

Greece

1. Covid-19 Pandemic and National Recovery and Resilience Plans

Question 1	Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan?	Satisfied
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
Question 3	How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
Question 4	How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes)	Very Good
Question 5	How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market)	Very Good
Question 6	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy?	To some extent
Question 7	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy?	To a small extent
Question 8	More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis?	GDP in 2025 expected to be <u>4</u> % lower than what would have been the case without the pandemic

2. Assessment of Country Specific recommendations 2020-2021 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system and ensure adequate and equal access to healthcare.</p>	Extremely important	Mixed	<p>An ambitious reform agenda is supporting growth prospects. Its implementation has to continue, as growth is key to ensure the stabilization of public finances, with completion of reforms already on the agenda and the expansion of the reform agenda. A reduction in the tax wedge is also crucial to ensure that growth will have a bigger impact on social coherence, equity and mobility.</p> <p>Growth for 2021 is expected to significantly exceed initial projects with the European Commission forecasting 8,5%. Moreover, strong growth is expected for 2022 (4,9%) and 2023 (3,5%) which will allow debt levels to decline once again.</p> <p>The government is committed to returning to primary surpluses by 2023. Another key objective is to regain an investment grade status from one of the four rating agencies used by the ECB.</p> <p>As in all countries, there is concern about the impact of energy prices on growth and inflation. Nevertheless, it is too early to draw any conclusions</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Mitigate the employment and social impacts of the crisis, including by implementing measures such as short-time work schemes and ensuring effective activation support.	Extremely important	Mixed	<ul style="list-style-type: none"> - A short-term work scheme called SYNERGASIA has been in place since June 2020 and it is expected to run until March 2022. Overall, 150 million has been spent to date and in November 2021, 30,000 employees were covered by the scheme. - According to the Greek Statistical Authority, unemployment in November stood at 13,3%. Although high by EU standards, it demonstrates that the measures taken by the government so far have been largely successful at preventing large scale layoffs. - Reform the Public Employment Service in order to have more active labour market policies and effective and efficient use of public resources for training and vocational education to meet skilling , upskilling and reskilling needs - Reform the current program called “Social Solidarity Income” which in our view remains a “pure social welfare” with the introduction of the “sleeping” - on paper- activation component. - Reduce non wage labour costs and high social security contributions to fight the wide presence of undeclared work in the labour market.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Swiftly deploy measures to provide liquidity and continued flow of credit and other financing to the economy, focusing in particular on small and medium-sized enterprises most affected by crisis. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on safe and sustainable transport and logistics, clean and efficient production and use of energy, environmental infrastructure and very-high capacity digital infrastructure and skills. Improve the effectiveness and digitalisation of the public administration and promote digital transformation of businesses.	Extremely important	Mixed	A scheme to reduce the NPL ratio has been a major breakthrough, allowing an overall strengthening of the financial system. Implementation of a new framework on corporate governance has to be streamlined by all sides and possibly some improvements have to be made, to ensure effective improvement of the level of corporate governance in the country and to facilitate the attraction of investment that will support the ESG agenda. Commercial court efficiency has to be improved, in order to enhance the certainty of investors. Plans to establish a digital registry of collateral should be accelerated. A well conceived new framework to handle business failure and enable restructuring is expected to become fully operational. RRF projects are expected to support digital and green investments. However, RFF projects are not in full speed yet. In comparison to previous years, the improvement is worth-mentioning. However, the digital gap remains strong in comparison to EU standards

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Continue and complete reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018 to restart a sustainable economic recovery, following the gradual easing up of constraints imposed due to the COVID-19 outbreak.	Extremely important	Unsatisfactory	The post-programme commitments are very diverse. Our assessment here has to do with the reform of the justice system where so far efforts have yielded comparatively small results. A new reform agenda is being outlined by the government and should be followed through.

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Satisfactory
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

The speedy implementation of a program to reduce NPLs held by Greek banks and thus to enable them to recover the ability to attract investors and liquidity, as a prerequisite to issue new loans to business and households.

4. Reform priorities for 2022

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Wage bargaining and wage-setting policies	<p>1.....Ratify art. 6 of the revised European Social Charter referring to free collective bargaining and voluntary arbitration</p> <p>2.....Comply with the successive ILO Committee for application of Standards (CAS)- in 2018, in 2019, recommendations to apply and comply with International Labour Convention 98 referring to Greek Compulsory arbitration in wage setting not being in compliance with free collective bargaining principles and convention.</p>	No
Priority 2	R&D and Innovation	<ol style="list-style-type: none"> 1. Empower connection between R&D and industrial production, though incentives to perform research by contract, ie direct investment by companies in research centers of universities and institutions. 2. Encourage secondment for a given period, eg 1 year, of researchers in companies. 3. Create framework for companies to sponsor industrial PhDs in universities. 4. Further improve tax incentives for research and employment of researchers. 5. Upgrade services by agencies that secure IP. 6. Advance use of open data. 7. Support creation of clusters. 	No

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	Improve environmental licensing for renewables and advance needed infrastructure to support them. Amend legislation to support new technologies needed for renewables, storage and related infrastructure.	Yes
Priority 4	Tax reforms	Continue with tax reforms, among other improving the competitiveness of the tax wedge, improve framework for depreciation (in line with practices predominant in the EU regarding speed of acceleration for machinery, eg, and superdepreciation as an incentive), bring loss carry forward in line with practice of majority of EU countries.	No
Priority 5	Public sector efficiency	Evolution of ICT in the government has to encompass also process re-engineering, so that numerous processes that hamper business licensing and operation are not only digitalized but also streamlined. For example, key infrastructure that is at the tender stage will support simplified licensing and risk-based market supervision and is to replace an existing system by which documents are simply emailed to the authorities.	Yes

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