

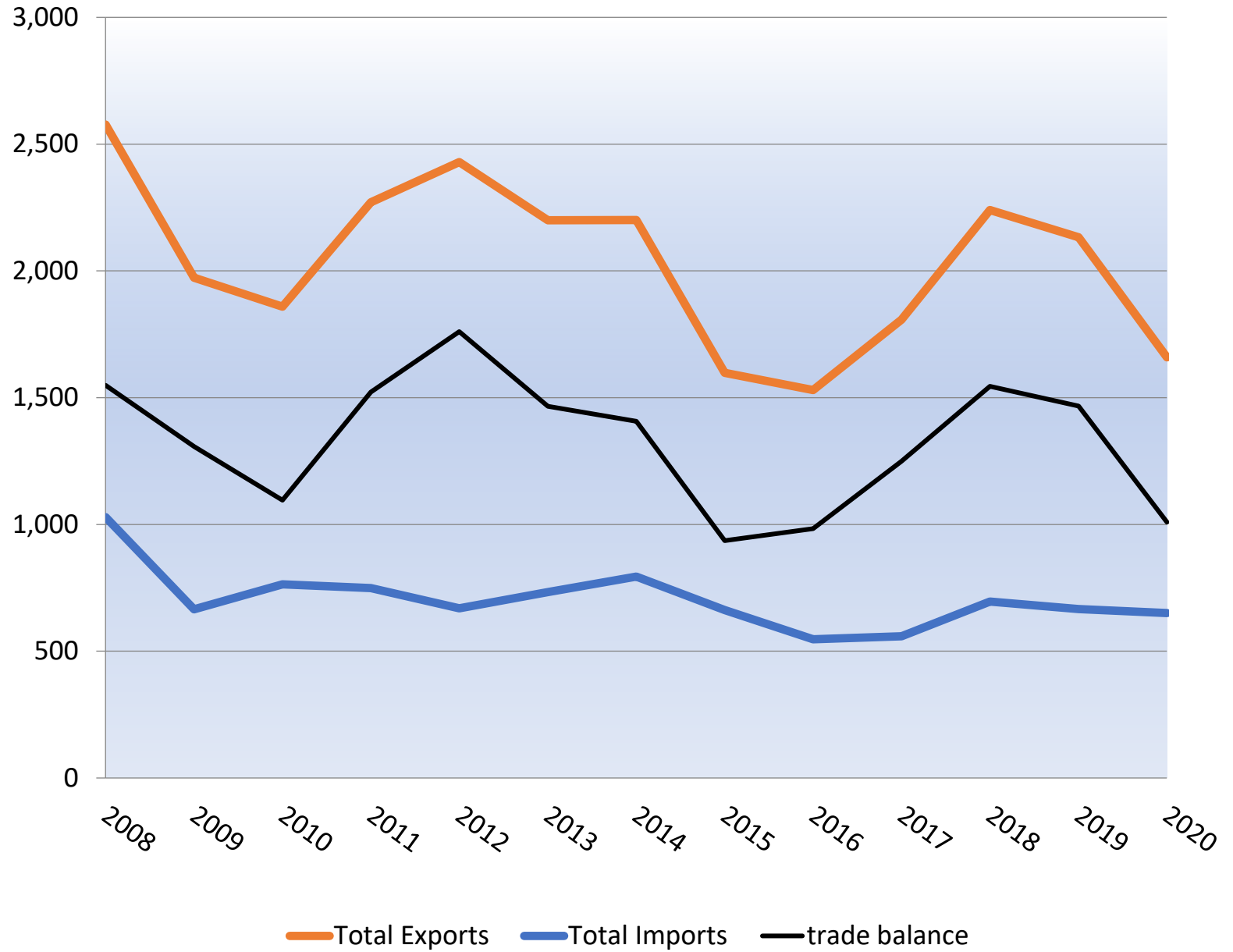
Deciphering Greek Economic Diplomacy towards the Western Balkans: Actors, Processes, Challenges

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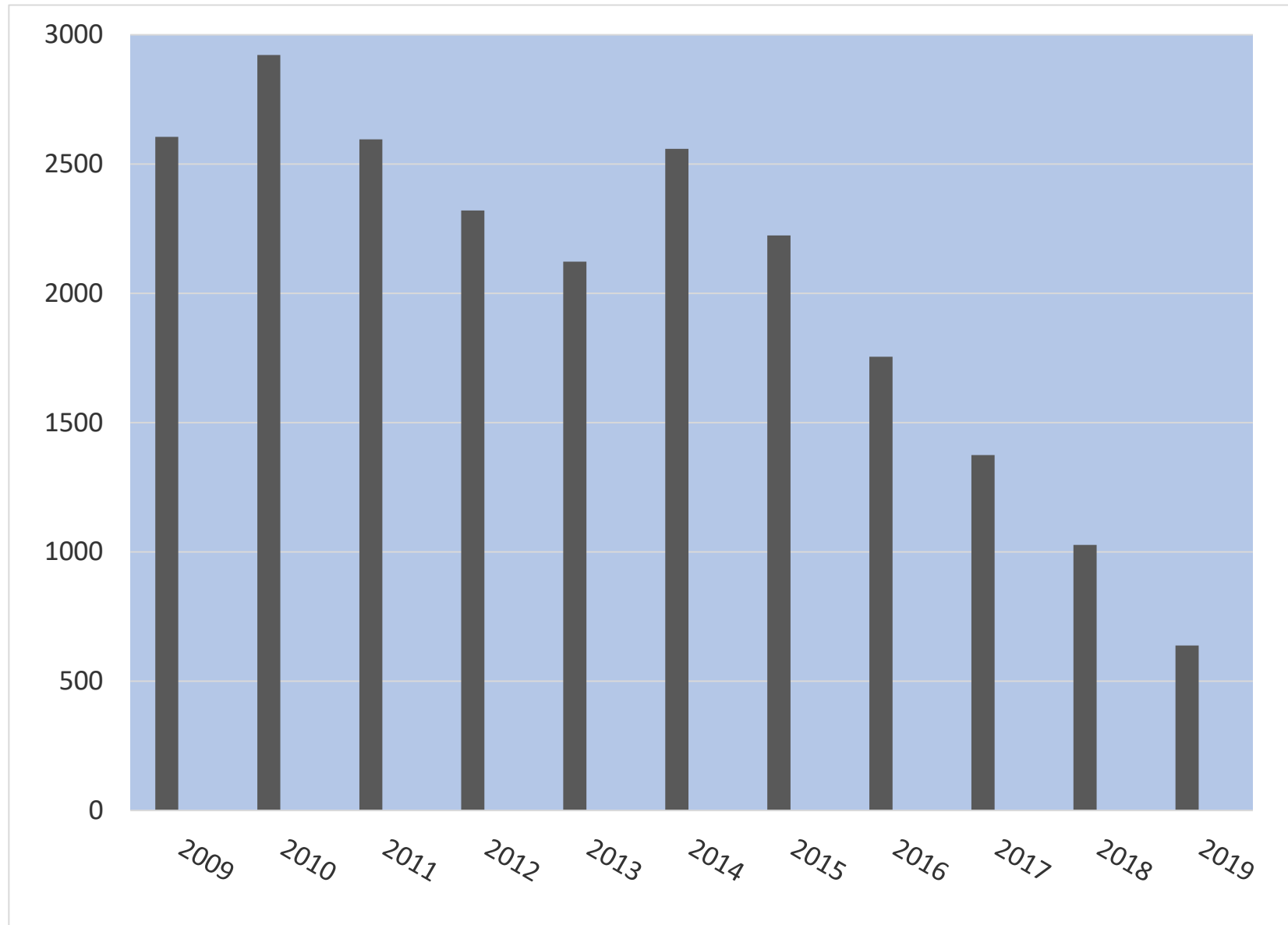
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Greece's Total Trade with the Western Balkans, 2008-2020 (\$US mn)



Total Greek
FDI in the
Western
Balkans
(stock, €mn)



The Objective of this Study

- The **objective of this project** is to delve into the intricacies of Greek economic diplomacy, focusing on its conduct in the Western Balkan countries and exploring paths that could potentially improve economic and business practices in the region.
- It does so by :
 - mapping out the multi-layered dimensions of Greek economic relations with the Western Balkans;
 - highlighting problems and challenges that have emerged over the years;
 - identifying key actors and stakeholders in the process; and
 - making policy recommendations based on an evaluation of all the above.

Methodology

- First step was to map out the whole range of economic linkages between Greece and the Western Balkan countries.
- We gathered quantitative data from official databases (e.g. Hellenic Statistical Authority, Bank of Greece, Ministry of Foreign Affairs, World Bank, and UN Comtrade Database).

Methodology

- The project's main data collection tool was a series of semi-structured interviews with the following categories of persons:
 - CEOs of large exporters/investors to the region,
 - high-ranking executive officers in business associations and chambers of commerce,
 - representatives of think tanks and other interest groups,
 - public officers (members of diplomatic missions in the Western Balkans, high ranking officials in the Ministry of Foreign Affairs) .

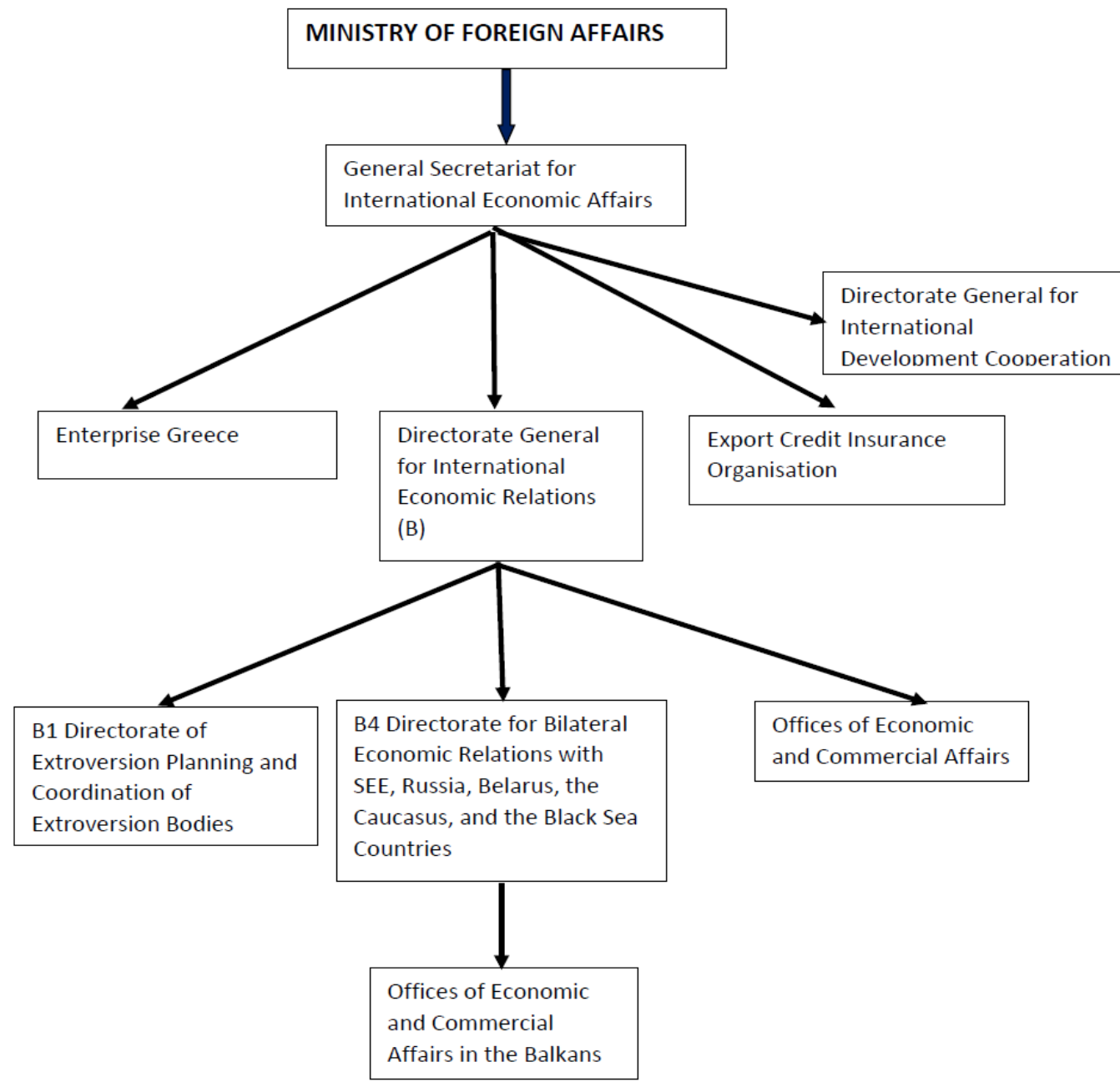
Methodology

- Also:
- Triangulation of data obtained from official documents, news articles, and interviews with stakeholders.
- Reports by international organisations, research institutes and Greek diplomatic missions in the Western Balkans
- Greek laws and Presidential Decrees regulating Greek economic diplomacy and the nuances of its ongoing multi-staged reform.

Problems/ Challenges

- Challenges facing Greek businesses in the region can be roughly categorised into three groups:
- **Problems inherent in these countries themselves**: in varying degrees, most of the countries of the region exhibit problematic characteristics such as state capture, deterioration in the rule of law, inefficient judicial procedures, political instability, corruption, lack of transparency, persistence of protectionist practices, cumbersome bureaucratic procedures, democratic backsliding and uneven competition in public procurement and imports.
- **Problems due to difficulties in bilateral relations** between Greece and these countries (e.g. diplomatic non recognition of Kosovo, name issue with North Macedonia) and subsequent lack of legal framework for economic relations
- **Problems linked to the lack of an efficient state economic diplomacy** to support, facilitate, and protect Greek business initiatives in the region. These include an incomplete legal framework for the regulation of relations with all Western Balkan countries (e.g. lack of agreements for the avoidance of double taxation), burdensome bureaucracy, unclear legislation (e.g. on right to entry with a car having foreign license plates), and weak cooperation between Greek public and private actors in Greece and abroad.

Figure 1: The State Agencies of Economic Diplomacy towards the Western Balkans



Policy
Recommendations:

Networking and
coordination

Interstate cooperation

- Regular visits and contacts about different fields of activity
- Incomplete legal framework
- Problem-solving
- Connectivity

Among public and private actors

- Council for Extroversion
- Build trust between the state & the business community
- Corporate Social Responsibility
- Link closer diplomatic missions with the business community in Greece
- Coordinate on EU-financed projects

Policy
Recommendations:

Networking and
coordination

- **Exports**
- Associations among small producers
- Diplomatic missions in collaboration with Chambers and the main international transportation companies → truck schedule

- **Foreign investments**
- Link closer Hellenic Business Associations with business community in Greece
- Expand and foster coordination among Hellenic Business Associations in the Balkans

Coordination with actors from third countries

Policy
Recommendations:

Networking and
coordination

- EU institutions and member states
- Membership in multiple Business Associations
- Active involvement in International Chambers



Policy

Recommendations:

Increase the efficiency of Greek diplomacy

- More sectoral studies on specific fields of activity per country.
- Link more closely diplomatic missions with Enterprise Greece.
- Give diplomatic officers clear directions, with specific targets and expected output, measured in terms of KPI.
- Render reports of the Offices of Economic and Commercial Affairs more reader-friendly for the wider non-specialized audience.
- Prepare more systematically the deployment of officers.
- Develop SOP to guide diplomatic work abroad.
- Equip diplomatic missions with an adequate budget to carry out activities.