

# Thoughts on **Re-energizing Greece**

Growth opportunities in new technologies

**Public Debate:**

**“Investments, Development,  
Unemployment”**

ELIAMEP, IOBE, Kantor  
and Citizens' Movement co organize  
on Tuesday 17 January 2012



**Abraham Tsoukalidis**

# Themes

**01 Presentation Framework »**

**02 Growth Opportunities**

**03 The way forward**



# The Current Situation

## ▶ **The Global Economy**

- The Global Outlook is Gloomy
- Global Mood Swing
- The World is moving East
- There are Pockets of Growth
- Global Spending on Technology Continues
- Sustainable Development is the new Megatrend

## ▶ **The European Outlook**

- European Outlook: Key players
- Towards Disintegration?

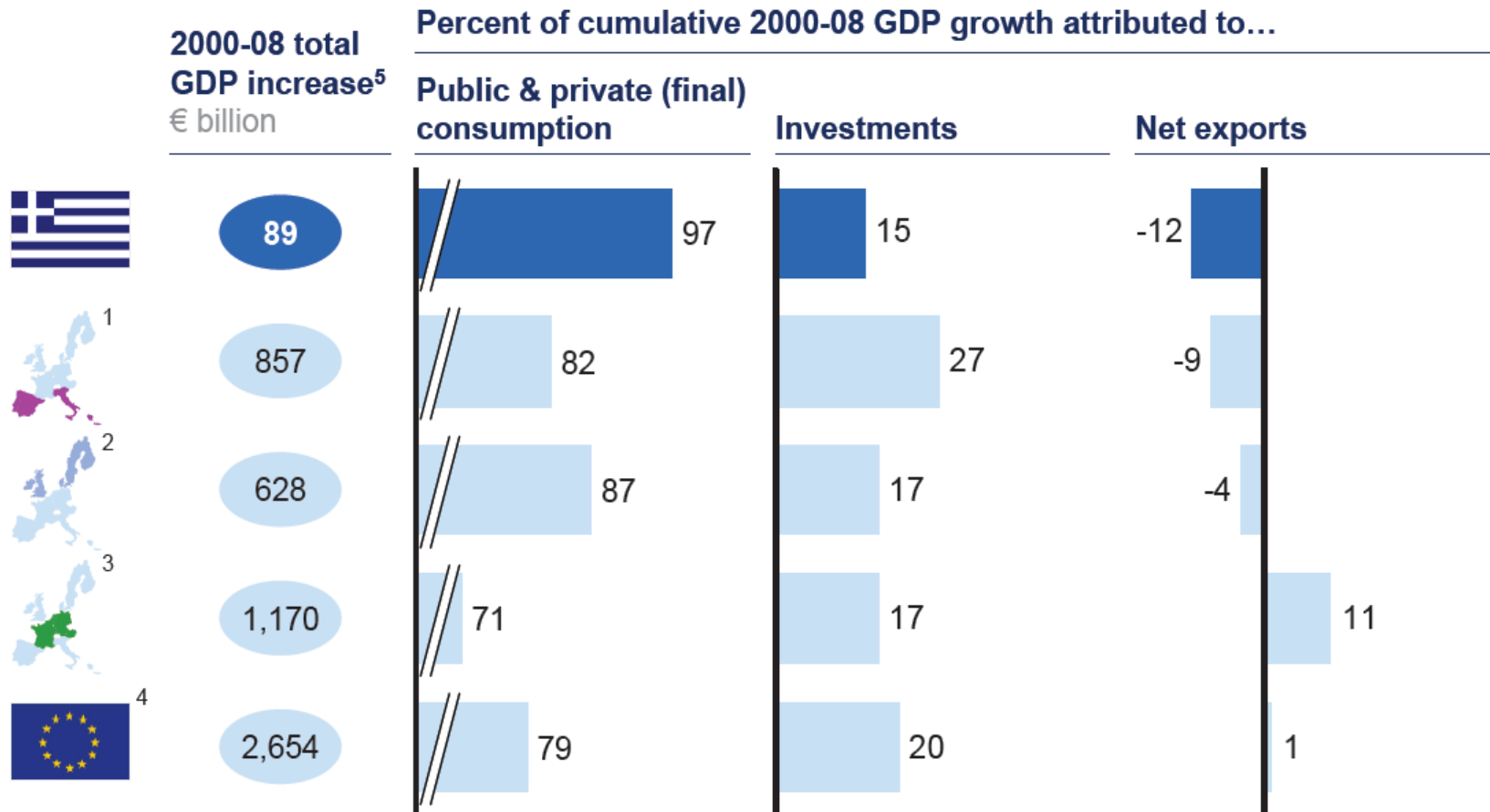
## ▶ **The Greek Reality**

- McKinsey: "a Flawed Economic Model"
- Did Greece have an economic model for Growth?
- Greece has low and decreasing productivity
- Greece did not attract foreign investments
- Greece's economic output is based on non tradable goods produced by SMEs
- Greece does not innovate



# The Greek Reality: a Flawed Economic Model

(McKinsey Co. study for SEV, 2011)



## 01 Presentation Framework

### The Current Situation



# Productivity is Relatively Low and Decreasing!

Labor productivity per hour worked Index (EU-27 = 100)	2006	2007	2008	2009	2010
Germany	127,6	127,3	126,6	124,6	123,9
Ireland	121,4	123,5	116,4	120	125,7
<b>Greece</b>	<b>78,7</b>	<b>78</b>	<b>79,7</b>	<b>81</b>	<b>77,8</b>
Spain	102,7	103,9	104,7	108	107,8
France	134,8	134,3	132,4	133,3	133,5
Finland	108,2	111,2	112	109,8	110,9
Sweden	118,1	119,1	117,9	113,8	115,4
United Kingdom	112,6	109,9	108	105,3	106

## 01 Presentation Framework

### The Current Situation

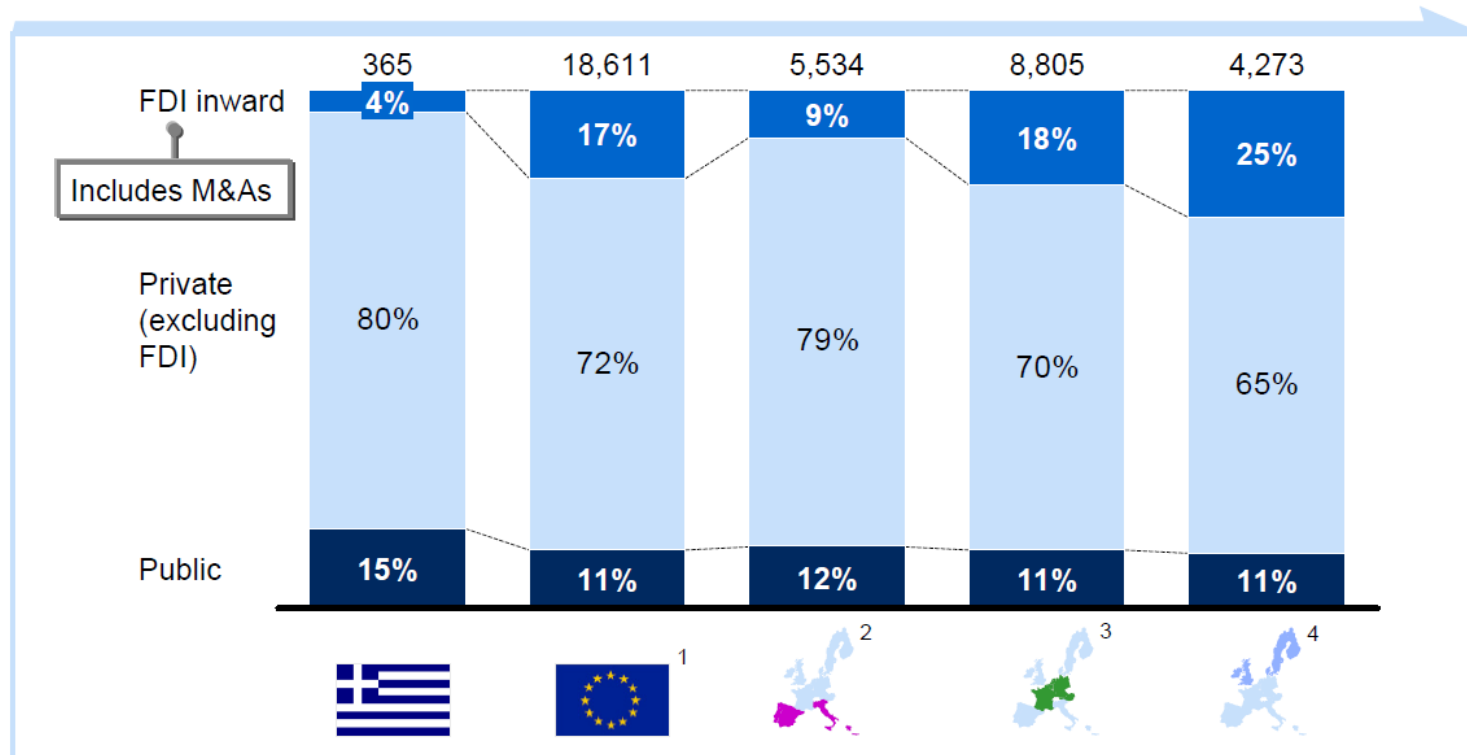


# But Why Productivity is Low?

## Greece did not attract Foreign Investments...

(Mckinsey, 2011)

- ▶ **Today, Investors expect Capabilities not Resources!**



### 01 Presentation Framework

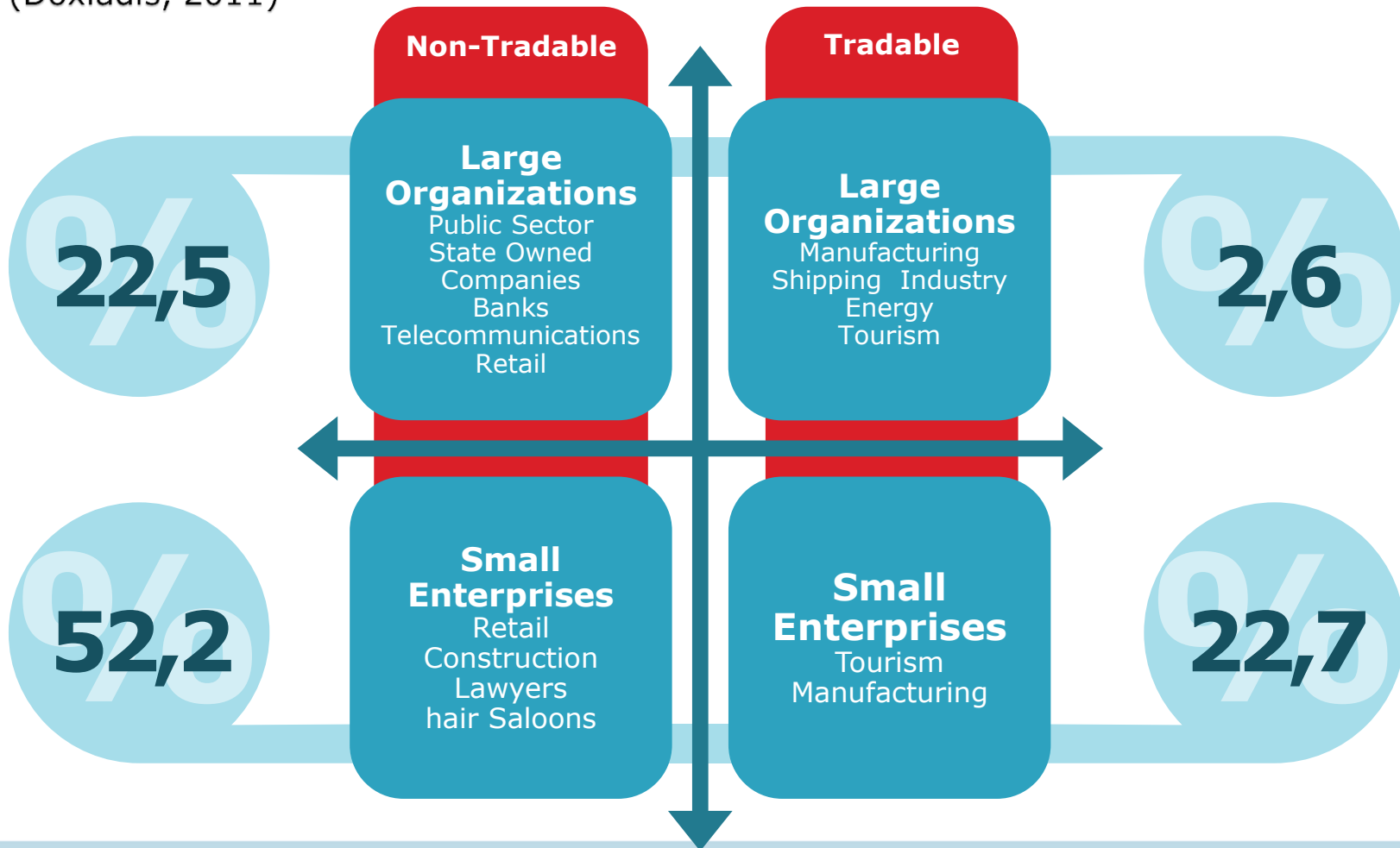
#### The Current Situation



# But Why Productivity is Low?

Greece produces non tradable goods...

(Doxiadis, 2011)



## 01 Presentation Framework

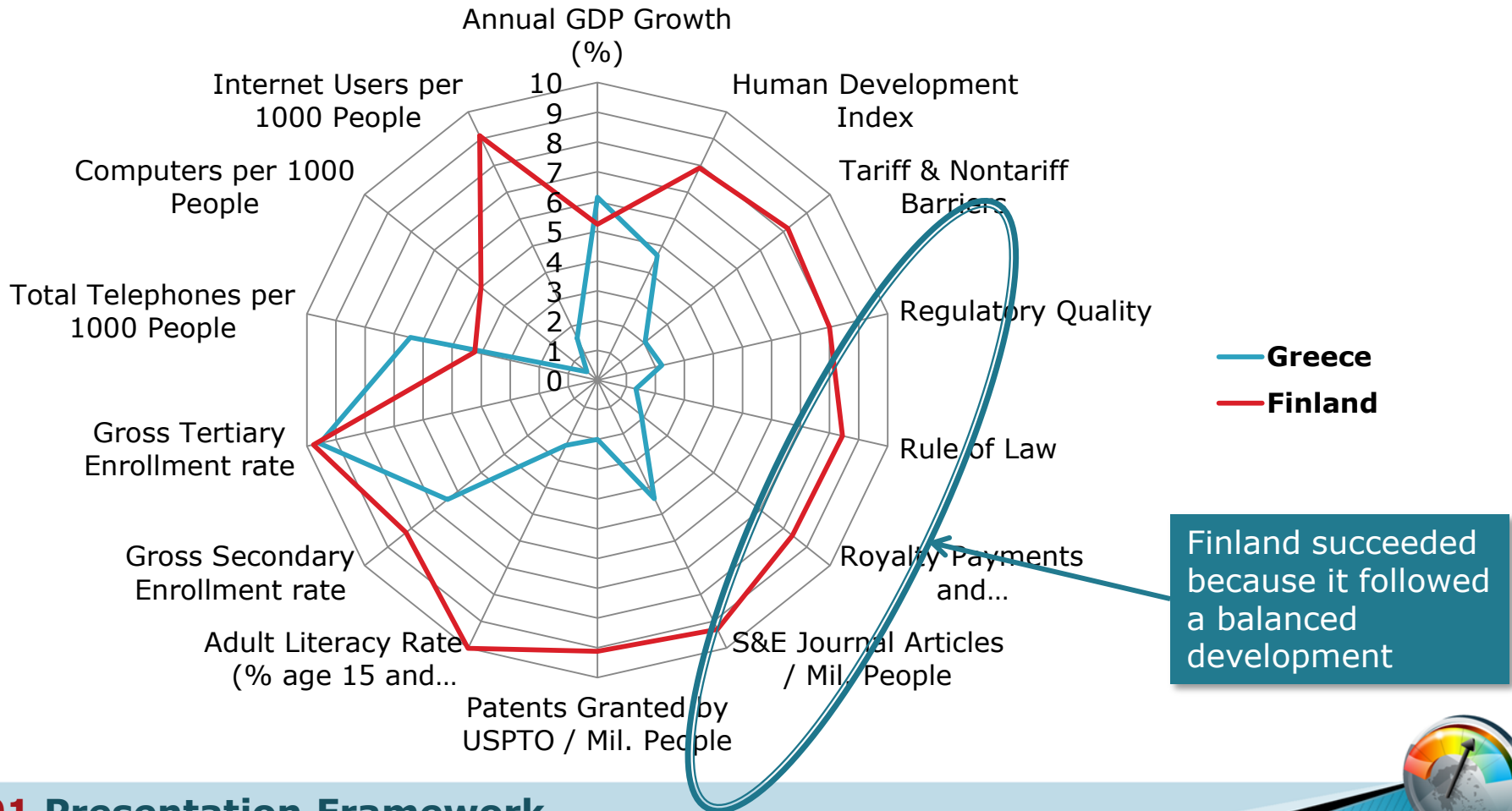
The Current Situation





# 01 Greece vs. Finland in a Knowledge Economy

## The Greek vs Finnish Knowledge Economy 2009



### 01 Presentation Framework

#### The Current Situation





# 01 Greece vs. Finland in a Knowledge Economy

## Finland followed a version of the “Washington consensus”

- Low Government deficits
- Strong governance and accountability
- Stable macroeconomic policy
- Strong financial sector (after the 1990s crisis)
- Openness to outside ideas and a free trade regime
- Strong focus on encouraging domestic competition

One  
alone

**IS NOT**  
enough!

## But this was not enough! Finland also focused on growth policies

- Strong focus on education
- Strong focus on coordination of policies among key government agencies and between them and the productive sector
- Strong focus on R&D and innovation
- New type of industrial policy
- Strong focus on the future and international product markets



# Themes

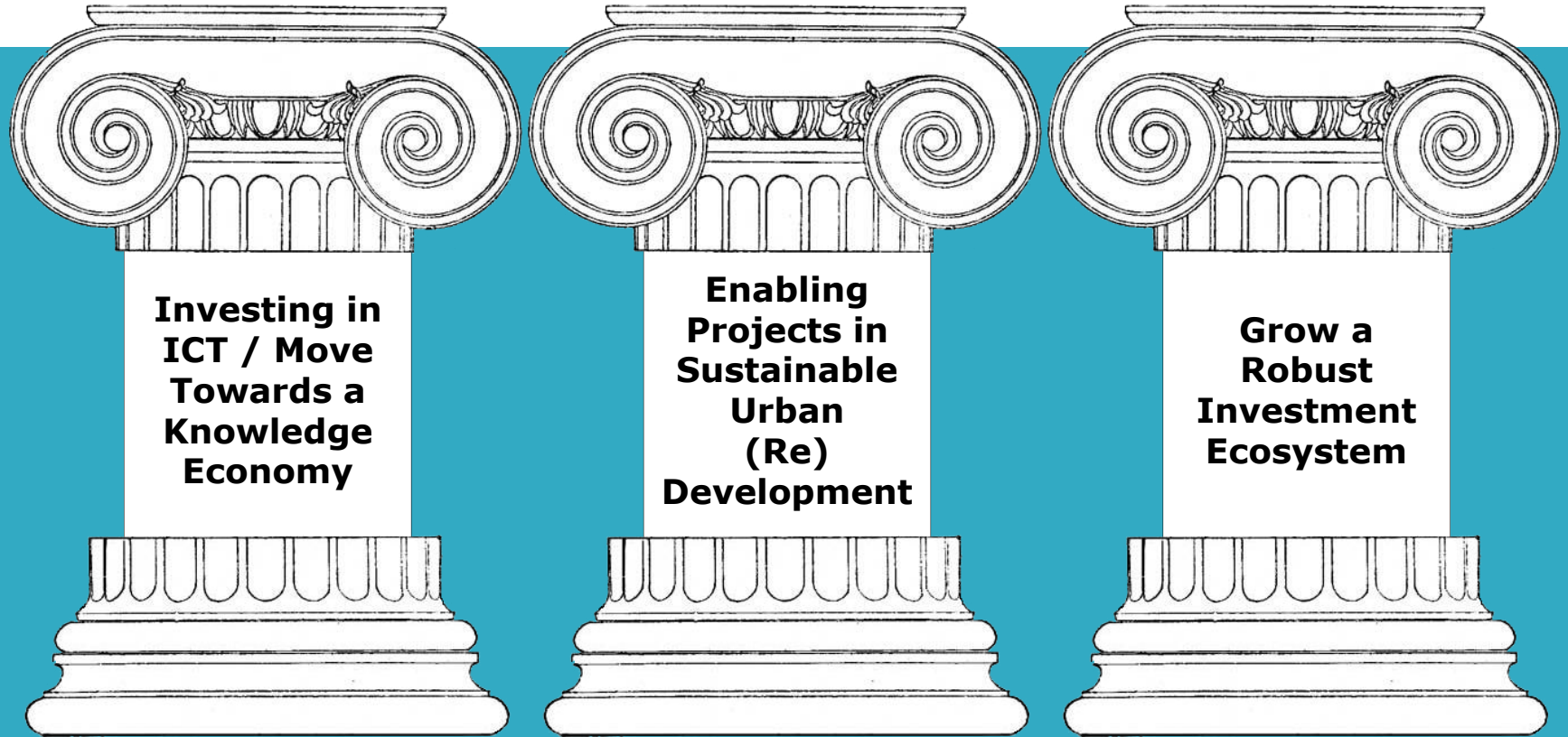
**01 Presentation Framework**

**02 Growth Opportunities >>**

**03 The way forward**



# Growth Pillars



**State | Education | Private Sector & Entrepreneurship |  
Brand Greece | Social Capital**

## 02 Growth Opportunities

Growth Pillars



# 01 Investing in ICT / Move Towards a Knowledge Economy

- ▶ Proven concept
- ▶ Greek ICT companies have succeed and continue to succeed and attract investment interest in a global marketplace

The logo for EXODUS, featuring the word "EXODUS" in a blue, sans-serif font with a stylized blue 'O'.The logo for intralot, featuring the word "intralot" in a white, lowercase, sans-serif font on an orange rectangular background.The logo for upstream, featuring a stylized orange and white arrow pointing right, followed by the word "upstream" in a lowercase, sans-serif font.The logo for gipht me, featuring the word "gipht" in a blue, lowercase, sans-serif font with a small "me" in a blue circle to the right.The logo for eyelead software, featuring a stylized eye icon with a blue and white color scheme, followed by the text "eyelead software" in a lowercase, sans-serif font.The logo for INTRASOFT INTERNATIONAL, featuring a stylized blue and white graphic of vertical lines, followed by the text "INTRASOFT INTERNATIONAL" in a bold, uppercase, sans-serif font.The logo for internetq, featuring the word "internetq" in a lowercase, sans-serif font with a green and white color scheme.The logo for velti, featuring a stylized blue and white circular graphic, followed by the word "velti" in a lowercase, sans-serif font.The logo for AVENTURINE, featuring a stylized blue and white graphic of a mountain peak, followed by the text "AVENTURINE" in a bold, uppercase, sans-serif font.The logo for taxibeat, featuring the word "taxibeat" in a bold, lowercase, sans-serif font with a yellow and orange color scheme.The logo for BlindType, featuring the word "BlindType" in a bold, lowercase, sans-serif font with a hand cursor icon pointing to the 'i'.The logo for HIGH TECH EXPORTS, featuring a stylized green and white graphic of a square with a smaller square inside, followed by the text "HIGH TECH EXPORTS" in a bold, uppercase, sans-serif font.The logo for SOFTWARE, featuring a stylized blue and white graphic of a wave or ribbon, followed by the text "SOFTWARE" in a bold, uppercase, sans-serif font.

## 02 Growth Opportunities

### Growth Pillars

01 Investing in ICT / Move Towards a Knowledge Economy



Thoughts on  
Re-energizing Greece

# 01 Investing in ICT / Move Towards a Knowledge Economy

- ▶ **Low spending in ICT, especially in promoting e-government**
- ▶ **Need for a balanced development of:**
  - Information and Communication Technologies (ICT) infrastructure
  - Education
  - Innovation
  - Economic Incentives regime
- ▶ **Promote Best Practices**
- ▶ **Focus on Long- Term policies that measure results and effectiveness of policies**

ICT expenditure (Percentage of GDP)	2010
EU (27 countries)	2,5
Germany	2,6
Ireland	2,8
Greece	1,2
Spain	1,8
France	2,6
Italy	1,6
Portugal	2,1
Romania	1,2
Slovenia	2
Slovakia	1,9
Finland	3,3
Sweden	2,9
United Kingdom	3,8

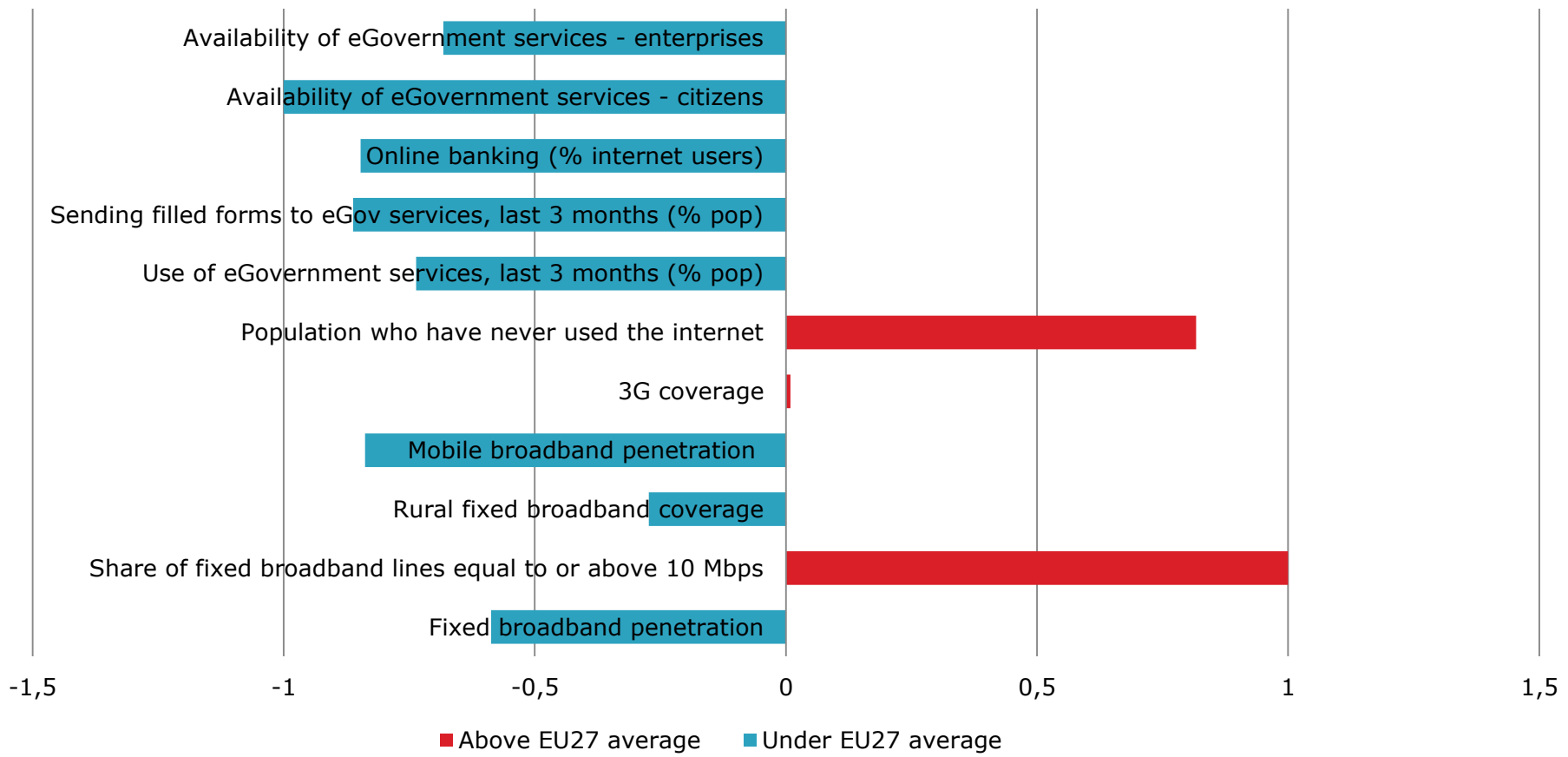
## 02 Growth Opportunities

### Growth Pillars

01 Investing in ICT / Move Towards a Knowledge Economy



# 01 Investing in ICT / Move Towards a Knowledge Economy



Source: eurostat

## 02 Growth Opportunities

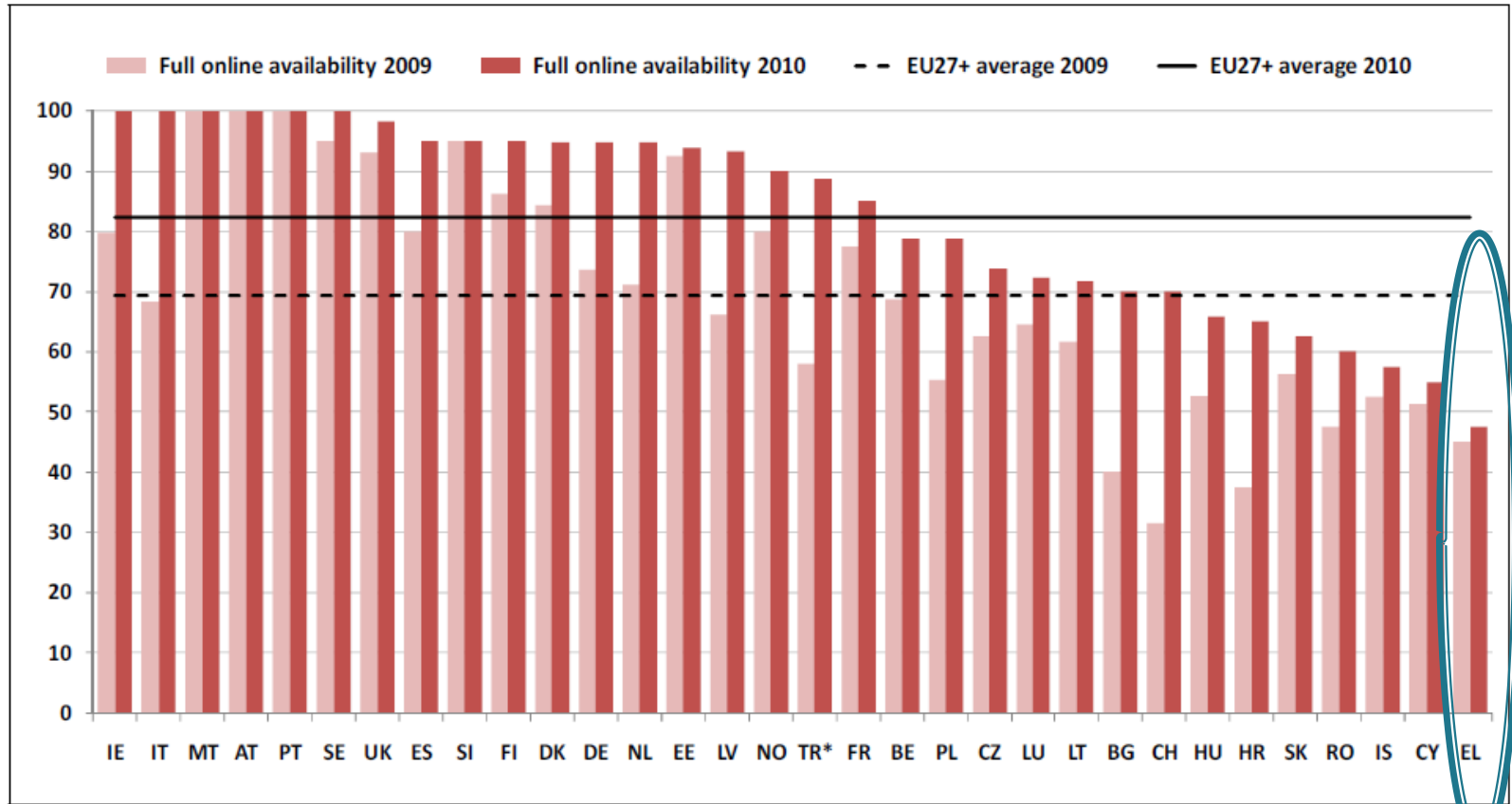
### Growth Pillars

01 Investing in ICT / Move Towards a Knowledge Economy



# 01 Investing in ICT / Move Towards a Knowledge Economy

## ► Availability of e-Government services!



Source:



## 02 Growth Opportunities

### Growth Pillars

Investing in ICT / Move Towards a Knowledge Economy



Thoughts on  
Re-energizing Greece



# 01 Investing in ICT / Move Towards a Knowledge Economy

## ▶ Benefits to society by e-government services

- Advancing inclusion of all
- Contributing to high user satisfaction, transparency and accountability, reduced administrative burden and gains in efficiency
- Strengthening participation and democratic decision-making
- Reinforce mobility

## ▶ Benefits to society by broadband penetration

- Using e-government services
- Searching and finding a Job
- Using Other online services (e.g., Online banking)
- Obtaining information

The screenshot shows the e-Estonia website interface. At the top, there are navigation tabs for 'e-Estonia', 'Components', and 'Case Studies'. Below the tabs is a large header image of a smiling woman with blonde hair. Underneath the image, there is a sub-header 'Safer Streets Through Technology' and a tagline 'Serving and protecting with the help of e-Police'. The main content area features a 'Welcome to e-Estonia' section with a paragraph describing Estonia's digital success and a link to 'Learn more about e-Estonia'. Below this is a 'Digital Society Components' section with a sub-header 'e-Estonia is powered by a flexible network of interconnected data providers and e-services. Learn more about...'. This section contains four cards: 'Electronic ID Card' (e-ID acts as definitive proof of ID in secure electronic environments), 'i-Voting' (i-Voting allows voters to cast their ballots over the internet, from anywhere in the world), 'X-Road' (Allows databases to interact, making integrated e-services possible), and 'MOBIL Mobile-ID' (Allows a client to use a mobile phone as a form of secure electronic ID).

## 02 Growth Opportunities

### Growth Pillars

Investing in ICT / Move Towards a Knowledge Economy



Thoughts on  
Re-energizing Greece

# 01 Investing in ICT / Move Towards a Knowledge Economy

## ▶ Proposals:

1. **Use new financing tools for IT project**  
(PPP, outsourcing, BOT)
2. **Speed up implementation of existing funding programs, like: ICT4growth, ICT4markets**
3. **Create a special incentive zone scheme to attract large companies Research and mainly development centers**

## 02 Growth Opportunities

### Growth Pillars

01 Investing in ICT / Move Towards a Knowledge Economy



# 02 Sustainable Urban (Re)Development

- ▶ **Enable projects for sustainable re-development of communities**
- ▶ **Adopting sustainable urban planning life-cycle and new “Eco-City” Standards**
- ▶ **Focus on Technological Solutions in five sectors:**
  1. Spatial and Urban Design
  2. Transport Sector
  3. Energy Sector
  4. Water Sector
  5. Solid Waste Sector

## 02 Growth Opportunities

### Growth Pillars

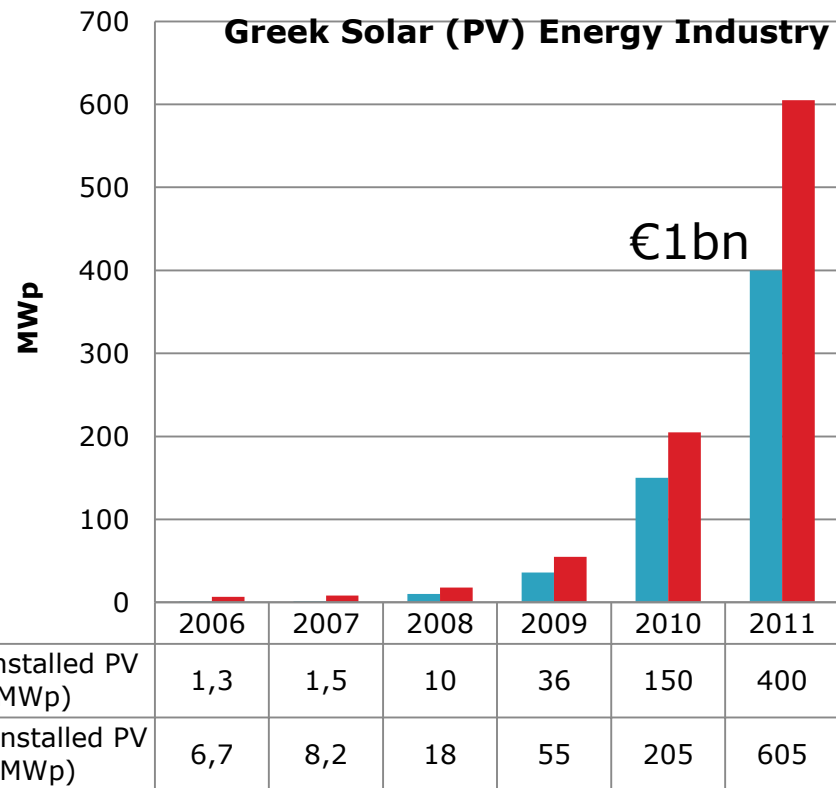
02 Sustainable Urban (Re)Development



# 02 Sustainable Urban (Re)Development

## ► Construction activity in EU (Construction Index -2005=100)

Country	2009Q3	2010Q3	2011Q3
Euro area (17 countries)	88,81	81,22	82,54
Germany	125,73	130,13	138,81
<b>Greece</b>	<b>100,09</b>	<b>62,98</b>	<b>57,76</b>
Spain	63,82	41,56	43,86
France	90,55	86,62	88,53
Italy	91,49	91,89	87,30
Finland	117,08	129,93	141,88
Sweden	106,91	113,23	119,84
United Kingdom	92,79	103,70	103,87
Turkey	106,12	128,66	142,46



Source: eurostat

## 02 Growth Opportunities

### Growth Pillars

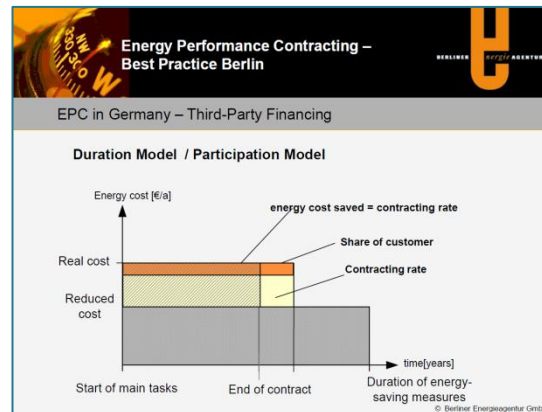
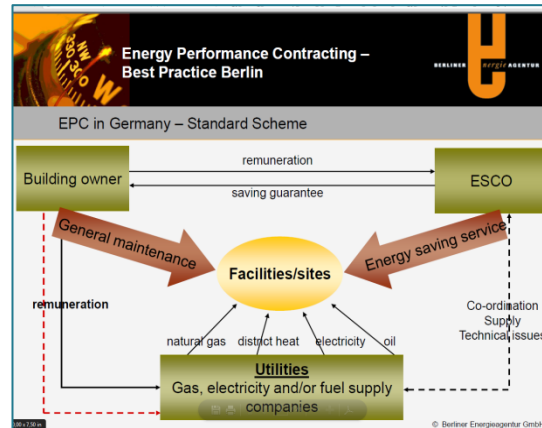
02 Sustainable Urban (Re)Development



Thoughts on  
Re-energizing Greece

# 02 Sustainable Urban (Re)Development

- ▶ **The Berlin Energy Savings Partnership between the local government, individuals and private sector results in considerable annual savings**



**Energy Performance Contracting – Best Practice Berlin**

ESP Transferred – International Experiences

**EUROCONTRACT**  
GUARANTEED ENERGY PERFORMANCE

- Model contracts and tender documents (B, D, F, FIN, GR, I, N, S)
- Results: 17 new EPC projects kick-started

**clearcontract** – Clearinghouse for Energy Contracting in CEE

- Model contracts and tender documents (LV, LT, PL, CZ, SLO, SK, BG, H)
- Results: > 10 contracts signed since 2003

**European Energy Service Initiative**

- Improving EPC and energy efficiency standards (2009-11) (B, SE, NO, CZ, SK, SI, RO, A, F)
- European Energy Service Award

Standards set by BEA realised in several other countries

- Slovenia, Bulgaria, Latvia, Poland, Mexico, Estonia
- Ongoing: Chile, Brazil, India, Belgium, Romania, Serbia, Monaco

© Berliner Energieagentur GmbH

## 02 Growth Opportunities

### Growth Pillars

02 Sustainable Urban (Re)Development



Thoughts on  
Re-energizing Greece



# 02 Sustainable Urban (Re)Development

## Existing Funds and programs in Greece from the EU and EIB

- Energy efficiency program for homes
- Energy efficiency program for municipalities
- Energy efficiency program for public buildings
- 'Green Schools' program
- Urban Development funds
- Energy Savings Companies (ESCOs)

ΑΔΑ: 6ΙΩ701-1

ΑΝΑΡΤΗΤΗ ΔΕΛΤΥΔΙΑ

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ  
ΥΠΟΥΡΓΕΙΟ ΠΕΡΙΒΑΛΛΟΝΤΟΣ, ΕΝΕΡΓΕΙΑΣ  
ΚΑΙ ΚΛΙΜΑΤΙΚΗΣ ΑΣΦΑΛΕΙΑΣ

ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ  
ΔΙΑΧΕΙΡΙΣΗΣ Ε.Π.  
«ΠΕΡΙΒΑΛΛΟΝ ΚΑΙ ΑΕΙΦΟΡΟΣ  
ΑΝΑΠΤΥΞΗ»

Αθήνα, 21/12/2010  
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ΠΡΟΣΚΛΗΣΗ ΓΙΑ ΥΠΟΒΟΛΗ ΠΡΟΤΑΣΕΩΝ  
ΣΤΟ ΕΙΔΙΚΕΥΜΕΝΟ ΠΡΟΓΡΑΜΜΑ  
«ΠΕΡΙΒΑΛΛΟΝ ΚΑΙ ΑΕΙΦΟΡΟΣ ΑΝΑΠΤΥΞΗ»

ΑΙΩΝΙΑΣ ΠΡΟΤΕΡΑΙΟΤΗΤΑΣ 1 «Προστασία Περιβάλλοντος Περιβάλλοντος & Αειμίας, Μεταφορές- Αντιρρυπαντική Κλιματική, Αειφορική, Ανανεώσιμες Πηγές Ενέργειας»

Ο ΟΡΙΣΜΟΣ ΣΥΓΚΡΗΜΑΤΟΔΟΤΗΣΙΑΣ ΑΠΟ ΤΟ ΤΑΜΕΙΟ ΣΥΝΟΧΗΣ

ΚΙΝΗΤΑ ΟΙΚΟΝΟΜΙΚΑ ΠΡΟΤΕΡΑΙΟΤΗΤΑ:

- 43 Ενισχυτική απόδοση, συμπαραγωγή, διαχείριση ενέργειας

ΕΥΡΩΠΑΪΚΟ ΣΥΝΕΚΡΑΤΟ  
ΕΥΡΩΠΑΪΚΗ ΕΝΩΣΗ

ΥΠΟΥΡΓΕΙΟ ΠΕΡΙΒΑΛΛΟΝΤΟΣ, ΕΝΕΡΓΕΙΑΣ ΚΑΙ ΚΛΙΜΑΤΙΚΗΣ ΑΣΦΑΛΕΙΑΣ

Το Πρόγραμμα (Ενός) από Υπουργείο Περιβάλλοντος, Ενέργειας και Κλιματικής Ασφάλειας / Εταιρεία Υποδομής Α.Ε.Τ.Α.Α. Α.Ε. (ΥΠΟΔΕ)

ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ  
«ΠΕΡΙΒΑΛΛΟΝ ΚΑΙ ΑΕΙΦΟΡΟΣ ΑΝΑΠΤΥΞΗ»

ΚΑΘΕΤΗ ΒΗΜΑΤΑ ΥΠΟΒΟΛΗΣ

ΠΡΟΣΡΕΤΕ ΤΗΝ ΕΝΕΡΓΕΙΑΚΗ ΑΠΟΔΟΣΗ ΤΩΝ ΚΤΙΡΙΩΝ

Εξοικονομήστε ενέργεια στα κτίρια

Ο σκοπός των κτιρίων στο νέο μεταρρυθμιστικό πλαίσιο τους μετατρέπεται από κεντρικούς χώρους στο σπίτι. Το κτίριο είναι ένα είδος «οικισμού» παρόμοιο με το σπίτι. Το οικονομικό κίνητρο της κτιριοδομίας είναι, από τον έτος 2007-2008, σύμφωνα την αναγκαία τους κτιριοδομίας από κτίριο 20% από από τα κτιριακά κτίρια, σύμφωνα με τους

Έως από τους βασικούς λόγους για τους οποίους τα κτίρια κτίριο είναι ιδιαίτερα σημαντικά είναι η επιβάρυνση τους και η μη αναμενόμενη απόδοση των κτιρίων, αλλά και άλλους σχετικές νομοθεσίες, τα τελευταία 30 χρόνια.

Τα περισσότερα από αυτά τα κτίρια αντιμετωπίζουν θέματα όπως:

- παλαιά (ή παλιά) δίκτυα θέρμανσης/ψύξης,
- παλιές τεχνολογίες σφραγισμάτων (απορροή υδρατμών υστερησμένης),
- (άλλη) υποδομή των κτιρίων και βελτιώνοντας τους,
- με έσοδο απόδοση των κτιρίων (παραγωγή της ενέργειας),
- εισαγωγή σύστημάτων των κτιρίων (θερμότητα/κλιματική με αποδοτικότητα για χρήση) κ.λπ.

Σημαντική παράμετρος, επίσης, που καθορίζει την ενεργειακή απόδοση ενός κτιρίου είναι η διατήρηση των δωματίων. Η Ελλάδα διαθέτει τον υψηλότερο ποσοστό σε θέματα συντήρησης, χρήσης και διατήρησης της ενέργειας, όπου είναι σε σημαντικό ποσοστό, όπως η εγκατάσταση μονοκατανομή κλιματικών συστημάτων χωρίς αερίση, η χρήση

Επισκευάζω / Επισκευάζω/ Ψάω  
Βελτιώω

Νέα / Ανακαίνιση (έως σε άδεια του κτιρίου)

17.12.2011  
ΜΑΡΤΙΑ ΚΑΡΑΟΥ ΔΕ ΠΡΟΧΕΙΡΟΝΤΕΣ



## 02 Growth Opportunities

### Growth Pillars

02 Sustainable Urban (Re)Development



# 03 Grow a Robust Investment Ecosystem

- ▶ **There is an existing investment and Venture Capital sector in Greece**
- ▶ **In order for Greek companies to grow and expand, we need to expand the investment ecosystem**
- ▶ **Benefits of Venture Capital clusters:**
  - Firms financed by venture capital grow faster in both sales and employment
  - Best way to promote the development of high-growth companies
  - Significant contribution on creating jobs and generate wealth

## 02 Growth Opportunities

### Growth Pillars

03 Grow a Robust Investment Ecosystem





# 03 Grow a Robust Investment Ecosystem

## Requirements for an investment ecosystem

### 01 Speed up Top-Down initiatives

- ▶ **Coordinated innovation & entrepreneurship policies (rare)!**
- ▶ **Recently announced by the Ministry of Regional Development**
  - Seed funds (high-risk/high-return early stage investment)
  - Co-investment funds (network of potential investors)
  - ICT Venture Capital Fund
  - Investment Loans (50%)
  - Competitive Clusters (Web 2.0, mobile added value apps)

## 02 Growth Opportunities

### Growth Pillars

03 Grow a Robust Investment Ecosystem



# 03 Grow a Robust Investment Ecosystem

## Requirements for an investment ecosystem

### 02 Encourage Bottom-Up initiatives

- ▶ Encourage innovation and startup centers in universities (Poland)
- ▶ Create a special 'Visa' program for entrepreneurs (Chile)
- ▶ Grow a network of incubator and co-working spaces (UK)
- ▶ Give special benefits to investment companies (India)
- ▶ Promote financial and business mentorship regional programs (Italy)
- ▶ Use existing Greek bank network in the region

## 02 Growth Opportunities

### Growth Pillars

03 Grow a Robust Investment Ecosystem





# Themes

**01 Presentation Framework**

**02 Growth Opportunities**

**03 The way forward »**



# Key Stakeholders for Re-energizing Greece?

- ▶ **Public Sector**
  - Central State
  - Local Communities
- ▶ **Education**
  - Technology and Innovation Institutions
  - Educational Institutions
- ▶ **Private Sector & Entrepreneurship**
  - Industry
  - Potential Entrepreneurs
- ▶ **Social Capital**



*"The Apple of the Mediterranean"*



# Key Stakeholders for Re-energizing Greece? State



## Ministry of Finance

- The basics: Minimize Tax Evasion
- Beyond the basics: Foster growth and employment



## Ministry of Interior

- The basics: Reengineer all processes
- Beyond the basics: Adopt e-government practices



## Parliament

- The basics: Simplifying Greek Law
- Beyond the basics: Conduct dynamic assessment of government



## Judicial system- This might be the most important stakeholder!

- The basics: Speed up justice
- Beyond the basics: Introduction of e-justice
- Beyond the basics: Out-of-court dispute settlement

## 03 The way forward

### Key Stakeholders





# Key Stakeholders for Re-energizing Greece? State



## Municipalities

- The basics: Reengineer processes and offer e-services
- Beyond the basics: Conduct a sustainable urban/rural development program for the next 20 years



## Islands

- The basics: Sustainable solutions for water, energy and solid waste management
- Beyond the basics: Create a sustainable and balanced economic environment



## Community-based organizations – Social Capital

- The basics: Fundraising and resource mobilization
- Beyond the basics: Connect on a national level – promote values





# Key Stakeholders for Re-energizing Greece? State



## General Secretariat for Research and Technology (GSRT)

- The basics: Build an expert organization for financing research, development and innovation in Greece
- Beyond the basics: Build a strong international R&D network



## Universities

- The basics: Connect scientific research and teaching
- Beyond the basics: Build international excellence and ties with the industry, and raise international funds for research



## National Hellenic Research Foundation

- The basics: Fund multidisciplinary Research
- Beyond the basics: Promote research on Sustainable Development and Renewable energy

### 03 The way forward

#### Key Stakeholders



# Key Stakeholders for Re-energizing Greece?

## Private Sector & Entrepreneurship



### Manufacturing Industry

- The basics: Product and process innovations
- Beyond the basics: Build international excellence and influence the direction of education and research



### Service Industry

- The basics: Support R&D activities of the manufacturing industry
- Beyond the basics: Promote international best practices and benchmarking



### Entrepreneurship

- The basics: Foster an export-driven and innovative entrepreneurial culture and practice
- Beyond the basics: Build and capitalize on the new Greek brands

## 03 The way forward

### Key Stakeholders



# What the world says about Greece: Comparing Year 2004 with 2011

## Key terms in 2004

- Soccer Championship
- Olympic Games Ceremony
- Greek accomplishments
- Greek Prime Minister
- Construction
- Pre-tax profits increase
- Budget deficit

## Key terms in 2011

- Painful austerity
- German chancellor
- Angela Merkel
- Greece return
- Structural reforms
- Economic uncertainty

Most frequent key terms by searching for "Greece" in the Headlines of Reuters and Dow Jones Newswires for 2004 and 2011. Search performed by Dr. A. Syrigos January 2012 **Dow Jones Factiva Database**

## 03 The way forward

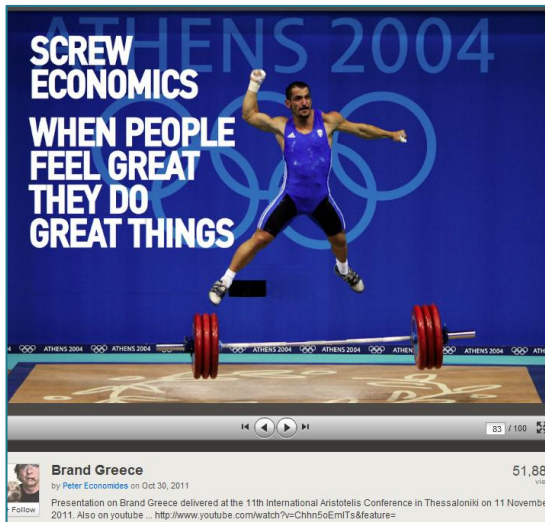
**A potential Action Plan**  
(Re) Branding Greece



Thoughts on  
**Re-energizing Greece**

# Key Stakeholders for Re-energizing Greece?

- ▶ **“A brand is nothing more than the set of impressions in people’s head”**
- ▶ **“Branding is the process of managing impressions”**



*“Often, if you removed the name of the country and looked at their advertising campaign, you wouldn't be able to tell what country it is. There is a real opportunity for destinations to find out what is truly unique about them, beyond the attractions”*

## **Mark Truss**

Director of brand intelligence at advertising agency JWT and Professor at Columbia University

## **03** The way forward

**A potential Action Plan**  
(Re) Branding Greece



Thoughts on  
**Re-energizing Greece**

# Social Capital

- **Social Capital:** an instantiated set of informal values or norms shared among members of a group that permits them to cooperate with one another.
- If members of the group come to expect that others will behave **reliably and honestly**, they will come to **trust one another**.
- **Key word: Trust**
  - **Trust** acts like a lubricant that makes any group or organization run more efficiently.
  - Strong link between performance of economic and political institutions and civic community
  - Democracies (and economies) 'work better when there exists an independent and long-standing tradition of civic engagement'



**with no associational membership**

Source: Kyriakos Pierrakakis talk TEDxAthens 2010

## 03 The way forward

### Key Stakeholders – Social Capital





# Growth Pillars



**State | Education | Private Sector & Entrepreneurship |  
Brand Greece | Social Capital**



# Thank you!



**Abraham Tsoukalidis**