



AMERICAN-HELLENIC
CHAMBER OF COMMERCE

**33rd Greek Economic Summit
| GES 2022: An overview by
the students**

2022-2023

This essay was edited by the undergraduate students of the Department of Economics, University of Piraeus in the context of their participation in the 33rd Greek Economic Summit | GES 2022. The essay is an overview of the summit's conclusions from the students' aspect.

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University of Piraeus Team



Metaxoudi Maria, Student at the Department of Economics, University of Piraeus

Rizopoulou Eleni, Student at the Department of Economics, University of Piraeus

Stamatis Michail, Student at the Department of Economics, University of Piraeus

Tsigonias Georgios, Student at the Department of Economics, University of Piraeus

Vrettakou Alexandra-Thomai, Student at the Department of Economics, University of Piraeus

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Abstract

The 33rd Greek Economic Summit | GES 2022, organized by the American-Hellenic Chamber of Commerce, focused on Greece's economic developments. The conference discussed issues with particular emphasis on Greece's digital and green transition and its investment path.

The country is experiencing steady growth in the economic sector, which is also reflected in the decline in inflation that has occurred in recent times. Clearly, with its many years of abstention from investment activity, an economic contraction was created, but with the increase in foreign direct investment, it was put back on track for growth. The recovery fund is also a key pillar, as it contributes significantly to the support of the Greek economy and is a counterweight to international economic uncertainty.

Greece is now in a digital transition, with various sectors, such as the banking system, having been shaped and modernized to provide the best possible service. A major challenge is also the energy crisis, which is parallel to the green transition of Greece and its investment role.

For this reason, environmental law has been enacted, placing the country back in the world ranking. Education plays a catalytic role in all this. Of course, reforms are needed to promote and educate people about the new skills that dominate the work market. Finally, a beneficial event is the tightening relations between Greece and America. It is comprehended that Greece has, in recent years, been a pioneer in many fields, claiming a better position on the world map.

The economic aspect of Greece

Greece has overcome many obstacles to find itself in the position it is in today. However, in recent years, it has encountered several difficulties. Typical examples are the twelve-year memorandum, the coronavirus crisis, and the energy crisis combined with rising inflation due to the war. These issues were discussed at the 33rd Greek Economic Summit organized by the American-Hellenic Chamber of Commerce. At this conference, issues related to the economy, the banking system, investment, and exports were discussed, as well as issues related to the energy crisis and the green transition, education, employment, the justice system and the relationship with America.

Today, Greece is growing steadily in terms of its economic sector, despite its challenges. This is evidenced by the decrease in inflation that occurred in the last quarter of the year. Inflation declined to 9%, marking a minor impact. Of the utmost importance is the fact that not many other countries have single-digit inflation. It is also worth noticing that Greece observes 8% GDP while anticipating growth of 6%-8%, in contrast to other countries that foresee a growth of 0%. However, the data indicate that in Europe and America, the decrease in inflation is zero, and a more significant increase in interest rates than 5% may be necessary, with particular attention to fiscal spending and the formulation of expansionary fiscal policy. Finally, trade remains at 5% despite persistent inflation. While someone would expect us to have deglobalization, what transpires is simply a simple change in how trade is conducted.

In terms of investment, Greece's biggest problem is the investment gap, created by many years of abstinence from investment activity, resulting in no economic growth in the country. The solution to this problem is foreign direct investment, which will set a positive record this year, but it will take many years of increased foreign investment to put the country on a growth trajectory. To reduce this investment gap, the government implemented a tax mix policy. It wanted to decrease corporate taxation, focusing mainly on capital and labor as they have multiplier benefits for economic growth. Furthermore, with the passage of 600 reformations, some reforms emerged that aimed to increase investment. Some reforms included simplifying permits for energy sources and the digitalization of bureaucracy.

Given these actions and the fact that the government has predicted an increase in investment for 2023, the recovery fund acquires a vital role in the state's economy. The recovery fund is a bulwark against international economic uncertainty and is a tool to enable Greece to preserve

the high level of its development plan. It is noteworthy that the growth rates have doubled in the rest of Europe, and excellent investment interest appears from Greek and foreign investors. A significant role in this effort was played by the innovations implemented, such as the elimination of state bureaucracy, the provision of money by the state in cooperation with banks without any guarantee, the existence of a favorable system, and the expansion of sectors receiving subsidies. Finally, providing low subsidies that benefit taxpayers while stimulating investment and entrepreneurship in the country has played an encouraging role. Therefore, the investment grade aim is a steady debt reduction, which indicates fiscal stability and makes the country attractive for new investments. In addition, it aims to accelerate the country's growth rate and implement reforms aiming to increase investment and reduce political uncertainty.

Greece 2.0 is an instrument of the upward trend that Greece has presented in investments and relationships with other countries and its citizens. A plan stands out from previous aid packages through reforms that facilitate, accelerate, and multiply the benefits of public investment in terms of action and transition to digitize the state and the economy and support private investment and social welfare. As a result, the Greece 2.0 plan seems firmly at the forefront of receiving new resources.

The banking system evolution

Another proof of Greece's growth and stabilization is the banking system, which, even though 2019 was characterized by systemic instability due to "red loans", has now begun to be characterized by stability, perhaps militancy, through various actions. Critical points for this development are its modernization and the understanding that, beyond digitalization, the banking system should be accessible to all customers and respect the knowledge and degree of familiarity of each person with the new technology. The invisible bank also played an essential role in realizing this goal. Naturally, due to the evolution of technology, banks have changed their form and mode of operation. Banks have now created a new market that offers opportunities and new consumer products while digitizing their existing functions. Characteristic examples of the evolution of the banking system are the creation of digital money and e-banking.

The digital transformation of Greece

Another critical pillar was the so-called "digitalization". Unfortunately, for many years, Greece was not a pioneer in terms of digitalization. That is why it is now expected to evolve at twice the rate of other countries to close the gap from previous years while also being a leader and not lagging in new technological developments. Greece is going above and beyond based on its actions thus far. Typical examples are both 5G, in which it was one of the first countries to make the transition, and the provision of digital services in the public sector, which for many years was almost nonexistent. It is widely known that technology, especially AI and data, is vital as they contribute to every industry by increasing productivity, reducing costs, enhancing the customer and citizen experience, and offering innovation. Another contribution of digitalization was the creation of digital cards in the workplace, which was essential for eliminating overwork. Greece can become one of the largest digital transition centers if it focuses on human resources and data management.

Energy crisis and green transition form contemporary Greece

In addition to all the positives mentioned, Greece is facing various crises. One of them is the energy crisis, which may become one of the most significant opportunities it has received. It is a fact that Greece was not present in the energy industry, but now it has the opportunity to be an energy provider. Thus, turning it into an energy center that will provide prosperity to other countries. Of course, on the other hand, Greece also must manage the green transition. Europe owns a large part of the investments and is lagging on the issue of emissions compared to the rest of the world, and as it knows it, and with the framework of Next Generation EU, it is investing in carbon capture, use, and storage. For this investment to succeed, there are three crucial elements on which it is based, technology, terrain, and market opportunities. From Greece's perspective now, due to its size, it has little impact on this problem. Still, enacting the environmental law and its pioneering investments in the energy sector will lead Greece to a very high position in the global ranking. Also critical is the utilization of the "circular economy," that is, the recycled waste to be used as raw material for other products. Finally, a great foundation was given to the new NSRF (2027), which is oriented toward the investment and utilization of recycling.

The new era in education and employment

According to the world map, Greece has already begun to acquire a new position in Europe and the world in general, but despite its remarkable achievements, the education part has an all-round role, as though scientists are created and can add value to the country through innovation and entrepreneurship. As times pass and societies evolve, education would only be possible for education to follow paleolithic methods. Thus, there is an undiminished need for education to synchronize with the new educational approaches, following the future and leaving behind every form of stagnation. To achieve this, a series of reforms are needed to support the new realities of the labor market. A classic example, at least in the business world, is the need for people whose subject is based on information technology, robotics, and data analysis. In fact, according to studies, what is observed is that only a few people follow STEM studies, a justified fact if one considers the difficulty that these fields have. However, the percentages of women called upon to use such educational methods are also concerning, as they are pretty low. It is therefore considered vital to seek new education methods, familiarize new generations early on with innovative technologies, encourage more women to follow these paths, and provide opportunities for direct contact with every object.

On the other hand, we are at the start of a new era in terms of work data, with traditional university education and many other options that do not recognize the same value in people. Companies are no longer just looking for graduates but for people with a combination of hard and soft skills. Hence, placing a greater emphasis on cultivating soft skills that strength skills have replaced. Power skills help increase employee productivity. It essentially refers to how these skills can train someone to become more proficient in work and life. Thus, they must be creative and have adaptability, communication skills, critical thinking, and empathy. So having power skills means that the person can communicate and negotiate priorities and dares to convey reality. For their part, businesses must manage employees' emotional needs and create psychological security for them. Therefore, for the success of the transformation, it is good to develop an adaptive leadership style based on the diversity of employees.

We now live in a time where man is the focus. People are constantly called upon to upskill and reskill, whether on their own initiative through classical avenues such as universities, seminars, and even a foreign language or some code, or through informal education, such as various sites, which offer a quality education despite being viewed with distrust by many. Only through lifelong education and its integration into the workplace, company-provided training seminars,

and finding a mentor can a person now be competitive in the workplace. Therefore, the market not only looks for people who are trained, and more specifically, STEM students, but it is also looking for people who own STEAM, i.e., the combination of soft and hard skills.

Justice system reconstruction in relation to the USA

Looking at all the areas capable of generating growth, the contribution of the judicial system could not be absent. Unfortunately, the slow adoption of decisions and the uncertainty about their validity are a burden and an obstacle to their development. Nevertheless, the readjustment of three axes—people, legislation, and infrastructure has already begun, with the desired result being an immediate and long-term change. This change finds an ally in the legislative system, which in turn has already begun to modernize, digitize, and retrain its human resources.

Finally, perhaps one of the greatest achievements of Greece's progress is the tightening of Greek - American relations. USA recognizes the importance of Greece and the decisive role it can play in the world. The relationships between the two countries are now characterized by stability and mutual interest. It is a beneficial relationship that highlights Greece's so far successful path.

Conclusions

As it is evident, Greece has not only made its presence felt in recent years but is a pioneer in many fields and claims a better position in the global total. It is now clear that with proper handling, Greece can become a significant economic, energy, and innovation hub in the coming years. If anyone considers its geostrategic position and its stability both in terms of credibility and from an economic and political perspective, he will understand. Greece has learned from its mistakes and is determined to be a leader. If anyone looks back at the history of recent years, they can easily see this. It reshapes each sector individually, makes decisions, and makes itself attractive in terms of attracting investment while developing strong relations with other countries, a typical example being America. It would be absurd not to mention a competitive Greece, which, if managed correctly, will dominate and influence the global scene in the coming years.

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E-mail: info@amcham.gr | www.amcham.gr



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HEAD OFFICE

109-111 Messoghion Ave., Politia Business Center, GR-115 26 Athens, Greece
Phone: +30 210 699 3559, Fax: +30 210 698 5686

BRANCH OFFICE

123 Tsimiski Street GR 546-21, Thessaloniki, Greece
Phone: +30 2310 286-453, Fax: +30 2310 225 162

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