ΠΡΑΞΗ:
**«ΘΑΛΗΣ-ΠΑΝΕΠΙΣΤΗΜΙΟ ΜΑΚΕΔΟΝΙΑΣ-**
**Το ανθρώπινο δυναμικό ως βασική συνιστώσα της αναπτυξιακής δυναμικής και διαφοροποίησης των περιοχών: Η περίπτωση της Ελλάδας»**

**Κωδικός MIS 380421**

ΥΠΟΕΡΓΟ:
**«Το ανθρώπινο δυναμικό ως βασική συνιστώσα της αναπτυξιακής δυναμικής και διαφοροποίησης των περιοχών: Η περίπτωση της Ελλάδας»**
**και α/α «01»**

ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ:
**«Εκπαίδευση και Δια Βίου Μάθηση» (Ε.Π.Ε.Δ.Β.Μ.) 2007-2013**
**Υπουργείο Παιδείας και Θρησκευμάτων**

ΑΞΟΝΑΣ ΠΡΟΤΕΡΑΙΟΤΗΤΑΣ 11:
**«Ενίσχυση του ανθρώπινου κεφαλαίου για την προαγωγή της έρευνας και της καινοτομίας στις 3 Περιφέρειες Σταδιακής Εξόδου»**

ΚΑΤΗΓΟΡΙΑ ΠΡΑΞΗΣ:
**«ΘΑΛΗΣ»**

Η Πράξη συγχρηματοδοτείται από το Ευρωπαϊκό Κοινωνικό Ταμείο (Ε.Κ.Τ.) και από εθνικούς πόρους, μέσω του Προγράμματος Δημοσίων Επενδύσεων (Π.Δ.Ε.) του Υπουργείου Παιδείας και Θρησκευμάτων

**Παραδοτέο**

Παραδοτέο Π4.6.5: Τελική έκδοση ανακοίνωσης σε διεθνές συνέδριο

ΥΔ4.6: Συγγραφή τελικών κειμένων – Διάχυση των αποτελεσμάτων της έρευνας

Δράση 4: Μελέτες περιπτώσεων τοπικών πρωτοβουλιών

Η παρούσα έρευνα έχει συγχρηματοδοτηθεί από την Ευρωπαϊκή Ένωση(Ευρωπαϊκό Κοινωνικό Ταμείο – ΕΚΤ) και από εθνικούς πόρους μέσω του Επιχειρησιακού Προγράμματος «Εκπαίδευση και Δια Βίου Μάθηση» του Εθνικού Στρατηγικού Πλαισίου Αναφοράς (ΕΣΠΑ) – Ερευνητικό Χρηματοδοτούμενο Έργο: ΘΑΛΗΣ. Επένδυση στην κοινωνία της γνώσης μέσω του Ευρωπαϊκού Κοινωνικού Ταμείου.

Συντάκτες : Σκορδίλη Σοφία, Μελισσουργός Γεώργιος

**Για την εκπόνηση του παραδοτέου απασχολήθηκαν τα κάτωθι μέλη της ομάδας έργου :**

**ΜΕΛΗ ΚΥΡΙΑΣ ΕΡΕΥΝΗΤΙΚΗΣ ΟΜΑΔΑΣ (Κ.Ε.Ο.)**

ΣΚΟΡΔΙΛΗ ΣΟΦΙΑ

**ΜΕΛΗ ΟΜΑΔΑΣ ΕΞΩΤΕΡΙΚΩΝ ΣΥΝΕΡΓΑΤΩΝ (Ο.Ε.Σ.)**

ΜΕΛΙΣΣΟΥΡΓΟΣ ΓΕΩΡΓΙΟΣ

Θεσσαλονίκη, 30/11/2015



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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Το Ανθρωπινο Δυναμικο ως Βασικη Συνιστωσα της Αναπτυξιακης Δυναμικης και Διαφοροποιησης των Περιοχων

ΘΑΛΗΣ - ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ 'ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ'

**Πανεπιστήμιο Μακεδονίας**

**Ερευνητικό Πρόγραμμα ΘΑΛΗΣ**

Το ανθρώπινο δυναμικό ως βασική συνιστώσα της αναπτυξιακής δυναμικής και διαφοροποίησης των περιοχών: Η περίπτωση της Ελλάδας.

**ΟΜΑΔΑ ΕΡΓΑΣΙΑΣ 4**

**Χαροκόπειο Πανεπιστήμιο**

Σκορδίλη Σοφία

Μελισσουργός Γεώργιος

# Δ4. Μελέτες περιπτώσεων τοπικών πρωτοβουλιών

***Παραδοτέο Π4.6.5: Τελική έκδοση ανακοίνωσης σε διεθνές συνέδριο***



Η παρούσα έρευνα έχει συγχρηματοδοτηθεί από την Ευρωπαϊκή Ένωση(Ευρωπαϊκό Κοινωνικό Ταμείο – ΕΚΤ) και από εθνικούς πόρους μέσω του Επιχειρησιακού Προγράμματος «Εκπαίδευση και Δια Βίου Μάθηση» του Εθνικού Στρατηγικού Πλαισίου Αναφοράς (ΕΣΠΑ) – Ερευνητικό Χρηματοδοτούμενο Έργο: ΘΑΛΗΣ. Επένδυση στην κοινωνία της γνώσης μέσω του Ευρωπαϊκού Κοινωνικού Ταμείου.

ΤΜΗΜΑ ΓΕΩΓΡΑΦΙΑΣ
ΧΑΡΟΚΟΠΕΙΟ ΠΑΝΕΠΙΣΤΗΜΙΟ

**ΠΑΡΑΔΟΤΕΟ 4.6.5**

# Economic crisis as an opportunity for human-centred and greener development of Greek regions

**Sophia Skordili and Yorgos Melissourgos**

**Final paper submitted at the minutes of the international conference “Human Development in Times of Crisis” organised by the HDCA (Human Development and Capability Association), Athens, 4-5/9/2014.**

Η παρούσα έρευνα έχει συγχρηματοδοτηθεί από την Ευρωπαϊκή Ένωση(Ευρωπαϊκό Κοινωνικό Ταμείο – ΕΚΤ) κα
από εθνικούς πόρους μέσω του Επιχειρησιακού Προγράμματος «Εκπαίδευση και Δια Βίου Μάθηση» του
Εθνικού Στρατηγικού Πλαισίου Αναφοράς (ΕΣΠΑ) – Ερευνητικό Χρηματοδοτούμενο Έργο: ΘΑΛΗΣ. Επένδυ
στην κοινωνία της γνώσης μέσω του Ευρωπαϊκού Κοινωνικού Ταμείου.

**Economic crisis as an opportunity for human-centred and greener development of Greek regions**[1]

**Sophia Skordili and Yorgos Melissourgos**


## Abstract

In the midst of the prolonged recession, day-in, day-out, a number of small local firms, mainly in agro-food and tourist sectors, are emerging all over the country. Too often it is taken for granted that these initiatives are always associated with benign and desired outcomes: they can instantly provide new employment opportunities and income to the victims of the current crisis, give a strong boost to local economies and lead to more just and sustainable development. However these qualities are not given, neither guaranteed. Local firms are equally likely to be just or unjust, sustainable or unsustainable. This is certainly the case for a big number of traditional food SMEs operating in Greece.The paper, which draws material from a recent field work survey, attempts to evaluate the development prospects of these initiatives and to identify the crucial qualities they should espouse to contribute to a more human and green development.


## Introduction

Greece has a rich tradition and long standing specialization in agro-food and tourismsectors. Their contribution has always been critical in the formation of the key national economic indicators and the smoothening of the acute regional disparities of the country. Under the severe recession there is a collective confidence that agro-food and tourism should be the main vehicles to lead the country out of the crisis.

[1] We are grateful to Panagiotis Artelaris, Lecturer at the Department of Geography, Harokopio University, for providing us with useful statistical data.



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There is no doubt that the prevailing agro-food and tourism sectors are malfunctioning. During the past decades the criticism from the wider public was rather mild. This situation has changed drastically quite recently. In the light of the recession leading corporations are claimed on several grounds. The majority of them has followed a path of high cost development, making extensive use of the EU and state grants, with poor results for people, places and the economy.

There is an urgent need for small-scale localized initiatives to challenge the corporate-led agri-food and tourism sectors. All over the country, it is broadly believed that they can act as an instant antidote to the mounting socio-economic and environmental problems associated with the corporate-led development. Furthermore, they can instantly provide new employment opportunities and income to the victims of the current crisis and give a strong boost to local economies.

It is encouraging that in the midst of the prolonged recession and investment still, both sectors experience remarkable developments. Day-in, day-out a number of new initiatives are emerging all over the country. They have been very welcomed by Governmental bodies, political parties and the mass media. Domestic and international mass media often exaggerate on the “favourable conditions” triggered by the crisis and reproduce suspiciously selective data from a small number of the supposed “success stories”. However, they usually adopt a narrow focus and explore these cases in isolation from the wider business environment. Furthermore, they remain conspicuously salient on the various obstacles set by the crisis, as well as, the numerous failed attempts. We support the view that this discussion is biased, light-hearted and ill-prepared. To a great extent, it conflates the desired with the real.

There is no doubt that there is a lot of room for local initiatives to provide a concrete response to widespread concerns about the profound troubles and limitations of the conventional agro-food and tourism sectors. However, too often it is taken for granted that small local firms are always associated with benign and desired outcomes. These qualities are not given, neither guaranteed. Far for claiming that local scale is inherently bad, there is nothing inherent about the scale. Local-scale initiatives are equally likely to be just or unjust, sustainable or unsustainable, fair or unfair. This is certainly the case for the traditional SMEs



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
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ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
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operating in agro-food and tourism sectors in Greece (Born and Prucel, 2006; Wilson DiVito, 2013).

There is an urgent need to clarify whether these initiatives are substantially differentiated from the traditional SMEs. At present we have a very vague and fragmented idea about the so called "successful" and so called "new" since there is a profound lack of recent and reliable research data. There is no doubt that there is an urgent need for field work research to be conducted in order to trace the profile, the structure and the development potential of new agri-food initiatives. Prior to this there is a need to clarify crucial issues and sharpen our research questions in order to grasp the new realities set by the crisis.The profound economic crisis has changed drastically the business environment and the terms of competition.New questions are searching for new answers.

The aim of the paper is to contribute in the public debate on the developmental prospects of agro-food and tourism sectors initiatives in the crisis-hit Greece. It is a preliminary attempt to clarify crucial issues and set key research guidelines to be used by relevant field work surveys to follow.

The paper is based on literature review and the first findings of extensive fieldwork research, currently underway, in the framework of Thalis (MIS 380421) Research Project coordinated by professor Lois Labrianidis, University of Macedonia. In the framework of the programme we have organised a database of more than 200 new, or recently restructured, initiatives in agro-food and tourism sectors that shows some sort of dynamism.

The remaining paper is structured in three parts. The next part provides a rather comprehensive account of the structural characteristics and the major malfunctions of both sectors. Part 3 provides some info about the identity of the Survey and summarises the main findings in five broad categories. Finally, the ultimate part comments on the significance of the new qualities certain new initiatives bring with them and points out the need to besupported by the right policies.



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
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## The malfunctions of agro-food and tourism sectors in Greece

One of the main weaknesses of the debate on development potential of agro-food and tourism sectors is that we have not is not based on a clear understanding of the structural characteristics and recent trends of the sectors. Relevant research has followed two distinct and deviated approaches. A large body of research, conducted mostly by economists and focusing on large businesses, consider field work research completely unnecessary and are restricted to data processing from secondary sources. In fact they provide long lists with numerous economic indicators. On the other hand, the influential body of research that focuses on the potential of small firms and alternative initiatives,follows a rather qualitative methodology presenting a number of selected case studies. They usually adopt a narrow focus and explore these cases in isolation from the wider context set by the prevailing corporations and the wider business environment. These are no signs of communication among these two research angles.

In the two following chapters we attempt to give a rather complete and updated idea of the structural characteristics of both sectors following a synthetic approach.

### *The troubles and limitations of the agro-food sector*

Until quite recently agro-food sector had maintained a strong regional focus in Greece. The turning point from a largely small scale / regionalized to a primarily corporate-led / urbanized agro-food system should be placed as late as the end of 1980s. At that time, in the prospect of the unification of the European Market (1992), Greece, a relatively small market at the southern eastern outskirts of the European market, became a target for expansion for the powerful transnational agri-food processors and retailers. Since then, a small group of Transnational Corporations (TNCs), along with a few large domestic competitors, have gained unparalleled power and dominate in every agri-food market of the country.These firms were very welcomed by the Greek consumers until quite recently. Shopping for branded



ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Ευρωπαϊκή Ένωση Ευρωπαϊκό Κοινωνικό Ταμείο
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013 πρόγραμμα για την ανάπτυξη ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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products at the giant hypermarkets was a hallmark of relative prosperity, a symbol of modernization and affluence (Skordili, 2013).

The situation has changed drastically under the current prolonged crisis that hit the country. In the light of the recession it is evident that the leading corporate agri-food processors and grocery retailers have followed a path of high cost development, making extensive use of the EU and state grants, with poor results for people, places and the economy. Among other claims, they are criticized for their relentless squeeze on the weak participants of supply chains, their fragile competitiveness, as well as, their disastrous effects on the environment and local economies.

Unequal power relations within the supply chain.The allocation of markets and profits is highly unequal among different actors of the supply chain. Concentration trends have been further enhanced under the severe recession (Skordili, 2013b). The analysis of the Annual Economic Statements (2012) of 525 agri-food processors that contribute with 90% to the aggregate sectoral sales, show that 331 of them, a percentage as high as 63%, persist to show aggregate pre-tax profits of € 226.5 mil. Their sources of profitability are found in increases in sales, mainly due to increases in prices and exports, while the expenses were kept to low levels, even if the oil prices have been rocketed, due to remarkable decreases in labour cost.The leading firms, due to their relative size, influence disproportionally the aggregate sectoral data. However, a closer look reveals the deepening dualism of the sector. Next to the profitable leading firms, thousands of farmers, small processors and independent food stores, were forced to market exit while the remaining ones are struggling to survive in an extremely hostile business environment set by the crisis.

The prevailingagri-food system in Greece has failed to provide thousands of farmers with descend livelihoods. Following the sharp decline of the 1990s, agricultural employment decreased by a further 2,6% during the 2000-09 period. At the same period agricultural income shrunk by 16,9% (Kalofonou, 2011). Income losses should be attributed to outstanding increases in production cost, due to increases in industrial inputs and crude oil and the stabilisation, or even decreasing, of crop prices. Farmers are under tough negotiation pressure by powerful traders



Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης

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and retailers as they face the risk of losing access to market. For several products the CAP subsidies allow farmers to keep producing. It is worth noting here that the annual CAP payments for the 2/ the Greek farmers is lower than € 2000, while the 1/3 of farmers receive less than 3 of € 500 (PASEGES 2012b). The majority of small farmers depend on off-farm employment (mainly in construction and tourism industries) to supplement their household income. Yet there are no available off-farm opportunities in every rural area of the country.

In parallel, local processing firms find it harder and harder to access the market. The expansion of the store networks of major grocery retailers all over the country has cut processing firms off their privileged local markets. Their products are weak in competition with the well-known brands found on supermarkets shelves. Moreover, they are usually unable to meet the strict standards and quantity requirements to join the networks of subcontractors of corporate processors and retailers.

As the economic crisis unfolds, the dominance of a few leading grocery retailers is further enhanced. Major retail chains are very active in developing convenience stores at urban neighbourhoods, at the expense of the small independent shops. Currently, in the framework of liberalisation of the economy the last walls of protection for smaller stores are falling one after another. Big supermarket stores are already allowed to work long hours and sell frozen pre-baked bread products with devastated effects for the 67.000 employed in 15.000 independent bakery shops still in operation (HFB 2011). It must be noted that staple food found in supermarkets shelves is considerably expensive. Low farmers prices do not imply low consumer prices. On the contrary, big super market chains are accused for greed and unethical pricing practices. The expensive food prices, given the abrupt cuts in disposable incomes, have led big part of the population to malnutrition, or even threatened by food insecurity (Skordili, 2013a).

Fragile long-term competitiveness.The vibrant economic performance of the sector is not accompanied by comparatively high competitiveness. On the contrary, its poor performance both in foreign and domestic markets, indicates its weak competitive base.



ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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Major agri-food firms are unable to launch strong brands in foreign markets. With the exception of a small number of well-known brands (greek yoghurt, kalamata olives) several other attempts (tomato paste, oranges, asparagus) proved to be very vulnerable and short-lived. Hence a big number of modernised agri-food industries can gain market access only as subcontractors for major European grocery retailers and processors. It is widely known that massive quantities of greek olive oil are exported to Italy in bulk, mixed with domestic production, bottled and re-exported as branded Italian olive-oil. Also, greek fruit and vegetables are losing market shares to competitive Western European markets and are mostly reoriented to lower standards markets of the Eastern Europe where they face the intense competition of lower cost countries like Turkey, Morocco and Egypt.

Another indication of low competitiveness is the gradual loss of the country's food sufficiency. With the notable exception of livestock products, Greece was highly sufficient in food and a net exporter for several products of arable cultivations. A recent study by the Co-federation of Farmers has shown that only in 2011 alone the aggregate rate of national sufficiency, for 41 key products of arable and livestock production, has declined by 3%. It is indicative that the rate of sufficiency was estimated at 14.3% for caster sugar, 60.6% for lemons, between 32.8% and 54.4% for several legumes, 82.3% in potatoes (PASEGES 2012a). These changes can be attributed to the decline of local production and increase of imports form low cost countries as a result of the CAP regulations and trade liberalisation. Due to the new regulations of the reformed CAP a new stream of edible crops is being abandoned by farmers. It is indicative that during 2004-11 the domestic production of industrial tomato shrunk from 1.187.000 to 330.000 tonnes (MFRD 2013). The main recipients of imports are powerful agro-food processors and retailers that adopt unified sourcing strategies for wide geographical areas.

<u>Environmental degradation anddisruption of local economies.</u> Another indication of malfunction of the corporate-led agri-food system is the high environmental cost from intensive agricultural activity and excess transport. Conventional agriculture makes widespread use of chemical inputs and extensive misuse of the limited water resources of the country. Extended parts of prior fertile land suffer from soil erosion



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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and desertification, while ground and underground water beds suffer from salination and pollution.

The influx of low cost, raw and semi-processed, fruit and vegetables (e.g. frozen concentrated orange juice from Brazil, or tomato juice from China) has loosen the strong traditional ties of agri-food processing firms with the rural areas of crops cultivations. For a growing number of firms processing activity is confined to the final stages of production, while several products of their product range are imported as final goods. A recent study has testified a remarkable relocation of several agri-food firms from rural to urban areas, mainly close to the major markets of Athens and Thessaloniki (Kalogirou et al 2011).The bypass of places by agri-food corporations has led to the gradual eradication of longstanding local agro-food complexes and the loss of important indigenous varieties and knowledge.

**The importance and development potential of tourism**

Tourism is considered as an important sector of the Greek economy. According to SETE’s (2013) estimations for 2012, the contribution of tourism to GDP and employment is set at 16,4% and 18,3 respectively. Nevertheless, diminishing trends in main figures like international arrivals and receipts have been a general alarming fact from the early 2000s onwards, despite annual fluctuations. For example, the annual change rate for international tourism receipts during the past four years has been -10,6% (2009), -7,6% (2010), 9,3% (2011) and -4,6% (2012), while gross change for the 2009-2012 period has been -3,6%.

But what is actually reflecting the alarming international orientation of Greek tourism is the latter’s position in indexes of tourism destination competition. In WTTC’s rankings, Greece holds a mean position, lacking behind from its traditional competitors (like Spain and Portugal) or its new competitors (Cyprus) but still in a better position than, say, Egypt or Turkey. SETE (2005) draws attention in interpreting these rankings due to the general approach that WTTC follows which may ignore more hard and traditional factors like number of arrivals (Turkey, for example, performs much better). But the explanations and suggestions that follow



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these rankings are unquestionable. The uniform specialization of Greece as a holiday destination, its prolonged state of maturity as a destination, its inability to be price competitive, the rise of new competitors in the Mediterranean and also the inability for exploiting an array of resources that would lead to the diversification of the tourism product and thus to sustaining demand pinpoint to the fact that there is an urgent need for repositioning and even reinventing the competitive angles of the Greek tourism product (Tsartas, 2010).

This urgent need is further reinforced by the fact that the current crisis has led to a severe cut off in domestic demand for tourism services and at the same time the weakening of the bank market is restricting new investments. This has resulted in firm closures in various subsectors, employment shrinkage and immense pressure on profitability and sustainability of tourism enterprises. Other reports that stem mainly from the media highlight other “flexible” strategies like atypical employment, augmented family employment and pluri-activity as a means to overcome the effects of the crisis. Needless to say that, due to the price-quality balance that characterizes tourism and services in general, the tourism product is further deteriorated due to the negative impact that all the above factors have on quality.

On the other hand, Greek tourism has certain features that were both strengths and weaknesses and which were an inherent part of the local system of tourism production and certainly not an impact of the crisis. As far as location and regional specialization is concerned, tourism supply is heavily concentrated (>50% of total hotel bed supply) in just a handful of regions and, at the local scale, in just 6 prefectures (Attica, Dodecanese, Heraclio, Corfu, Cyclades and Halkidiki). This location pattern can be explained by the availability of the sea and sun resources favouring coastal and island destinations, and also by the availability of transport resources and development policies, which during the take-off decades of 1950s to 1980 resulted in reinforcing areas that had already begun to develop tourism activities (Spilanis, 2000).

The role of the Tour Operators has been catalytic in initially picking up places that were to become tourism destinations. These agents controlled not only the flows to specific localities but also helped shape the actual supply of services, either directly



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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(eg through financing) or indirectly. Tour Operators, in assembling the “holiday package” and creating the “mass tourism” market, were the key players in Greece taking off in the 1970s as a European destination and thus in the internationalization of Greek tourism. They are also responsible for the spatial polarization of demand, as well as for the homogenization of the tourism product. Their gatekeeping position in the supply chain also implies that, due to maturity of a destination, oversupply, uniformity of product and oligopolistic power in the source country, they exert high negotiation power over the suppliers of tourism services. Therefore they set a high pressure on local suppliers to drop down prices, which limits the multiplier effects in the local economy; in addition, they raise competition among homogenous destinations and, in conjunction with the inefficiency of local hoteliers to upgrade and raise quality levels, they lead to the degradation of the tourism product quality by boostering products with low quality demand (eg all-inclusive stays) (Tsartas, 2010).

At the same time, tourism supply is dominated by SMEs. In 2004, firms with 1-100 beds size accounted for 64% of total room supply and for 93% of total firm number. SMEs, due to size, capital sufficiency and low human capital, they exhibit low productivity, they exert no economies of scale (limited ability to diversify) and are thus susceptible to international competition and ineffective development (Pavlopoulos, 2007). On the other hand, ease of entry, flexibility in both demand adjustments and destination trends, are reported as the advantages of SMEs at the destination. Atypical forms of employment contribute positively to the flexibility of the firm, but may hinder local development, as well as social justice.

Another important feature of the Greek tourism development model has been the negative impact that the expansion of tourism supply had on the natural and human-made environment. Destruction of ecosystems, degradation of water reserves, pollution, land use conflicts (especially with agricultural activities) and congestion have been important negative impacts (Coccosis and Tsartas, ). Parallel to this, spatial concentration of demand, combined with high seasonality due to the dominance of the sea and sun product, have led to development of resources aimed at satisfying tourism demand; this has meant ineffective and spatially unjust allocation of resources.



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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The current crisis, despite its negative impacts on the competitiveness of Greek tourism, has fostered the rise of new and the rejuvenation of former trends mainly in the domestic market but also in the dield of public policies. More specifically, there are two general trends of restructuring, the exact penetration and qualitative characteristics of which are to be investigated empirically. The first one has to do with the new trends of product diversification, which may deploy different levels: a) thematically, by developing special forms of tourism via-a-vis the conventional holiday product; b) structurally, with the organizational integration of new and niche market products to "conventional" service packages at either the firm or destination level; c) cooperatively, by creating local scope economies, eg new products that are supplied by independent firms and may be considered as outsourced services from larger firms. This may be closely related to the fact that external economies of scope do play an important role in destination development, since it is the synergistic role of different companies that constructs a destination's functionality. This cluster activity goes hand in hand with the need for quality upgrading.

Needless to say that product diversification, both in existing or new enterprises, is directly related to the human factor. Beyond creating new employment, the introduction of new products has different human capital requirements. Especially in the case of startups, the actual field of engagement is directly related to market knowledge and supportive mechanisms for entrepreneurship. In any case, getting involved in special product markets or providing specialized services presupposes higher levels of education and/or on the job training. In case of a new problem bringing along a structural change at the destination, diversification would imply a differentiated labour market, where pluri-activity and non typical jobs would matter less. This is the case for an upgrade in human skills and capabilities. Last but not least, the social impacts of creating such new employment would be much more positive and spatially specific.

The second trend refers specifically to personnel restructuring. These strategies are adopted -in a highly differentiated way of course- by larger companies and also by SMEs. They include work intensification accompanied by functional flexibility, the rise of numerical flexibility, the avoidance of social care registration, part-time,



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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women or migrant employment (the latter often with no residence or work permit). The main aim is to reduce functional costs and it is an open question whether restructuring the firm involves an upgrade in staff, given that low specialization jobs prevail in the industry. What is rather interested here is that the Greek media is full of reports that describe such a trend but no detailed work has been carried out so far.

**The emergence of dynamic local firms**

In the midst of the prolonged recession, freezing economic climate and investment block, the domestic agri-food and tourism sectors experience remarkable developments. All over the country a number of new initiatives are emerging day-in day-out.

In order to construct a more clear idea about the number, quilative characteristics and development potential of these initiatives we made an extensive search in several data sources (national and local press, sectoral press, business sites, blogs and social media of new entrepreneurs, relevant research, e.t.c.) beginning from April 2013. After several rounds of discussions the data base includes more than 200 agro-food and tourism firms and it is still updated.

One of the main inclusion criteria to the database was the generation of income and employment. It is obvious that the issues of income and employment creation should be in the higher posts of the agenda in crisis-hit Greece. At this point we should mention the significance of geographical contextualisation. In the case of corporate-led agro-food systems, in the global north the main areas of criticism revolve around the issues of sustainability, better nutrition, freshness and quality, food safety and corporate power consolidation (Lang and Heasman 2004; Morgan, Marsden and Murdoch 2006; Blay-Palmer 2008; Sage 2012, Kalfagianni 2014). These are core values and should not be underestimated but it is obvious that, at the moment, there is a need to retreat in lower posts and give the priority to income and employment creation.

The application of this criterion excludes from the database numerous grassroots movements that have come to life during the crisis. This doesnot imply that we underestimate the role of grassroots movements. On the contrary, we believe their



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contribution is valuable since they can change longstanding traits of the greek society, like the take of common actions and the lack of cooperation and trust, that act as impediments to development.

The 200 entries to the data base construct a diversified group of initiatives with very different business orientation and strategies. Summarising the vast body of informationcollected through the searching procedure we may point-out the following findings.

- In search for profit away from saturated and low paid markets there is a remarkable shift of business specialisation to high value products and services.Also there is an obvious trend to establish direct market channels or alternatives to big supermarket chains and tourist operators. In this instance the use of e-commerce applications has played a crucial role.

  In the case of agro-food sector, a big number of new initiatives are specialised in "novel" products (pomegranates, mushrooms, asparagus, edible snails), new varieties of Mediterranean fruit and vegetables (Santorini white eggplants, flat peaches, cherry tomatoes, round chuckini, e.t.c.) and new tropical and sub-tropical cultivations, like avocados, blueberries and mangoes, targeting at import substitution in a growing domestic market.In food processing there is a clear revitalization of traditional local products (wineries, breweries, spirits, sauces, cheese and dairy, dried meat) with strong local identity.Also, during the crisis there is a massive influx of "new wave" local food retail outlets. They offer a big variety of products carefully selected from small local producers all over the country. Products are not necessarily expensive but of high nutritional value and strong local identity. Special reference should be made to the development of these outlets at several European urban centres (London, Vienna, Amsterdam,…). These shops, in combination with a new generation of greek restaurants contribute highly in upgrading the image of thegreek food to important foreign markets.

- There is an obviousstrengthening of the coherence of local agrifood-tourism complexes. After several decades of homogenization of tastes several hotel chains and restaurants all over the country establish new initiatives like the greek



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης
ΕΣΠΑ 2007-2013
πρόγραμμα για την ανάπτυξη
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΤΑΜΕΙΟ

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breakfast and regional menu and search for local producers. This is a very promising trend that needs to be examined in more detail. In parallel, established tourist areas give access to markets for several new business opportunities like, gastro-tourism, guided farm tours, cooking seminars, etc, lying on the edge of both sectors.

- New initiatives are small in size, in fact they are mostly micro and nano enterprises. They provide employment for the entrepreneur/s and a few employees. Tourist related services are more labour intensive and create, directly and indirectly, numerous jobs. Agro-food sector activities have a smaller impact on employment. However new agro-food retail outlets are a valuable source of employment opportunities for younger and middle aged people in urban areas.
- The typical business owner is local resident of younger or middle age groups, with relatively high educational qualifications. Usually,he/she has travelled a lot, has a remarkable business experience, speaks fluently one foreign language and is fluent in ICTs applications. The first insights show that the presence of newcomers to rural areas was much lower than expected.There is some evidence that a significant number of them shows creativity and adaptation to the hostile business environment and do not hesitate to take highly experimental and innovative initiatives.

New entrepreneurs seem to be keener to take common actions than the traditional entrepreneurs operating in the country. It is well documented that spatial proximity does not automatically leads to trust. New entrepreneurs seem to be willing to be part of virtual communities with people that share the same values with them. They make extensive use of social media networks to share experiences and new ideas and search for solutions to common problems.

- New dynamic initiatives are not found everywhere in the country. They show a strong preference to urban centres and tourist areas. High density of new agro-food initiatives are found to surrounding areas of major urban markets. Predominantly to selected zones around Athens (rest of Attica, Viotia, greater Halkis area, coastal Korintia, Argos/Nafpio zone) and Thessaloniki (rest of Thessaloniki administrative area, Northern Halkidiki, Southern Serres and Kiklis,



Ευρωπαϊκή Ένωση
Ευρωπαϊκό Κοινωνικό Ταμείο
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ
ΕΚΠΑΙΔΕΥΣΗ ΚΑΙ ΔΙΑ ΒΙΟΥ ΜΑΘΗΣΗ
επένδυση στην κοινωνία της γνώσης
ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΘΡΗΣΚΕΥΜΑΤΩΝ
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Pieria andImathia). It is worth noting that, quite often, the owner of the business found in these areas remains resident of the major urban cantre and visits the business during the week. This trend is very revealing about the lower than expected counter-urbanisation movement.

Last but not least, the search procedure has shownmany failed attempts, next to success stories. The rate of failure is substantially higher in primary production activities due to the difficulties, instabilities and uncertainties of the agricultural sector. New entrepreneurs with little or no knowledge of the difficulties of the agricultural profession were extremely vulnerable. In retailing oriented activities the failure is mostly associated with lack of funding, as well as, changes in demand, mainly drop of purchasing power due to severe cuts in salaries and huge unemployment. In several other cases, delays in funding of investment projects financed under EU and state programmes, were crucial in firm's survival.

**Need to support new initiatives for the benefit of people and places**

The previous analysis has shown that in the midst of the crisis there are some significant and promising entrepreneurial ventures. A not insignificant part of them is substantially different from traditional SMEs in many grounds. They develop close ties with other local firms and ensure a more equal allocation of the economic value across the different actors of the supply chain. They show respect for the environment and local landscape. They apply new management and marketing methods due to the high qualifications and skills of their owners. Due to lack of access to the banking system they are mostly financed by own sources and show remarkable adaptation to the hostile business environment. These are significant qualities that need to be preserved and developed.

The debate on development prospects of agro-food and tourism sectors should be developed based on reliable data on the current strengths and weaknesses of the sector, away from polarisations and axioms. In the Greek context, both agro-food and tourism sectors are so much more than just another industry. Due to their scale and significance they have major impacts on people and places. The major changes currently underway in both sectors is one of the best windows through which to view



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some of the greatest challenges facing the country in her struggle to overcome the severe crisis. The road to recovery is long and hard. The country does not have the luxury to miss another boat. We must have a clear and concise idea about the new realities set by the crisis and support the responsible enterprises with the right policy mix.

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