

A Fast-Changing World in the Context of Geopolitical and Economic Uncertainties

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The increased multipolarity in the structure of the international system as well as major technological changes are likely to increase the impact of economic and geopolitical uncertainty in the economy and the political system, as it has already been the case due to the Russia's invasion of Ukraine, the tensions in the Middle East, the COVID-19 pandemic and the Artificial Intelligence (AI) revolution. Consequently, a major challenge that lies ahead for the policymakers is to formulate institutions, regulations and policies to mitigate the impact of such uncertainties. At the same time all industries are receivers of strong spillover effects arising from government interventions to counterbalance the resulting adverse effects upon the economy, a reality that may be helpful in the short run, but poses a lot of uncertainties, due to possible political bias, in the long run period. The topics discussed during the 35th annual Greek Economic Summit (GES2024) focused on different aspects of the above-mentioned challenges, as well as on others of equal importance, such as population aging, changes in the job market, industrial innovation, and tourism, with an emphasis on the Greek economy.

The speakers described a new productive model for the Greek economy that supports high-quality and innovative exports, stabilizes the tourism industry, revives the domestic ship building industry, and the creation of new well-paid jobs. Some obstacles were also mentioned, such non-performing loans, financial constraints that still linger over the economy from the crisis, and limited access to funding. The Minister of Economy and Finance also highlighted the importance of having a consistent fiscal policy as well as adopting a pro-investment outlook. Many referred to current and future investment projects, such as funds received from the US into the Greek circular economy and the Delphi Fund that was established to support SMEs in Greece, so to increase their possibilities to grow to an internationally competitive level. Further, it was mentioned the importance of promoting the circular economy with effective policies, attracting

foreign investments, enhancing international relations with various partners for potential investments, and employing innovative strategies to reverse the brain drain that, in turn, would support Greece in solidifying its position in the global markets.

Undoubtedly, digitalization and the use of AI are two of the most important challenges that lie ahead. The discussions during the summit made clear the importance of technological development for the global economy. Among them, AI is the cornerstone of changes. In the coming years, jobs in the field of artificial intelligence will be much more popular and accessible. Therefore, there is the need to regulate the use of artificial intelligence in a way that will not affect the efficiency of the economy. Next to AI is the robotization of industry, which already has a great impact on the labor market. Conversations around AI placed an emphasis on ecosystem growth, education, data governance, and technology poles. The presenters focused on how AI is revolutionizing corporate strategy, workforce development, and the necessity of appropriate governance frameworks. They emphasized implementation issues such as worker preparedness, technological complexity, and the significance of using AI responsibly and in a democratic context. Another major challenge is the implementation of the green transformation, though the reduction of CO2 emissions as well as the use of renewable energy sources.

Demographics is also a field of vital importance for Greece, as the country is facing an aging population. With declining birth rates seen in Greece, now below the replacement level, it has reached a threat to population stability. Thus, a key takeaway was for the government to create a favorable environment mitigating part of the relevant economic constraints. Apart from financial incentives (ex. Scandinavian models), societal and cultural shifts were brought up. Specifically, the lack of women in the Greek workplace and policies that empower them to integrate would help to overcome the problem. Also, it was noted that migration should be highlighted, as the brain drain after the financial crisis caused a large part of the working population to seek employment out of the country. Consequently, speakers underlined the need for the country to foster a more attractive environment with more opportunities for young people to reverse the brain drain. Overall, these demographic challenges were emphasized not to be perceived only as obstacles, but rather as a unique opportunity to adapt to changing times for a viable future.

The shipping industry, being the cornerstone of global trade has been at the epicenter of the discussions as well. The risks of a global recession and the need to balance inflation with growth underscore the challenges of navigating volatile freight markets. Shipowners must adapt

to rising costs and shifting demand patterns. Additionally, political changes could alter trade policies and shipping routes, directly affecting maritime trade. Further, technological advancements, particularly in AI and automation, are transforming the maritime industry. These innovations offer shipping companies the potential to optimize operations, enhance predictive maintenance, and embrace smart port technologies. However, success will require significant investments in digital infrastructure and workforce development. The discussions dove into crucial themes influencing both global and regional economies, which will also have repercussions for the shipping industry and shipowners. The European Union's changing regulatory landscape and geopolitical strategies place a strong focus on sustainability, reshaping maritime compliance requirements and trade relationships. Overall, the discussions underscored the importance of resilience, innovation, and sustainability for shipowners navigating today's dynamic economic environment. As Stopford used to say, we should always bear in mind that "one of the contributions of shipping to the global trade revolution has been to make sea transport so cheap that the cost of freight rate was not a major issue in deciding where to source or market goods". Therefore, it is of vital importance to formulate regulations and policies accordingly, to mitigate the impact of uncertainties in the shipping sector without distorting the competitive nature of the industry.

Further, the sessions revealed trends which would potentially transform the shipping industry. For example, the Artificial Intelligence and its increasingly vital role, enabling all kinds of efficient and real-time cargo tracking (Internet of Things), optimizations in maritime logistics, route planning and new technologies which would further improve shipping operations and management (AI driven decision-making). Additionally, the speakers emphasized Greece's role in the global trade, highlighting its potential as a strategic maritime hub for the industry during economic shifts such as geopolitical and market tensions. Finally, all sessions stressed the importance of transitioning to a Greener Economy focusing on adopting alternative fuels and adhering to new regulations.

In addition, speakers noted the fact that geopolitical and economic uncertainty have a huge impact on the tourism sector as well, which contributes largely to Greece's GDP. Tourist preferences are changing; in the next 20 years, destinations that are currently unheard of and untested will become more popular. Today there is a growing interest in undiscovered destinations and new experiences, instead of typical places. It should be noted that, growth in Greece's tourism and industrial sectors also emerged as key drivers of demand for shipping, particularly in cruise

and cargo transport, and the comments made by the Minister of Tourism support the notion that Greek tourism is rising in the post-Covid era with very fast rates. The speakers emphasized the importance of creating Destination Management Organizations (DMOs) to improve tourism planning and management. Specifically, it was highlighted Greece's shift toward sustainable tourism, using digital tools like AI to offer better services and attract younger travelers. There's also a focus on expanding tourism beyond the summer months by promoting cultural, agrotourism, and wellness experiences. These changes show a commitment to innovation and sustainability, ensuring Greece remains competitive globally.

The dominant consensus of the Summit was that the major challenges for the global economy and the political system are technological developments like renewable energy and artificial intelligence that constantly reshape industries and job markets. Further, in most analyses of geopolitical concerns, speakers emphasized the need of multilateral collaboration in preserving stability and fostering economic expansion. The difficulties of promoting resilience and inclusivity in the face of swift societal change are imperative to address. When it comes to Greece, the country has the capacity to spearhead regional innovation with its vital position in global energy and trade.

The summit also underscored the interconnectedness of technology, economics, and society, emphasizing the urgency of proactive, collaborative approaches to foster sustainable and inclusive global progress. The policy implications of the summit also signal to the global economic and political system the danger that future uncertainties may lead to a more intense government intervention, thus threatening the economy's competitive structure. There is no doubt that intervention on behalf of the international community to restore imbalances generated by adverse shocks is needed, but the global institutions should secure that this intervention will be towards the direction of ensuring competitiveness, rather than opportunistic political/electoral benefits. In that sense, there is a need for a regulatory framework that addresses geopolitical risks, promotes transparency and ensures fair competition, far from political bias, thus leading to more resilient and competitive markets. We are in great need to secure the collective good of a liberal world order to retain a satisfactory mix of efficiency and fairness. The latter means that there is also the need for policies that foster stability, predictability and risk mitigation in the markets to help attract investments, enhance market efficiency and facilitate trade.