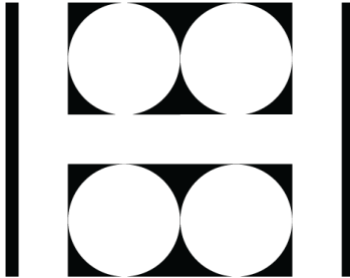




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LEGAL BRIEFING – Banking & Finance

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The Pissarides committee and the development of the Greek economy

The Greek Government in an effort to progress with a sustainable plan of economic growth and development of the Greek economy has proceeded with the formation of an independent committee, the so-called ‘Pissarides committee’, as the head of the committee is the Cypriot Nobelist professor Mr Christopher Pissarides. The committee has as a chief objective the creation of a development plan regarding the Greek economy, aspiring to generate a suggestive core framework for the Government to use.

The Committee has earlier this summer presented an interim plan which comprises the Committee’s first considerations regarding the Greek economy, together with its main proposals towards the national goal of economic development. The plan which was presented to the Prime Minister K.Mitsotakis, does not constitute a conclusive and binding legal framework, but it composes a very first suggestive interim plan to be discussed and enriched by all the key stakeholders, the government, the industry, the political parties and the society in general. As the Prime Minister, has stated the Development plan of the Pissarides Committee, will be the guiding document of principles for the governmental policies and the ministerial actions of the coming period, which will find Greece with the opportunity to fruitfully take advantage of the 72 Billion Euros, deriving from the EU Recovery fund, which was agreed between the member states, as a way to support the EU countries’ fight against the negative effects of the pandemic. The plan aims to become not only the guiding principle for the short run, but also to offer the government some beneficial suggestive measures for the long run prosperity of Greece, as it has as a central ambition the

amelioration of the production mechanism of the whole country. The principal aspects of the development plan, as set by the committee are the following: the presentation of a core framework for the development of the Greek economy which will lead to the rise in wages, the reinforcement of the productivity within the country leading to an advanced labour industry, together with the development of investments.

The interim plan commences with analysing and evaluating the main trends of the Greek economy, the basic global economic tendencies which will affect the progress of the Greek economy and the broad route that the Greek economy needs to follow in order to attain a strong development. The interim plan subsequently continues with examining the main obstacles which currently are hindering the economic development and it lastly proposes some key development policy actions. The framework of policies which is suggested, is produced around the main goals of the committee which are not others than the increase in productivity, the systematic rise of exports as a percentage of the GDP, the connection of production with cutting edge technology and innovation and the strengthening of the labour market, together with the elimination of the unofficial economy.

The committee is composed also by some other very reputable participants, such as the professors Mr Vagianos, Mr Vettas and Mr Megir. The professors move a step further, by recommending some more precise and detailed actions to be discussed. The following are few of them and in my view, given the special characteristics of the Greek economy, these policies can be characterised as the most vital for the development of the Greek economy:

- a) The reduction of the tax burden on paid work, such as the decrease of the insurance contributions and the elimination of the 'solidarity contribution';
- b) The essential upgrade of the training system for the unemployed and the employees too, through greater funding and also through the development of the social benefits, in order not to constitute a disincentive to work;
- c) The upgrading of the educational system, especially focusing on the radical modernisation of the higher education governance system, with a substantial connection of the institutions with the whole society and the working industry.
- d) Transformation of the financial supervision system, in the field of protecting the investors, together with the imperative modernization of the corporate governance system, aiming for a quicker reduction of non-performing loans by banks, with some parallel interventions in the bankruptcy code.
- e) Immediate operation of specialized departments within the courts, for cases of significant financial interest, with the maximum limit of a final legal decision to be set to 12 months. In parallel, expansion and systematic support of the litigation system in all areas of public administration for cases of disputes between the State and individuals (companies and individuals).

f) Amongst others measures, the committee continues by mentioning: the need for restructuring of the health system, the necessity to switch to renewable energy sources, the importance of facilitating the women participation in the labour market, and additionally, the continuation of the digital reform in the public administration, as has been already initiated and advanced by the Ministry of Digital Governance.

At this point, we need to highlight the emphasis that is given on innovation and its role as a driving force for the development of the Greek economy. The committee mentions that is paramount to integrate innovative methods into the production process, especially for the long run. Greek universities can have a vital role in this national effort through research and development programmes, particularly in cooperation with the industry itself. The Final Report is also planned to include analysis and proposals for a number of areas, such as infrastructure and transport, manufacturing, tourism, the social protection system, the utilization of public property, as well as for others which are not adequately developed in this intermediary text, also together with some further enrichment of the existing topics.

Here you can find attached the Development Plan for the Greek Economy (Interim report): https://www.skai.gr/sites/default/files/attachments/2020-08/GROWTH_PLAN_INTERIM.pdf

