on attracting foreign investments. Easy of Doing Business Report reveals that EU still has over fast-growing economies such as China and India.

[52] Παγκόσμια Τράπεζα: Στην 72η θέση επιχειρηματικότητας η Ελλάδα | iefimerida.gr available at : http://www.iefimerida.gr/node/128152#ixzz2j7eGKMno

[53] Note: among the economies that the Easy of Doing Business Index examines.
[54] Note: Nine positions from the end.

It is obvious that EU in general, is a very business friendly economy (graph.10). Though as we observe in tables 2.2- 2.3- 2.4 USA is almost in every pillar a better performer and with remarkable difference. Specifically, the time that is necessary to start a business in EU-28av. is 13,3 days while in USA you just need 5 days, also the time required for construction permits in USA is almost half of the one's of the EU. The time to complete a property transfer in EU-28 is almost 25 days while in USA for the same thing you need just 12 (Table 2.4). The above numbers indicate that EU should eliminate all the bureaucracy procedures and make them simpler in order to compete large economies like USA, and build a friendlier business environment.

In a recent interview to Financial Times David Kelly chief global strategist at JP Morgan asset management, answered to the question ''what changes in Europe and make her a good region to invest?'' he characteristically answered stability in the financial markets as a gift from the European Central Bank and little less austerity that slowly is starting to appear can make EU highly antagonistic, he also pointed that Europe has much more room to grow in comparison with USA. He did not forget to point though, those structural problems that must be solved regarding the structure of EU: ''You can't have a Monetary Union without having the ability to transfer money to countries who are really hearting like Greece for example.'' He also pointed out that EU unemployment is higher than the unemployment rate of USA; for the Euro zone if you get the unemployment down from 12% to 6% the potentials for job growth and economic growth are thrilling. For rich European countries exports is important but for Euro zone as a whole consumers are important not exports. If European consumers and European businesses get going then it is not so much important to export, because they exporting to each other[55].

Noteworthy is the fact that many top reformers are found in Eastern Europe. The report recognizes that the desire to join the European Union has inspired reformers in Croatia, Romania and Bulgaria. The adoption of EU legislation made many countries, mainly the new members, to liberalise their economy, creating a better business environment much more antagonistic. From 2006 until 2013, only 3 countries in the Balkan area deteriorated their position in the Easy of Doing Business map. Bosnia-

[55] Available at: http://www.youtube.com/watch?v=Y7N1kBAxmnc

Herzegovina lost 36 places, Romania 24, and Serbia 25, all the other countries ranked higher than 2006, FYROM made incredible improvement gaining 67 places, in 2006/7 the country ranked in 92 position and now ranked 25th. Greece also improve the business climate from 2006 and onwards gaining 37 places, this year our country ranked in 72nd position, and Croatia show a great improvement gaining 35 places from 2006, the ambition to become a member state of the EU made the country to proceed to significant reforms in their economy (Table 2.1).
This year best performer in the Balkans was FYROM like the previous year and worst was Bosnia Herzegovina ranking in 131 position, even worst than the previous year (table 2.1).

Considerable is that in certain pillars many Balkan countries have better score than the EU average. For example in Starting a Business pillar FYROM has the best performance ranking 7th among 189 economies, Greece in the same pillar ranked 36th this year great improvement in comparison with last year's score (146th) the biggest from all countries in this field, while the EU average is 70 (Table 2.2). FYROM has simplified the process of establishing a business by lowering capital requirements, eliminating application procedures and the needed time, and ameliorating its online one-stop shop. Greece on the other hand, made starting a business more simplified by presenting an easier form of Limited Liability Company and abolishing the minimum capital requirement for such companies.

In dealing with construction permits pillar, very bad performance demonstrated Albania ranking in 189th position, last country in the whole Easy of Doing Business Index, while the EU average in this certain pillar is 74, In Albania dealing with construction permits became more difficult because the main authority in charge of issuing building permits has not met since April 2009 (table 2.2).

In registering a property indicator remarkable is Moldova's ranking in 19th position, the Government of Moldova once owned all of the country's land and a large part of its buildings. After Moldova accomplished independence in 1991, the country experienced transition to a market economy, but its progress was severely delayed. As a result, the IDA-financed First Cadastre Project in 1998, creating a new property system providing the legal framework, and formation of a real estate market. As a

result secure ownership was established in the country[56]. Commercial banks are offering credit secured besides this registered land, and the private real estate market blow.

In this pillar the EU average is 63, as we see in Table 2.3-2.4 the Balkan countries needs more days and more procedures in order to register a property than in EU, less bureaucracy and more simplified procedures are essential for the countries in the region.

Getting Credit is an indicator where we can see many of the Balkan countries to obtain higher rankings than the EU-28av. For instance Montenegro comes 3rd among 189 economies in this pillar, the country improved access to credit information by guaranteeing borrowers' right to check their personal data, also protect in maximum the rights of borrowers and lenders through collateral laws and secured creditors rights through bankruptcy laws[57].

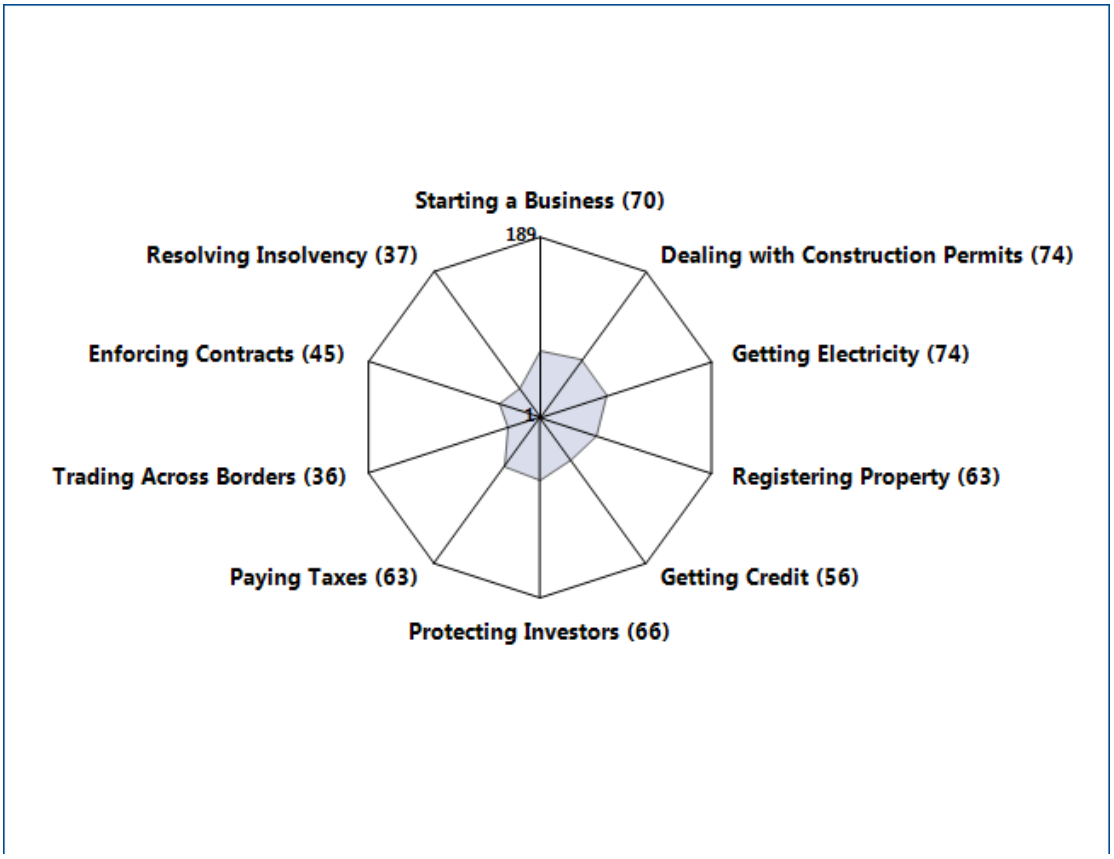
As far as Trading across borders concerns, Balkan countries as we see in table 2.3 and 2.4 needs a larger amount of documents to export and import, like bank documents, transport documents, and port documents than in EU countries, also the days required to export and import are more in the Balkans than in EU. That explains the fact that the EU average rank (36) is much better than any of the Balkan countries without exception.

Even though progress has been made in improving business environments, most countries in the region still face challenges. Countries closely related to western markets and with steady political outlooks have more rapidly proceeded and more successfully with stabilisation, privatization and liberalization. All indications show that in the middle of a vulnerable period of unsteadiness, the countries will find themselves at a turning point following the recent economic crisis. Now is the time for the economies of the region to take action and proceed to substantial changes that will enhance the regulatory framework for high potential firms and foster the development of venture capital financing

[56] IDA: International Development Association is the part of the World Bank that helps the world's poorest countries.
[57] Easy of Doing Business, edited by the World Bank 2013.

How European Union (EU) ranks on *Doing Business* topics

Regional average ranking



Graph.10
Source: Doing Business database.

GREECE COMPARED TO BALKANS REGARDING THE BUSINESS ENVIRONMENT

In spite of disparities, economies in the Balkan region share common features. The significance of small- medium size enterprises (SMEs), which account the largest percentage of all businesses in some economies, is perhaps, the most important of them. The largest portion of private sector's employment is occupied in Small and Medium size enterprises making up the biggest share of total value added. The global economic crisis has severely affected SME's and entrepreneurs. The governments in the Balkan region in order to overcome the present difficult conditions are focusing on effective short and long-term reforms to unleash the potential of SMEs and with that way, to generate growth and new vacancies.

According to the latest doing business report Greece climbed to 72nd position this year improving her score by 6 positions from last year's ranking. Greece has a very good demonstration regarding the business start criterion (36th place). Globally, Greek entrepreneurs experienced the biggest improvement in the ease of starting a business. In 2012 the Greek government initiated an easy type of a private company that is cheaper to incorporate. A year later Greece annulled the minimum capital requirement. Changes in 2012/13 eliminated 6 procedures and cut cost by 16% of income per capita, these changes improved Greece position by 110 places (Graph.11-Graph.12). Although Greece demonstrated very well in this certain pillar, FYROM is the best performer in the Balkan area gaining the 7th position globally and the worst is Bosnia Herzegovina.

In the Dealing with Construction Permit pillar Greece deteriorate its position loosing 35 places in comparison to last year's demonstration (Graph.11- Graph.12). Slovenia comes first in the region gaining the 59th position, while Albania is the worst performer globally. Slovenia is the ''winner'' in the region being first among the other Balkan countries in most of the pillars (Table 2.2).

In Getting Electricity indicator Slovenia again comes first in region, in 32nd place while Greece is in 61st position, worst performer here is Romania, Greece deteriorate its position in comparison with last years ranking.

Greece in Registering a Property indicator made a substantial drop loosing another 11 places from last year's ranking and in the same time being the lowest performer in the Balkan area ranking 161st this year, while Moldova is the best performer coming in 19th place. Greece did not make any reforms here only in 2011 made transferring property more expensive by increasing the transfer tax from 1% to 10% of the property value; that explains the continuing reduction of its position[58].

In Getting Credit indicator we observe large deviations between the best and the worst performer, FYROM and Montenegro share the 3rd position while Slovenia being the worst and ranking in 109 place (Table 2.2), Greece with Turkey are both at 86th place obtaining the second lowest performance after Slovenia. It's worth saying that FYROM improved its position 20 places from last years ranking. The last reforms FYROM made was to reinforce its already secured transaction systems by providing more flexibility on the description of assets in a collateral agreement and on the types of debts and obligations that can be secured[59].

In Protecting Investors indicator Greece improved its position by 37 places relative to last year's performance, gaining this time the 80th position, best performers in the region are Albania and Slovenia being both in 14th place. Greece support investor protections by introducing a requirement for director approval of related party transactions[60].

Regarding Paying Taxes FYROM again is the best performer, Greece comes 53rd and Serbia is the worst performer. Based on Easy of Doing Business Report, Greece reduced from one hand the employer's contribution rate to the social security fund but on the other hand made paying taxes for companies more expensive, that's why we did not see any significant improvement in the ranking.

In trading across borders indicator Greece has a good position coming second best after Slovenia. Slovenia tried to make the procedures in trading across borders easier

[58] Doing Business 2014, Regional profile: EU, p.45
[59] Doing Business 2014, Economy profile Macedonia, p.56
[60] Doing Business 2014, Regional profile: EU, p.61

by implementing an online submission of customs declaration forms. The same practice followed also Greece this year[61].

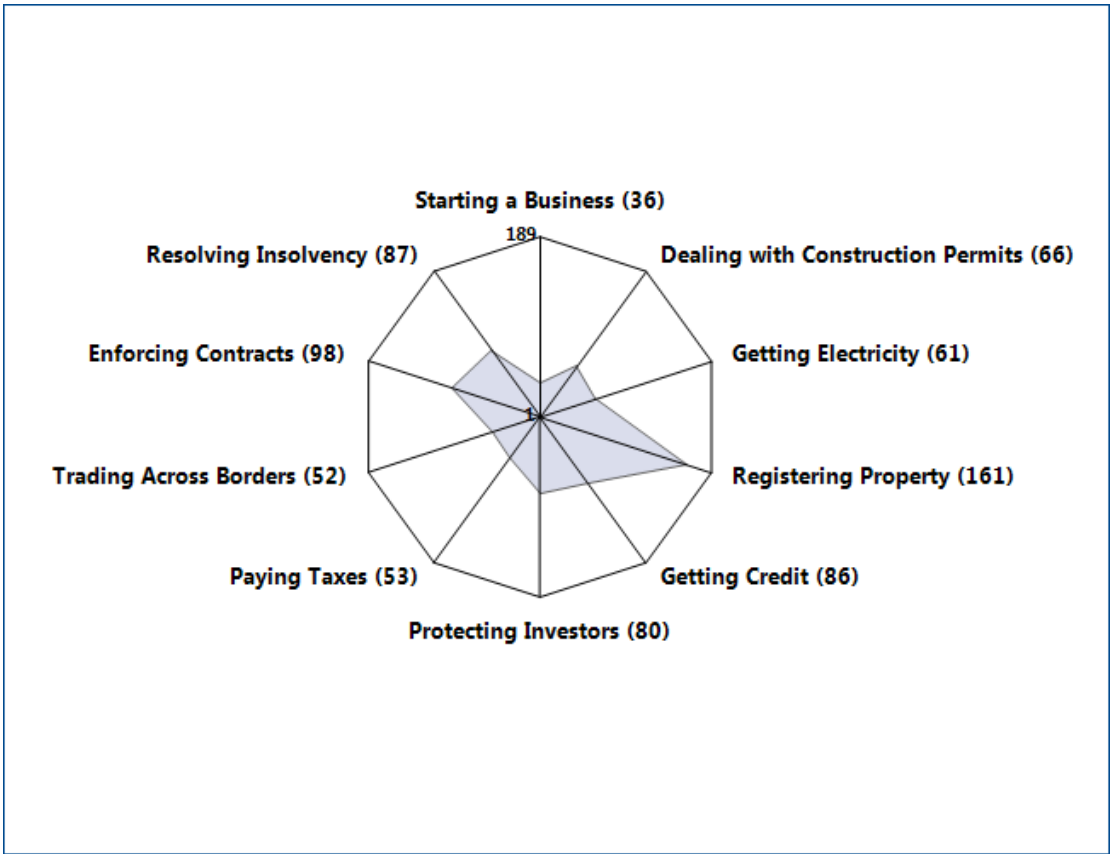
In enforcing contracts indicator last comes Kosovo, ranking 138th and first Moldova in 23rd position, Greece is in 98th place. Finally in Resolving Insolvency pillar Greece lost many positions in comparison with last years performance, Slovenia is the best performer and Turkey the worst.

A well-balanced bankruptcy system makes a distinction between companies that are financially distressed but economically viable from inefficient companies that should be closed. Turkey from 2009 did not make any progress or took measures to improve Resolving Insolvency[62].

As the competition for investment is growing globally, we see economies to speed up the reforms that improve the business climate. Greece has made progress but other Balkan countries are moving faster. An extended examination of each indicator shows that Greece is trying and makes reforms concerning the modernisation of the legislation and the public sector for enhancing its business environment, but other countries in the Balkans are moving faster because they have as an incentive EU membership.

[61] Ibid p.81

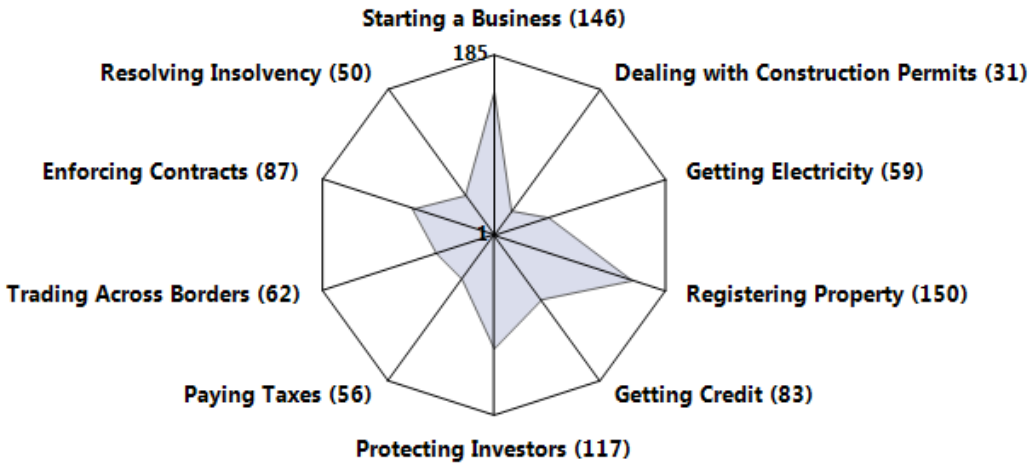
[62] Doing Business 2014, Economy profile Turkey, p.100



Graph.11

Note: How Greece ranks on *Doing Business* topics

Source: Doing Business data base, **Doing Business 2014**



Graph.12

Note: How Greece ranks on *Doing Business* topics

Source: Doing Business data base, **Doing Business 2013**

EXTENSIVE ANALYSIS OF THE GREEK BUSINESS ENVIRONMENT

First Pillar: Starting a Business

Economy	Year	Starting a Business				
		Rank	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)
Albania	DB2014	76	5	4.5	21.1	0.0
Bosnia and Herzegovina	DB2014	174	11	37.0	14.9	29.1
Bulgaria	DB2014	65	4	18.0	1.0	0.0
Croatia	DB2014	80	6	8.0	9.3	0.0
Greece	DB2014	36	5	14.0	4.6	0.0
Kosovo	DB2014	100	6	30.0	22.1	0.0
Macedonia, FYR	DB2014	7	2	2.0	1.9	0.0
Moldova	DB2014	81	6	7.0	5.4	8.1
Montenegro	DB2014	69	6	10.0	1.5	0.0
Romania	DB2014	60	5	8.5	2.4	0.7
Serbia	DB2014	45	6	11.5	7.2	0.0
Slovenia	DB2014	38	2	6.0	0.0	44.1
Turkey	DB2014	93	6	6.0	12.7	13.2

Source: World Bank, data October 2013

The creation of an attractive business environment is a precondition for the improvement of Greek economy as well as for inspiring economic growth and job creation. Starting a business is very important pillar because wherever governments made registration easy more entrepreneurs started businesses, creating more jobs, reducing the unemployment and generating more revenues for the government.

Doing Business report takes into account four parameters vital to start a business:
The number of procedures required to legally operating a company, the time and cost required to complete these procedures and the paid in minimum capital that enterprises should pay before registration. The ranking on this pillar is the average of the percentile rankings on the four parameters we just mentioned.

Greece this year stands at 36 in the ranking of 189 countries, particularly in our country starting a business requires 5 procedures, needs 14 days and costs 4,6 per cent of income per capita. It's worth noticing that according to last years Easy Doing

Business Report to open a company in Greece you were needed 11 number of procedures, 12 days and 20,5 per cent of income per capita. During this period the government established an ambitious action plan with the name ‘’Business friendly Greece’’ structured by the Ministry of Development Competitiveness & Shipping in corporation with 12 other Ministries. This action plan focused on the removal of the most important barriers to entrepreneurship and had as a goal to enhance competitiveness in the long run. As we saw in the latest Easy of Doing Business Report regarding the part that had to do with starting a business pillar, Greece took measures and simplified the whole procedure. In particular, created a more flexible form of enterprise bearing minimum capital, and eliminated procedures. More reforms implemented during 2012 like the deduction of restrictions for new start ups together with the simplification of licensing procedures through the one stop shop, the interconnection of GEMH with the chamber’s information systems, the completion of the GEMH electronic platform with all the contemporary data, and a latest reform that simplified the whole starting a business procedure was the creation of an easier form of limited liability company[63].

Progress have been made and we see the results not only in numbers but in real life as well, many young entrepreneurs made their first steps the last years and many others will occur if the state continues to simplify and reduce costs in starting a business.

[63] http://www.mindev.gov.gr/wp-content/uploads/2012/03/12.03.05_bfg_actionplan_en.ppt

Second pillar: Dealing with construction permits

Economy	Year	Dealing with Construction Permits			
		Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Albania	DB2014	189	no practice	no practice	no practice
Bosnia and Herzegovina	DB2014	175	17	179.0	1,100.2
Bulgaria	DB2014	118	18	104.0	222.9
Croatia	DB2014	152	12	317.0	646.5
Greece	DB2014	66	19	105.0	27.1
Kosovo	DB2014	136	15	151.0	514.7
Macedonia, FYR	DB2014	63	12	90.0	512.1
Moldova	DB2014	174	26	291.0	65.0
Montenegro	DB2014	106	9	158.0	1,159.3
Romania	DB2014	136	15	287.0	71.2
Serbia	DB2014	182	18	269.0	1,433.5
Slovenia	DB2014	59	10	182.0	66.2
Turkey	DB2014	148	20	164.0	142.5

Source: World Bank, data October 2013

Construction permits can become a major obstacle to investment and employment. Bureaucracy procedures and excessive expenses in order to get a construction permit may discourage entrepreneurs to invest in a country, also they will consider as an obstacle if they spend too much time to get the license.

Doing Business records the number of procedures needed to legally build a warehouse in a country's bigger city, the time required completing each procedure, and the cost for all these procedures. The ranking in this pillar is the average of the rankings on time, cost and procedures.

Regarding this pillar Greece ranked in 66th place loosing 35 places in comparison with Last year's performance and also loosing the first place in the Balkans that also had last year from Slovenia. This year Greece deteriorates its position by increasing the procedures and the time required to complete all these processes.

Request and obtain initial permit approval and finally get the building permit from the municipality it's too much time consuming, you need more than a month for these two

procedures, also the water connection in Greece takes months while in other countries it's a procedure that can be completed within 10 to 15 days[64].

The only change that is recorded in the Easy of Doing Business is on 2013 that reduced the time required to get a construction permit by putting precise time limits for processing permit applications to the municipality.

Many European countries computerised licensing by promoting online submission of all applications; with that way they made the whole process quicker and more transparent. The success of other countries in this field should follow Greece as well.

[64] Doing Business 2014, Economy profile Greece p.32

Third pillar: Getting Electricity

Economy	Year	Getting Electricity			
		Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Albania	DB2014	158	6	177	543.3
Bosnia and Herzegovina	DB2014	164	8	125	492.5
Bulgaria	DB2014	135	6	130	320.0
Croatia	DB2014	60	5	70	319.8
Greece	DB2014	61	6	62	66.7
Kosovo	DB2014	121	7	48	881.1
Macedonia, FYR	DB2014	76	5	107	258.6
Moldova	DB2014	165	7	140	542.1
Montenegro	DB2014	69	5	71	487.6
Romania	DB2014	174	7	223	534.0
Serbia	DB2014	85	4	131	505.6
Slovenia	DB2014	32	5	38	120.3
Turkey	DB2014	49	4	70	475.3

Source: World Bank, data October 2013

Entrepreneurs consider the reliable and reasonably priced electricity as vital for businesses. To respond to a weak electricity supply they may have to rely on self-supply through a generator, something that is often very expensive for small businesses, this fact underlines the significance of a country to provide credible, accessible and inexpensive electricity.

Doing Business reports all the data needed for a business to get a permanent electricity connection and supply for a regular warehouse, plus the time and cost to complete them. All this procedure usually includes applications and agreements with electricity utilities, permissions from other organisations and the external and final connection works.

Greece is in 61st position this year, same performance with last year, still requires 6 procedures to get electricity, 62 days to wait, and the whole procedure costs 66,7% of income per capita. Also no reforms have been noticed from 2012 until today regarding improving the cost and procedures to get electricity.

Public Power Corporation S.A. (PPC) is the main power producer in our country as it provides electricity to over 7 million of customers. Two new firms of providing electricity appeared, Energa and Hellas Power. They took advantage of the high electricity rates of PPC and by reducing the price for firms around 20% they managed to attract many. However, these two firms do not exist any more because of debts of 27 million Euro in PPC.[65] Consequently, antimonopoly laws and laws for liberalizing the electricity market are neglected.

Electricity is a fundamental element for business growth due to the fact that low electricity supply prevents any augment in productivity of firms and as a result, doing business is affected negatively.

The harmony of a society is based on economic progress and progress needs energy sources. Those energy sources should be compatible with the environment and affordable for all citizens. In Greece, the main energetic sources are lignite and renewable sources of energy.

[65] Κώτσης, Β.(2012). Επιστροφή στο μονοπώλιο της ΔΕΗ. *Το Βήμα* [online]. Available at <URL: http://www.tovima.gr/finance/article/?aid=440734> Accessed at 10/3/13

Fourth pillar: Registering a Property

Economy	Year	Registering Property			
		Rank	Procedures (number)	Time (days)	Cost (% of property value)
Albania	DB2014	119	6	33.0	11.1
Bosnia and Herzegovina	DB2014	96	7	25.0	5.3
Bulgaria	DB2014	62	7	14.0	2.9
Croatia	DB2014	106	5	102.5	5.0
Greece	DB2014	161	11	20.0	11.7
Kosovo	DB2014	58	7	28.0	0.3
Macedonia, FYR	DB2014	84	7	31.0	3.3
Moldova	DB2014	19	5	6.0	0.9
Montenegro	DB2014	98	6	70.0	3.1
Romania	DB2014	70	8	20.0	1.6
Serbia	DB2014	44	6	11.0	2.8
Slovenia	DB2014	83	5	109.5	2.0
Turkey	DB2014	50	6	6.0	4.0

Source: World Bank, data October 2013

The thorn in Greek economy we can say is this pillar exactly, Greece stands at 161 in the ranking of 189 economies in Registering a Property, keeps loosing places from last year's ranking. The worst performance in the region in every aspect, in Greece you need 11 procedures that a buyer and a seller must do in order to transfer the property to the buyer's name, 20 days to complete the whole procedure, and 11,7% of a property value to transfer from one domestic company to another.

The basic problem for this poor performance of Greece lies on the costly procedure concerned registering a property. Particular, based on the latest Ease of Doing Business Report, from 2009 the only reform Greece made in this field was to increase in 2011 the transfer tax from 1% of the property value to 10%.

The ministry of finance announced on 2011 that a special tax would be assessed to all properties in Greece in order to raise a certain amount of money as a country to be qualified for the next bailout. The emergency tax called EETIDE affects almost 5.1 million properties. A bill that will combine EETIDE and regular property tax (FAP) into a single tax called ENFA with revised thresholds to make simpler billing and collection by tax authorities agreed on February 2013 and will begin on January 2014[66].

[66] Greek Property Tax, available at: http://livingingreece.gr/2011/09/19/new-property-tax-greece.

Property transfer taxes are very important source of revenue for many economies, but when these fees are becoming unaffordable, registering a property might quickly become an obstacle for the government to raise revenues from property taxes, while in the same time reduce the interest for investments from potential investors.

Fifth Pillar: Getting Credit

Economy	Year	Getting Credit				
		Rank	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
Albania	DB2014	13	9	5	13.1	0.0
Bosnia and Herzegovina	DB2014	73	5	5	39.1	4.9
Bulgaria	DB2014	28	9	4	61.0	0.0
Croatia	DB2014	42	7	5	0.0	100.0
Greece	DB2014	86	4	5	0.0	84.4
Kosovo	DB2014	28	8	5	22.1	0.0
Macedonia, FYR	DB2014	3	9	6	34.8	77.1
Moldova	DB2014	13	9	5	0.0	4.5
Montenegro	DB2014	3	10	5	25.2	0.0
Romania	DB2014	13	9	5	11.8	46.9
Serbia	DB2014	42	7	5	0.0	100.0
Slovenia	DB2014	109	4	4	3.3	100.0
Turkey	DB2014	86	4	5	27.0	71.7

Source: World Bank, data October 2013

Access to credit is a crucial pillar for the growth and the prospects of an economy. Two types of framework can help and increase access to credit: Credit information systems and bankruptcy laws. The Easy of Doing Business Report measures certain rules and practices influencing the coverage, range and accessibility of credit information available through a public credit registry or private credit bureau and also measures whether certain features that make possible lending, exist within the applicable collateral bankruptcy laws[67].

Let's see how Greece's information system, collateral and bankruptcy laws facilitate access to credit.

This year Greece and Turkey ranks in 86th position both obtaining the second worst performance in the region. Greece the last five years didn't make any reforms to make ''getting credit'' easier. Only with the expansion of ''Tiresias'', a private credit bureau that was initially entrusted with the development and the management of the

[67] Doing Business 2014, Economy profile Greece p.53.

reliable credit profile databank, and today developed the amount of information it distributes in its credit reports increasing access to credit information. ‘’Tiresias’’ now specialises s in the collection and supply of credit profile data about corporate entities and private individuals and the operation of a risk consolidation system regarding consumer credit. Moreover, ‘’Tiresias’’ develops interbanking information systems and makes available information and communication services to the parties directly concerned.

The economic behaviour databases improve the provision of credit and contribute to the cost reduction for the consistent payer. Databases like ‘’Tiresias’’ support the solvency check and rating.

Finally, Getting Credit report has a sub index that measures from scale 1-10 the strength of legal rights, Greece has a score 4 while other developed economies scores at about 7[68]. Certain proposals that might ensure the legal rights of borrowers and lenders include: the establishment of a comprehensive collateral registry that meets international criteria, allowing out of court enforcement of collateral, and protection of secured creditors rights through bankruptcy laws.

[68] Ibid p.58.

Sixth pillar: Protecting Investors

Economy	Year	Protecting Investors				
		Rank	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)
Albania	DB2014	14	7	9	6	7.3
Bosnia and Herzegovina	DB2014	115	3	6	5	4.7
Bulgaria	DB2014	52	10	2	6	6.0
Croatia	DB2014	157	1	5	4	3.3
Greece	DB2014	80	7	4	5	5.3
Kosovo	DB2014	98	6	6	3	5.0
Macedonia, FYR	DB2014	16	9	8	4	7.0
Moldova	DB2014	80	7	3	6	5.3
Montenegro	DB2014	34	5	8	6	6.3
Romania	DB2014	52	9	5	4	6.0
Serbia	DB2014	80	7	6	3	5.3
Slovenia	DB2014	14	5	9	8	7.3
Turkey	DB2014	34	9	5	5	6.3

Source: World Bank, data October 2013

Doing Business measures the power of protecting minority shareholders against directors' use of corporate possessions for personal gain. The pillar ''protecting investors'' distinguishes 3 parameters of investor security: transparency of related party transactions, liability for self dealing, and access to evidence for minority share holders before and during trial[69].

Let's see how strong investor protections against self dealing in Greece are; this year we found Greece in 80 position globally, 37 positions higher than last year's performance.

Countries that protecting investors from self dealing demand full disclosure and identify clear duties for directors. They also have well operating courts and synchronous procedural rules that give the minority shareholders the chance to prove their case and obtain a quick judgment. As a consequence improvements to reinforce investor protections may vary[70].

[69] Ibid p.60
[70] Ibid p.66

Greece the last two years, required better immediate and annual disclosure of material related party transactions, also strengthened investor protections by presenting a requirement for director approval of related party transactions[71]. The above changes helped the country improve its demonstration in the protecting investors pillar, though still a lot have to be done to attract investments and obtain a more secured environment for businesses and investors.

It is a fact that Greek private investors, who could really support the country with new investments, have parked their funds outside Greece; we have of course some exclusive firm decisions, like for example the ones of Hewlett Packard that chose to use the cargo terminal of Chinese firm Cosco in Piraeus port as its distribution center for products heading to other European countries. But these individual investments are not enough. In recent past many firms have decided to move their headquarters out of the country. The Greek government keep promoting that the country offers prosperous investments offers, however, calls that are not supported by tangible actions frequently tend to fall flat without result.

The basic questions that should rather be raised is why investors are staying away from Greece, are there any promising investment opportunities here, and finally, to what extent is the business environment in Greece friendly to investments and innovation, so that the invested funds and minority shareholders are protected from risks and uncertainties.
Only if all the answers to above questions are positive, a country will attract investments from locals and foreigners. Therefore, beyond the expected pay offs related with a given investment opportunity, it is vital to design an environment that allow business plans to be turned into cash flows.

Greece today has a number of innovative firms and a faire amount of investment opportunities. But most of them require more capital; the environment for innovation and investments wasn't good before the current economic crisis and still is despite any reforms made. For example, the lack of codification of Greece's legal framework

[71] Ibid

usually creates a considerable burden; extended procedures raise barriers to entry, and finally extending licences plus excessive reporting duties asphyxiate businesses.

Seventh pillar: Paying Taxes

Economy	Year	Paying Taxes						
		Rank	Payments (number per year)	Time (hours per year)	Profit tax (%)	Labor tax and contributions (%)	Other taxes (%)	Total tax rate (% profit)
Albania	DB2014	146	42	357	9.4	18.8	3.4	31.7
Bosnia and Herzegovina	DB2014	135	40	407	7.0	15.9	2.6	25.5
Bulgaria	DB2014	81	13	454	4.9	20.2	2.6	27.7
Croatia	DB2014	34	19	196	0.0	17.9	1.9	19.8
Greece	DB2014	53	8	193	11.2	32.0	0.7	44.0
Kosovo	DB2014	43	33	162	9.1	5.6	0.7	15.4
Macedonia, FYR	DB2014	26	29	119	6.3	0.0	2.0	8.2
Moldova	DB2014	95	31	181	9.6	30.6	0.2	40.4
Montenegro	DB2014	86	29	320	7.2	12.8	0.9	20.9
Romania	DB2014	134	39	200	10.3	31.5	1.1	42.9
Serbia	DB2014	161	66	279	11.6	23.0	2.2	36.8
Slovenia	DB2014	54	11	260	12.9	18.2	1.4	32.5
Turkey	DB2014	71	11	226	18.1	18.8	3.2	40.2

Source: World Bank, data October 2013

Paying taxes is crucial for an economy, however, taxes in all economies have to be fair and equally distributed, as to avoid the typical phenomenon that some businesses pay no tax at all, and also tax rates should be carefully chosen.

Doing Business measures the taxes and mandatory contributions that a medium size enterprise should pay in a year and the administrative burden of paying taxes. Paying Taxes takes into account the number of annual payments, the time and the total tax rate, with a threshold being applied to the total tax rate[72].

The key question here is what is the administrative burden conforming to taxation in Greece, and how much do firms pay in taxes. Approximately companies' make 8 tax payments a year spend 193 hours filing, organizing and paying taxes, and finally pay total taxes amounting to 44% of profit.

This year Greece ranks in 53 position globally in this certain pillar, reforms have been made but still a lot must be done, the ''beast'' of bureaucracy unfortunately still haunting country's economy. Some economies simplifying tax payment and reducing rates have seen tax revenues rise.

[72] Ibid p.69.

Because of the economic crisis many companies closed in Greece, the government not wanted to loose revenues made paying taxes more costly for companies by increasing the corporate income tax rate. Though it also reduced the employer's contribution rate to the social security fund[73]. Also to overcome the obstacle in deductible expenses, the authorities planned drafting of an exhaustive list of all non-deducted expenses.

The EU congratulate the "positive steps" Greece have taken "to simplify and modernise tax legislation", Algirdas Šemeta, the European Commissioner responsible for Taxation and Customs, added: "there is a long road still to be travelled before Greece has a tax system that can be considered fully fit for purpose"[74]. The Greek government managed to improve debt collection and monitor better wealthy taxpayers, though improvement is slow in these areas. Strong political will is needed to implement all necessary measures and to collect taxes with easy and fair way, especially from specific professions that still fraudster.

Graph.13

Source: Trading economics

[73] Ibid p.73.
[74] Available at: http://www.telegraph.co.uk/finance/financialcrisis/10098740/Greek-tax-system-still-not-fit-for-purpose-says-EU.html

Eighth pillar: Trading across borders

Economy	Year	Trading Across Borders						
		Rank	Documents to export (number)	Time to export (days)	Cost to export (US$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US$ per container)
Albania	DB2014	85	7	19	745	8	18	730
Bosnia and Herzegovina	DB2014	107	8	16	1,26	8	13	1,2
Bulgaria	DB2014	79	4	20	1,375	5	17	1,365
Croatia	DB2014	99	7	18	1,335	7	15	1,185
Greece	DB2014	52	4	16	1,04	6	15	1,135
Kosovo	DB2014	121	8	15	1,775	7	15	1,81
Macedonia, FYR	DB2014	89	6	12	1,376	8	11	1,38
Moldova	DB2014	150	7	32	1,545	8	35	1,87
Montenegro	DB2014	53	6	14	985	5	14	985
Romania	DB2014	76	5	13	1,485	6	13	1,495
Serbia	DB2014	98	6	12	1,455	7	15	1,76
Slovenia	DB2014	48	5	16	745	7	14	830
Turkey	DB2014	86	7	13	990	8	14	1,235

Source: World Bank, data October 2013

Maybe the most promising pillar regarding growth and business opportunities, Trading across Borders is highly important for economies. The procedure is rather complicated and time consuming, excessive documents requirements, burdensome customs procedures, ineffective port processes and insufficient infrastructure can lead to extra costs and delays for importers and exporters, stifling trade potential.

Doing Business measures the time and cost related with exporting and importing a standard shipment of goods by ocean transport, and the number of documents required to complete transaction[75].

We found Greece in 52 position globally, ten places higher than last year's performance mainly because the country implemented a system allowing electronic submission of customs declarations for exports.

[75] Excluding Tariffs

What does it take to export or import in Greece? According to Easy of Doing Business report a standard container of goods requires 4 documents, takes 16 days and costs 1040$. Importing the same container of goods requires 6 documents, take 15 days, and costs 1135$.

The Greek government in order to facilitate trading has as a goal a number of objectives to be implemented until 2015.

- To decrease the number of days needed to export by 50% until 2015
- To eliminate the cost to export by 20% until 2015
- To set up a national Single Window for exports

In order to attain these objectives, an actual action plan has been established offering a step by step roadmap of the progress within a severely defined timeline[76]. The Trade Facilitation reform is set to alter trading across borders for Greece. The aim is to bring a drastic simplification of all interrelated procedures and as a result to reduce the time and administrative costs for the exporting companies, and at the same time to set the framework for implementing a single integrated information system (Single Window). Exporters will be advantaged by easily importing raw materials and exporting their own goods and services. Foreign investors will be attracted by the potential to invest in a country that allows them to easily export anything produced by their investment. Also Greece will be able to take advantage of its geographical location and become a centre for the region's international trade[77].

Exports are declared to be one of the top priorities for the government in order to succeed economic recovery for the country. Indeed, one of the key causes of the Greek recession has been the country's trade deficit. Beyond its fiscal implications, it points up the lack of competitiveness of the Greek economy as well as its lacks of a solid productive base. But the country does have potentials; it has a unique geographical position, a highly educated workforce and production capabilities still waiting to be utilized.

[76]'' National Trade Facilitation Strategy and Roadmap'', Hellenic Republic, October 2012
[77] Ibid.

Exports are currently the big prospective for Greek economy, and thus their facilitation must be one of the top priorities of the government. This roadmap sets out a very ambitious, however realistic activity that will induce substantial change of doing business for Greek exporters.

Ninth pillar: Enforcing Contracts

Economy	Year	Enforcing Contracts			
		Rank	Time (days)	Cost (% of claim)	Procedures (number)
Albania	DB2014	124	525	35.7	39
Bosnia and Herzegovina	DB2014	115	595	34.0	37
Bulgaria	DB2014	79	564	23.8	38
Croatia	DB2014	49	572	13.8	38
Greece	DB2014	98	1,3	14.4	39
Kosovo	DB2014	138	420	33.0	53
Macedonia, FYR	DB2014	95	604	28.8	37
Moldova	DB2014	23	337	28.6	31
Montenegro	DB2014	136	545	25.7	49
Romania	DB2014	53	512	28.9	32
Serbia	DB2014	116	635	34.0	36
Slovenia	DB2014	52	1,27	12.7	32
Turkey	DB2014	38	420	24.9	36

Source: World Bank, data October 2013

The ability to enforce contracts and resolve disputes is essential if markets want to function properly. Good enforcement procedures boost predictability in commercial relationships and decrease insecurity by assuring investors that their contractual right will be supported punctually by local courts. Once procedures for enforcing commercial dealings are bureaucratic and awkward or when contractual disputes can not be resolved in a timely and cost effective manner, economies rely on less efficient practices. Contracts enforcement is one of the pillars of the rule of law.

The World Bank rates the efficiency of the judicial system in resolving a standardized dispute. It gathers data connecting to the time, cost and procedural complexity of resolving a business lawsuit.

Let's see how Greece demonstrates in Enforcing Contracts indicator; Contract enforcement takes 1300 days, costs 14,4% of the value of the claim and requires 39 procedures[78]. Greece comes at 98 position this year, very bad performance even more

[78] Doing Business 2014, Economy profile Greece p.85.

deteriorated than last year's. The Doing Business Index reports that the country has not done any reforms in order to enhance efficiency of the judicial system.

Weak judicial enforcement procedures undermine the fairness and effectiveness of dispute resolution and weaken parties' incentives to implement their obligations. Greece should proceed to court reform by rationalising its procedures, by reducing complexity, and finally decrease time and cost involved in completing the legal process. A judiciary can be advanced in many ways. The country should find techniques to enhance efficiency, by introducing new technologies can make the whole procedure faster. Also have to find mechanisms to clear inactive cases, and finally the government has to locate methods to swift enforcement of court decisions.

Tenth pillar: Resolving Insolvency

Economy	Year	Resolving Insolvency				
		Rank	Time (years)	Cost (% of estate)	Outcome (0 as piecemeal sale and 1 as going concern)	Recovery rate (cents on the dollar)
Albania	DB2014	62	2.0	10	0	40.7
Bosnia and Herzegovina	DB2014	77	3.3	9	0	36.0
Bulgaria	DB2014	92	3.3	9	0	32.6
Croatia	DB2014	98	3.1	15	0	30.3
Greece	DB2014	87	3.5	9	0	34.0
Kosovo	DB2014	83	2.0	15	0	35.3
Macedonia, FYR	DB2014	52	1.8	10	0	43.8
Moldova	DB2014	91	2.8	9	0	32.8
Montenegro	DB2014	45	1.4	8	0	48.4
Romania	DB2014	99	3.3	11	0	30.0
Serbia	DB2014	103	2.0	20	0	29.0
Slovenia	DB2014	41	2.0	4	0	50.1
Turkey	DB2014	130	3.3	15	0	22.3

Source: World Bank, data October 2013

A country with powerful bankruptcy system has the mechanisms to ensure the survival of economical efficient companies and reallocating the resources of ineffective ones. A quick insolvency procedure has as a result the quick return of enterprises to ordinary operation and increase returns to creditors. The Easy of Doing Business report indicates the time, cost of bankruptcy proceedings, and the recovery rate for creditors. By ensuring investors and creditors for the best possible outcome of an insolvency issue we reduce default risk, build confidence in the credit markets, improve growth and sustainability in the economy overall.

According to the data of Easy Doing Business Report, resolving insolvency in Greece takes 3,5 years on average and costs 9% of the debtor's estate, with the most possible result being that the company will be sold little by little. The ranking of Greece is 87 among 189 economies, very bad performance in this pillar, loosing 37 places from last year's ranking. The previous year Greece enhanced its insolvency process by abolishing the conciliation procedure and introducing a new rehabilitation proceeding. But this year no new reforms have been made.

The bankruptcy procedures in Greece considered burdensome and untrustworthy, and used very rare. The whole process is very expensive, time consuming, and creditors tend to regain a small share of their primary investment.

Greece should use other strong economies of the EU as a paradigm in upgrading its bankruptcy system, strengthening creditors' rights and minimising the complexity and intensity of proceedings. Bankruptcy laws should be updated and harmonised with international best practices in order to minimise the burden of default risk and make possible again access to credit. These reforms are very important for the current situation the country faces.

In European Commissions' report indicated that between the years 2008-2011 more than 90000 small and medium size enterprises closed down in Greece, the report also highlighted the importance of this type of businesses in the Greek economy.
SME's represent over 98% of all companies with approximately 20700000 companies and more than 87 million workers in the Eurozone; consider being the backbone of the European economy. The European Commission also points out that SME's in Greece represent the 99,9% of all enterprises. Because of that a strong bankruptcy system can operate as a filter, ensuring the survival of economically competent firms and reallocating the resources of inefficient ones.

POLICY RECOMMENDATIONS FOR THE IMPROVEMENT OF COMPETITIVENESS AND THE BUSINESS ENVIRONMENT OF GREECE

Today the situation in Greece in very unstable, because of austerity measures a large part of the population have left in dire straits. High taxes, continuing reductions in public expenditures, and a constantly growing unemployment, have led many people to live below poverty. 17,5% of the populations living in households without income while more and more citizens are more close to poorness. A tax reform is necessary capable to combat tax evasion and to be more fair[79]. A more simplified and transparent system is essential especially for self- employed in order to fund the social protection networks that have been dismantled from the crisis.

Decisive political actions are required a prospect which is unlikely to appear because of the political unsteadiness inside the country. This political vacuum has raised insecurity feeling to the society, and rose in part of the population racist and xenophobic feelings. If institutions do not succeed in retrieval of public trust it will be even harder to come out from the current financial crisis. For that to happen economic reforms are necessary.

The debt is so big that prevents any investment efforts; it's a matter of time that we will start to talk about restructuring debt. In particular, even if we obtain primary surplus (primary surplus=revenues minus expenditures without interest costs) this will not be enough for the recovery of the Greek economy. Extra measures will might need, new lending, lower interest rates, privatization or a combination of all these. A new loan for closing the financial gap gives only a temporary solution (for one-two years). Serious measures must be taken in the field of Competitiveness and Doing Business in Greece in order to really improve the economy.

Greece have many potentials regarding infrastructure, the country's geographic position can make her an ideal candidate to serve as international sea and air core. Also the country has the comparative advantage regarding natural resources, with the proper investments in the energy sector and especially in renewable resources can become the corner-stone in South Eastern Europe's energetic map.

[79] ''The true cost of austerity and inequality, Greece case study'', OXFAM September 2013

Inadequate business regulations and low competition in network industries slow down productivity. The privatisation programme focuses on two major areas energy and transport, in the beginning of 2012 road haulage have been liberalised and other regulatory procedures have been simplified mainly through the'' Business Friendly Greece'' programme[80]. Although this plan should be fully implemented in order to attract new investments, also close professions should open with no delay, and the barriers to competition in net work industries should be removed.

According to the Transparency International Global Corruption Barometer people in Greece still believe that Political Parties are highly corrupted, if the government wants people to start trusting again the political life and therefore the institutions should take real measures that will prove to the citizens that something really change.
The government should also enhance the effectiveness of public administration as its prerequisite to ameliorate service quality.

A well organised educational system reflects the level of the development of a country. In Greece the public spending for education have reduced significantly because of the recession.
The authorities need to move fast and develop a pedagogical programme for pre-school education, a regulatory framework need to develop and renovate the operation of the childcare segment by locating the right technical criterion for the premises. A more completed approach to early childhood education would also advance policy efficiency and resource distribution to facilitate the access in quality services. Regarding Primary and Secondary education, Greece should encourage school self-government and teachers motivation. Improving upper secondary school and changing the system for entering into the universities is of highly importance reform.
As far as higher education concerns this sector needs to acquire a steady legal framework inside which to operate. The independence of the universities will give them the crucial role to restructure the higher education map more effectively based on the real educational needs. Private universities as well as improvement in the way the education institutions are financed are some proposals that the government already

[80] Economic Policy Reforms 2013: Going for Growth OECD 2013, Country: Greece.

considers, although the important is the knowledge that students obtain from the universities to have an impact in the labour market.

The labour market needs structural reforms in order to enhance competitiveness and raise welfare and incomes, employment strategies should be focused on youth unemployment that have never been in employment, in the other hand employers should provide training as an exchange for the subvention. Also personal advisers should help and guide candidate workers with their effort in finding a suitable job. It is essential due to increased unemployment in our country not to let more educated young people leave abroad. Greece should also restructure the tax benefits system in order to strengthen incomes of poor workers and limit with that way extensive poverty between the working population. Finally by reducing non-wages costs, and combining the reforms in labor market with other like the openness in restricted professions or facilitating exports or improving the investment environment that will might enhance growth and create job opportunities.

Financial markets should make capital available for private investments by starting giving loans to the companies, regulating security exchanges, to familiarise them with other financial products. In order to satisfy all these functions, the banking system should be trustworthy and transparent.

In order Greek firms to acquire the competitive advantage requires plenty of time, a good start is to invest on highly trained well educated work force in all the fields especially in management, product development and finance. Modern technology should also be adopted in order to make a firm more competitive. To meet the needs of customer requirements, markets should be open and firms must have the proper incentives to contend with different strategies.

Innovation strategies for Greek businesses should encompass modernization in organisation; promote originality of processes and products combining existing knowledge in new ways.

Although the vast majority of economic activity in Greece relies on services Research and Development and Innovation policy are still focused on manufacturing. Greek government should take measures to promote innovation in services and particularly

in telecommunications, in finance and insurance market, and in tourism market as well, this is the only way to boost productivity.

Also the Greek government can give incentives to the private market to innovate goods and services. Public research and Greek industry should be directly connected. Today's and future agenda aimed in developing science-industry relations should be planned as to better correspond to industry needs.

Green economic reform should also be part of the Greek economic agenda; the country should intensify its environmental financing efforts, moving towards the complete implementation of the polluter- pays and use- pays standards.

Greece has made great development in the ease of doing business and best practices in starting a business. It is well known fact that making starting a business an easy procedure encourages people to start an enterprise and contributes with that way to economic growth, productivity and job creation. Barriers to market entry have as a consequence less recruitment: encouraging establishment of businesses means less unemployment.

The government can and should minimize the barriers in business establishment; simplification in land use legislation can facilitate business development and investment. Also abolishing unnecessary regulations and tightening the remaining rules, and lowering barriers to business start-up should be a priority for Greece.

Fewer procedures to build a structure are necessary in order construction permits not to be an obstacle to investment and employment. Main responsibility for the government should be the simplification of the procedure for issuing construction permits and upraising of the procedure for supervising construction, which will cover all housing and business activities.

The process of getting electricity in Greece can become faster and less costly if the country proceeds to proper developments and changes. Particularly, reconsidering the conditions for connections, introducing an easier process for approval of external connection designs, online submission of application forms and by reducing the number of institutions involved in the whole process, can really make access to electricity easier.

Renewable sources of energy are not other than sun, biomass, geothermal, hydro power and wind power. If they are combined in the right mixture it can help us to cover our needs in an economic way and without causing any damages in our planet.
Balkans has invested in RSE but other European countries surmount our progress. Greece has a lot of fertile soil in order to develop a great amount of RSE as it is rich in sun, water and wind.
If Greece and the other Balkan countries give more emphasis in developing RSE, then the diplomacy of energy would not be as aggressive as nowadays because every country can cover its needs through their own RSE. Consequently, economic dependence will diminish and energy intensity of countries will augment in a more effective way.

The country should intend its efforts to attract investments, without continuous improvement in the business environment; Greek investors, business owners and researchers will continue to stay abroad. Besides, a professional set of commercial laws is not only important to boost entrepreneurship and innovation and for producing innovative products in the Greek economic Fabric, it is also essential to attracting highly mobile foreign direct investments. Critical indicator for a country's openness is ''international capital'' if the government doesn't proceed in the proper reforms then investors will allocate their money in more secured countries. A declaration of intent does not bring investments.

Therefore, if they want the reforms to become effective, they must create a business climate that is conducive to investment, entrepreneurship, innovation; to succeed they must reduce regulatory burdens. This means that the Greek government not only has to pass the relevant laws through parliament but also to develop an implementation strategy to make the laws effective in every day business.

CONCLUSION

In this essay we examined the competitiveness of Greece and how easy is to do business in our country; we also compared Greece's competitiveness and the business environment with the other Balkan countries having guidance from the Global Competitiveness Report and the Easy of Doing Business Index. In general, we conclude that Greece made some efforts to improve its performance in all the indicators and to a point succeed to improve its position. Though other countries in the region continue or improved to a greater extent and managed to have better performance.

It is clear that EU and especially the western European countries have much better performance than the Balkan area. This year, globally the most competitive economy is Switzerland, and the easiest place to do business in the European Union is Denmark. Greece this year in both indexes improved its position, though the economic crisis and current fiscal problems that faces leave little room for large improvement. Greece is an unattractive region for foreign investments, first of all because of the extensive bureaucracy and secondly for the barriers posed in trade. Both reports reveal the weaknesses of the Greek economy, without deep rooted changes the country will not manage to recover from the recession.

For instance, efforts should be focused on reducing the number of days needed to register an enterprise, the number of bureaucratic steps, plus the number of regulations fees and reporting duties. As a goal Greece must have business registration within one day. Greece should implement online e-administration for all standard businesses.

Instead of relaxing on the improvement in the ranking of Doing Business and Global Competitiveness must focus on becoming one of the top 25 economies. Like many European countries, recently FYROM managed to do exactly that; FYROM made big improvements and tremendous reforms in a very little time and now has the friendliest business environment in the Balkans, while the most competitive country is Turkey.

If serious reforms come to practice the entrepreneurs will choose transferring their new ideas into marketable products in the Greek economic fabric and not abroad, and foreign direct investments will start in a more substantial way.

Furthermore Greece can boost its competitiveness through giving emphasis in exports. It is the right solution to move on from stagnation in economy and create a new basis of trust on where foreign investors could build their firms.

The so-called "Produce-Export" can be achieved via exploring the weaknesses of our companies, the opportunities that we could exploit and, of course, the threats which lurk. In case of weaknesses, Greece should make progress in the domain of organizing a company in an effective way resulting to expand Greek experience in exports. Moreover, a good suggestion focused on establishing better communication between firms and employees due to the fact that the quality of exported products would be advanced and as a matter f fact exports will augment.

Besides, Greece should examine the opportunities which emerge in a country .For instance demographics is a crucial factor which reveals interesting hues of the foreign market. Thus, Greek producers will not consume valuable time in countries which had to be faced with internal problems. Furthermore, it is true that there are some shortages in every market. Greek producers could find out which products are popular in neighboring countries and export them.

On the other hand, we should bear in mind that competition is a threat which swallows those who are not well-prepared. Consequently, Greek exporters should be wary to imitations of original Greek products. Other devastating threats would be the price war or the framework which every country sets for importing foreign products (governmental restrictions, consumer preferences). All these problems can be over passed through the suitable plan and the best human resource administration. But, Greek exporters should set tangible goals and avoid overestimating their abilities.

Nowadays, it is believed that the 21st century is the century in which technology dominates and electronic media ' intrude' in our lives. An important proposal to organize in an efficient way our trade networks is not other than e-commerce. The advantages can be summarized as following: there are no borders and as a result all markets are available .Secondly, e-commerce can serve people around the world 24 hours per day, 7 days a week. Therefore, firms and companies do not spend much money in employees.

To conclude, Greece merged in economic crisis must find the way out and start rebuilt its economy again. To succeed, major economic reforms must be made and political stability must prevail. Without political stability all efforts for economic growth will fail and the country will come to a dead end.

TABLES

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
EU-28 av.	4,1	4,3	4,2	4,2	4,6	4,4	4,5	4,4	4,3	4,4	4,4	4,7
USA	5,9	5,8	5,8	5,8	5,6	5,7	5,7	5,6	5,4	5,5	5,5	5,5
China	4,4	4,2	4,3	4,1	4,2	4,6	4,7	4,7	4,8	4,7	4,8	4,8
BS-10 av.	3,6	3,7	3,8	3,6	4,0	4,0	4,0	4,0	4,0	4,1	4,1	4,1
BAL-12 av.	3,9	3,8	3,9	3,6	4,0	3,9	4,0	4,0	4,1	4,1	4,1	4,1

Table: 1.1
Source: Global Competitiveness Index scores edited by the World Economic Forum

Note: Global Competitiveness Index is measured in a scale 1-7 (1= minimum) (7= maximum).

Global Competitiveness Index Scores for the Balkan Region
Period: 2002/3-2013/14

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Albania	-	-	-	3,07	3,46	3,48	3,55	3,72	3,94
Greece	4,32	4,58	4,56	4,26	4,33	4,08	4,11	4,04	3,99
Bos.-Her.	-	-	3,38	3,17	3,67	3,55	3,56	3,53	3,70
Bulgaria	3,68	3,67	3,98	3,83	3,96	3,93	4,03	4,02	4,13
Croatia	3,80	3,97	3,94	3,74	4,26	4,20	4,22	4,03	4,04
Moldova	-	-	-	3,37	3,71	3,64	3,75	-	3,86
Romania	3,59	3,38	3,86	3,67	4,02	3,97	4,10	4,11	4,16
FYROM	-	3,22	3,34	3,26	3,86	3,73	3,87	3,95	4,02
Turkey	3,31	3,65	3,82	3,68	4,14	4,25	4,15	4,16	4,25
Serbia	-	-	-	-	-	3,78	3,90	3,77	3,84
Monten.	-	-	-	-	-	3,91	4,11	4,16	4,36
Slovenia	4,64	4,70	4,75	4,59	4,64	4,48	4,50	4,55	4,42
BAL-12 av.	**3,89**	**3,82**	**3,87**	**3,64**	**3,98**	**3,92**	**3,99**	**4,00**	**4,06**

	2011/12	2012/13	2013/14	Av 02-13
Albania	4,06	3,91	3,85	3,67
Greece	3,92	3,86	3,93	4,16
Bos.-Her.	3,83	3,93	4,02	3,63
Bulgaria	4,16	4,27	4,31	4,00
Croatia	4,08	4,04	4,13	4,03
Moldova	3,89	3,94	3,94	3,76
Romania	4,08	4,07	4,13	3,93
FYROM	4,05	4,04	4,14	3,77
Turkey	4,28	4,45	4,45	4,05
Serbia	3,88	3,87	3,77	3,83
Monten.	4,27	4,14	4,2	4,16
Slovenia	4,3	4,34	4,25	4,51
BAL-12 av.	**4,07**	**4,07**	**4,09**	**3,95**

Table: 1.2
Source: Global Competitiveness Index scores edited by the World Economic Forum
Note: Global Competitiveness Index is measured in a scale 1-7 (1= minimum) (7= maximum).
Note: The yellow fill color symbolizes the best performer and the grey fill color symbolizes the worst performer.

Global Competitiveness Index, the ranking and the positions lost in the Balkan Region from 2002/3- 2013/14

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Albania	-	-	-	100	98	109	108	95	88
Bos.-Her.	-	-	81	95	89	106	107	110	102
Bulgaria	62	64	59	58	72	79	76	76	71
Croatia	58	53	61	62	89	57	61	51	77
FYROM	-	81	84	85	80	94	89	73	79
Greece	38	35	37	46	47	65	67	71	83
Moldova	-	-	-	82	86	97	95	-	94
Romania	66	75	63	67	68	74	68	64	67
Monten.	-	-	-	-	-	82	65	42	49
Serbia	-	-	-	-	-	91	85	84	96
Slovenia	28	31	33	32	33	39	42	31	45
Turkey	69	65	66	66	59	53	63	61	61
Countries	**80**	**102**	**104**	**117**	**125**	**131**	**134**	**133**	**139**

	2011/12	2012/13	2013/14	2002-13
Albania	**78**	**89**	**101**	**-1**
Bos.-Her.	**100**	**88**	**87**	**-6**
Bulgaria	**74**	**62**	**57**	**+5**
Croatia	**76**	**81**	**75**	**-17**
FYROM	**79**	**80**	**73**	**+7**
Greece	**90**	**96**	**91**	**-53**
Moldova	**93**	**87**	**89**	**-7**
Romania	**77**	**78**	**76**	**-10**
Monten.	**60**	**72**	**67**	**+15**
Serbia	**95**	**95**	**101**	**-10**
Slovenia	**57**	**56**	**62**	**-34**
Turkey	**59**	**43**	**44**	**+25**
Countries	**142**	**144**	**148**	

Table: 1.3
Source: Global Competitiveness Index Ranks edited by the World Economic Forum

Global Competitiveness Index, the pillar score of every country in the Balkan Region 2013/2014

	Basic Requirements				Efficiency Enhancers						Innovation	
Pillars	Institutions	Infrastructure	Macro-economics	Health & Primary Education	Higher education & training	Goods market efficiency	Labor market efficiency	Financial market development	Technological readiness	Market size	Business sophistication	Innovation
SLOV	3,94	4,91	5,03	6,38	5,21	4,32	4,0	2,98	4,9	3,46	4,14	3,63
MON	4,16	4,04	4,07	6,07	4,61	4,31	4,39	4,4	4,22	2,14	3,79	3,42
BUL	3,38	3,93	5,61	6,0	4,25	4,19	4,36	3,95	4,45	3,87	3,59	2,97
FYR	4,05	3,63	4,94	5,6	4,18	4,47	4,21	4,15	3,84	2,9	3,65	3,09
GRE	3,49	4,79	2,82	6,1	4,81	3,93	3,77	2,86	4,62	4,37	3,84	3,08
MOL	3,24	3,57	4,62	5,38	3,88	3,93	4,09	3,6	3,89	2,55	3,32	2,42
ROM	3,34	3,33	5,14	5,47	4,41	3,89	3,96	3,95	4,14	4,44	3,62	3,01
ALB	3,32	3,33	4,41	5,9	4,17	4,06	4,33	3,27	3,33	2,92	3,44	2,8
TUR	4,08	4,45	4,62	5,86	4,29	4,52	3,74	4,4	4,05	5,3	4,36	3,47
SERB	3,2	3,51	3,36	5,75	4,05	3,64	3,9	3,48	3,94	3,68	3,18	2,85
B-H	3,87	3,67	4,23	5,99	4,3	3,98	4,15	3,53	3,74	3,09	3,53	3,28
CRO	3,6	4,66	4,71	5,8	4,53	3,92	3,94	3,9	4,41	3,59	3,81	3,12
BAL-12	3,63	3,70	4,46	5,85	4,39	4,09	4,07	3,7	4,12	3,52	3,68	3,09
EU-28	4,47	5,09	4,83	6,25	5,14	4,58	4,42	4,26	5,19	4,3	4,59	4,06
USA	4,6	5,8	4,0	6,1	5,8	4,9	5,4	5,3	5,7	6,9	5,5	5,4
CHIN	4,2	4,5	6,3	6,1	4,2	4,3	4,6	4,3	3,4	6,9	4,3	3,9

Table 1.4
Source: Global Competitiveness Index scores edited by the World Economic Forum

Note: Global Competitiveness Index is measured in a scale 1-7 (1= minimum) (7= maximum).

Note: The yellow fill color symbolizes the best performer and the grey fill color symbolizes the worst performer.

Global Competitiveness Index, pillar ranks among 148 countries
BAL 12- EU28- USA- CHINA 2013/2014

	Basic Requirements				Efficiency Enhancers						Innovation	
Pillars	Institutions	Infrastructure	Macro-economics	Health & Primary Education	Higher education & training	Goods market efficiency	Labor market efficiency	Financial market development	Technological readiness	Market size	Business sophistication	Innovation
SLOV	68	36	53	17	25	62	106	134	33	83	58	40
MON	52	70	112	37	50	64	58	49	49	135	89	54
BUL	107	75	30	45	69	81	61	73	44	63	106	105
FYR	60	86	59	79	76	44	79	62	67	109	100	86
GRE	103	38	147	35	41	108	127	138	39	47	83	87
MOL	122	88	77	93	90	107	95	105	64	124	125	138
ROM	114	100	47	84	59	117	110	72	54	46	101	97
ALB	118	99	94	56	78	97	67	128	92	107	122	119
TUR	56	49	76	59	65	43	130	51	58	16	43	50
SERB	126	90	136	69	83	132	119	115	60	69	137	112
B-H	71	83	104	46	63	104	88	113	73	98	110	63
CRO	93	42	68	66	51	111	114	78	45	74	88	79
BAL-12	91	71	83	57	62	89	96	93	56	81	97	86
EU-28	51	34	59	30	29	47	62	59	27	52	42	40
USA	35	15	117	34	7	20	4	10	15	1	6	7
CHIN	47	48	10	40	70	61	34	54	85	2	45	32

Table 1.5
Source: World Economic Forum, The Global Competitiveness Report 2013-2014 **Base period** 2013-2014 GCI edition.

Note: The yellow fill color symbolizes the best performer and the grey fill color symbolizes the worst performer.

Note: BAL-12 and EU-28 ranks reveal the corresponding ranks according to their average.

EDB, country rank, BAL-13, 2006/7- 2013/14									
	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/2014	2006/7- 2013/14
Albania	120	136	86	82	82	82	85	90	30
B-H	95	105	119	116	110	125	126	131	-36
Bulgaria	54	46	45	44	51	59	66	58	-4
Croatia	124	97	106	103	84	80	84	89	35
FYROM	92	75	71	32	38	22	23	25	67
Greece	109	100	96	109	109	100	78	72	37
Kosovo	-	-	-	113	119	117	98	86	27
Moldova	103	92	103	94	90	81	83	78	25
Montenegro	70	81	90	71	66	56	51	44	26
Romania	49	48	47	55	56	72	72	73	-24
Serbia	68	86	94	88	89	92	86	93	-25
Slovenia	61	55	54	53	42	37	35	33	35
Turkey	91	57	59	73	65	71	71	69	22
Number of countries	175	178	181	183	183	183	185	189	

Table 2.1

Source: World Bank
Note: EDB ranks started in 2006/7. The yellow fill color symbolizes the best performer and the grey fill color symbolizes the worst performer.

EDB, COUNTRY BY PILLAR, BAL-13, 2013/14										
	Starting a business	Dealing with construction permits	Getting Elctricity	Registering property	Getting credit	Protecting Investors	Paying Taxes	Trading across borders	Enforcing contracts	Resolving Insolvency
Greece	36	66	61	161	86	80	53	52	98	87
Bulgaria	65	118	135	62	28	52	81	79	79	92
Romania	60	136	174	70	13	52	134	76	53	99
Serbia	45	182	85	44	42	80	161	98	116	103
Albania	76	189	158	119	13	14	146	85	124	62
FYROM	7	63	76	84	3	16	26	89	95	52
Turkey	93	148	49	50	86	34	71	86	38	130
Croatia	80	152	60	106	42	157	34	99	49	98
B-H	174	175	164	96	73	115	135	107	115	77
Montenegro	69	106	69	98	3	34	86	53	136	45
Slovenia	38	59	32	83	109	14	54	48	52	41
Moldova	81	174	165	19	13	80	95	150	23	91
Kosovo	100	136	121	58	28	98	43	121	138	83
USA	20	34	13	25	3	6	64	22	11	17
CHINA	158	185	119	48	73	98	120	74	19	78
EU-28 av.	70	74	74	63	56	66	63	36	45	37
Total of countries	189									

Table 2.2

Source: Doing Business Database.
Note: The yellow fill color symbolizes the best performer and the grey fill color symbolizes the worst performer

PROCEDURES AND TIME NEEDED FOR EACH OF THE FOLLOWING INDICATORS

	Start a business (procedures)	Dealing with construction permits (procedures)	Registering property (procedures)	Paying taxes (payments per year)	Documents to export	Documents to import	Enforcing contracts (procedures)
EU-28 av.	5	14	5	12	4	5	32
USA	6	16	4	11	3	5	32
China	13	25	4	7	8	5	37
BAL-13 av.	5,4	16	6,6	28,5	6,1	6,9	38,2

Table 2.3
Source: Doing business database, data years: (Doing Business 2014)

	Start a business (days)	Dealing with construction permits (days)	Registering property (days)	Paying taxes (hours per year)	Time to export	Time to import	Enforcing contracts (days)	Closing a business (years)
EU-28 av.	13,3	173,7	24,9	192	12	11	566	2
USA	5	91	12	175	6	5	370	1,5
China	33	270	29	318	21	24	406	1,7
BAL-13 av.	12,5	191,4	36,62	258	16,6	16	440,9	2,6

Table 2.4
Source: Doing business database, data years: (Doing Business 2014)
Note: BAL-13 because we have data for Kosovo in this index.

EDB, country rank by pillar, Greece 2013/2014

GREECE		OECD high income		GNI per capita (US$)	23,260
Ease of doing business (rank)	72	High income		Population (m)	11.3
✓ **Starting a business** (rank)	36	**Registering property** (rank)	161	✓ **Trading across borders** (rank)	52
Procedures (number)	5	Procedures (number)	11	Documents to export (number)	4
Time (days)	14	Time (days)	20	Time to export (days)	16
Cost (% of income per capita)	4.6	Cost (% of property value)	11.7	Cost to export (US$ per container)	1,040
Minimum capital (% of income per capita)	0.0			Documents to import (number)	6
		Getting credit (rank)	86	Time to import (days)	15
Dealing with construction permits (rank)	66	Strength of legal rights index (0–10)	4	Cost to import (US$ per container)	1,135
Procedures (number)	19	Depth of credit information index (0–6)	5		
Time (days)	105	Public registry coverage (% of adults)	0.0	**Enforcing contracts** (rank)	98
Cost (% of income per capita)	27.1	Private bureau coverage (% of adults)	84.4	Procedures (number)	39
				Time (days)	1,300
Getting electricity (rank)	61	✓ **Protecting investors** (rank)	80	Cost (% of claim)	14.4
Procedures (number)	6	Extent of disclosure index (0–10)	7		
Time (days)	62	Extent of director liability index (0–10)	4	**Resolving insolvency** (rank)	87
Cost (% of income per capita)	66.7	Ease of shareholder suits index (0–10)	5	Time (years)	3.5
		Strength of investor protection index (0–10)	5.3	Cost (% of estate)	9
				Recovery rate (cents on the dollar)	34.0
		✗ **Paying taxes** (rank)	53		
		Payments (number per year)	8		
		Time (hours per year)	193		
		Total tax rate (% of profit)	44.0		

Source: Doing Business Report 2014, edited by the World Bank

EDB, country rank by pillar, Greece 2012/13

GREECE		OECD high income		GNI per capita (US$)	25,030
Ease of doing business (rank)	78	High income		Population (m)	11.3
Starting a business (rank)	146	**Registering property** (rank)	150	**Trading across borders** (rank)	62
Procedures (number)	11	Procedures (number)	11	Documents to export (number)	5
Time (days)	11	Time (days)	18	Time to export (days)	19
Cost (% of income per capita)	20.5	Cost (% of property value)	11.8	Cost to export (US$ per container)	1,115
Minimum capital (% of income per capita)	24.4			Documents to import (number)	6
		Getting credit (rank)	83	Time to import (days)	15
✔ **Dealing with construction permits** (rank)	31	Strength of legal rights index (0-10)	4	Cost to import (US$ per container)	1,135
Procedures (number)	15	Depth of credit information index (0-6)	5		
Time (days)	89	Public registry coverage (% of adults)	0.0	**Enforcing contracts** (rank)	87
Cost (% of income per capita)	27.5	Private bureau coverage (% of adults)	84.0	Procedures (number)	39
				Time (days)	819
Getting electricity (rank)	59	✔ **Protecting investors** (rank)	117	Cost (% of claim)	14.4
Procedures (number)	6	Extent of disclosure index (0-10)	5		
Time (days)	62	Extent of director liability index (0-10)	4	✔ **Resolving insolvency** (rank)	50
Cost (% of income per capita)	62.4	Ease of shareholder suits index (0-10)	5	Time (years)	2.0
		Strength of investor protection index (0-10)	4.7	Cost (% of estate)	9
				Recovery rate (cents on the dollar)	44.5
		Paying taxes (rank)	56		
		Payments (number per year)	8		
		Time (hours per year)	202		
		Total tax rate (% of profit)	44.6		

Source: Doing Business Report 2013, edited by the World Bank

EDB, country by pillar, Greece, 2011/12

GREECE		OECD high income		GNI per capita (US$)	27,240
Ease of doing business (rank)	100	High income		Population (m)	11.3
✔ **Starting a business** (rank)	135	**Registering property** (rank)	150	**Trading across borders** (rank)	84
Procedures (number)	10	Procedures (number)	11	Documents to export (number)	5
Time (days)	10	Time (days)	18	Time to export (days)	20
Cost (% of income per capita)	20.1	Cost (% of property value)	12.0	Cost to export (US$ per container)	1,153
Minimum capital (% of income per capita)	22.8			Documents to import (number)	6
		Getting credit (rank)	78	Time to import (days)	25
Dealing with construction permits (rank)	41	Strength of legal rights index (0-10)	4	Cost to import (US$ per container)	1,265
Procedures (number)	14	Depth of credit information index (0-6)	5		
Time (days)	169	Public registry coverage (% of adults)	0.0	**Enforcing contracts** (rank)	90
Cost (% of income per capita)	3.4	Private bureau coverage (% of adults)	82.4	Procedures (number)	39
				Time (days)	819
Getting electricity (rank)	77	**Protecting investors** (rank)	155	Cost (% of claim)	14.4
Procedures (number)	6	Extent of disclosure index (0-10)	1		
Time (days)	77	Extent of director liability index (0-10)	4	**Resolving insolvency** (rank)	57
Cost (% of income per capita)	59.2	Ease of shareholder suits index (0-10)	5	Time (years)	2.0
		Strength of investor protection index (0-10)	3.3	Cost (% of estate)	9
				Recovery rate (cents on the dollar)	41.8
		✔ **Paying taxes** (rank)	83		
		Payments (number per year)	10		
		Time (hours per year)	224		
		Total tax rate (% of profit)	46.4		

Source: Doing Business Report 2012, edited by the World Bank

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