**Project Green Synergy Business development for SMEs and Entrepreneurs**

**2022-1-CY01-KA220-VET-000087187**

**Mapping of Current Situation**

**Country Snapshot Template**

**Table of Contents**

[**Introduction** 2](#_Toc118913357)

[**Current Situation of Smes and Entrepreneurs/ Sustainable Development in [COUNTRY]** 3](#_Toc118913358)

[**Smes and Entrepreneurship Ecosystem in [COUNTRY]** 4](#_Toc118913359)

[**Conclusions** 5](#_Toc118913360)

[**Bibliography** 6](#_Toc118913361)

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**Introduction**

Please provide an introduction to the evolution of the smes and enterpreneurship situation in your country

Definitions: Sustainable Business development in the ecsystem of smes and entrepreneurs?

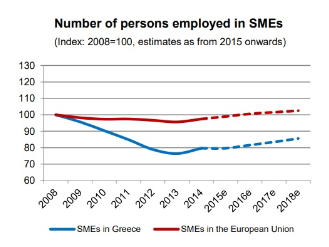
Is there any regulatory framework relevant to sustainable business development?

**Current Situation of Smes and Entrepreneurs/ Sustainable Development in GREECE**

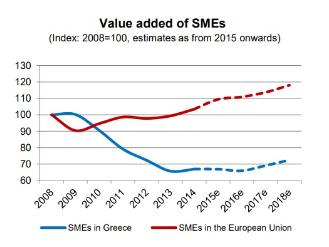
Small and medium-sized enterprises (SMEs) are the driving force of the economy, both at national and European level, making a significant contribution to job creation, value added and GDP. They play an important role in boosting employment, competitiveness and innovation, while ensuring social stability.

However, their survival is not easy in today's competitive global environment. It requires continuous modernisation in production and management, innovative services and products, access to relevant information and funding, adoption of advanced technologies, data exploitation, networking and partnerships. The role of the State is crucial in supporting small and medium-sized entrepreneurship, through the creation of a favourable environment and the establishment of support structures.

At European level (EU-28), 99.8% of enterprises in all sectors except finance are SMEs. These enterprises employ 93 million people, which corresponds to 67% of total employment. The majority of these SMEs (93%) are small enterprises employing fewer than 10 persons. In Greece, their number is close to 99.9% of the total number of enterprises. They cover a wide range of activities and sectors. They account for about 19.3% of GDP and 87% of business employment.



SMEs constitute the overwhelming majority of business activity in Greece, accounting for 99.5% of all enterprises, 86.9% of employment (more than any other EU Member State) and 73.2% of value added. According to the EU report, employment in SMEs increased by 2.4% in 2015-2016, while value added rose by 1.4%. In 2018, an additional 96,500 new jobs are expected to be created by SMEs, while projections show a positive growth rate of 5.8% in value added. As the vast majority of Greek SMEs consist of very small businesses, under 10 people, the importance of small entrepreneurship in our country for employment and job creation, as well as for the economy in general, is highlighted.



SMEs are an important pillar of the Greek production process and can play a central role in the development and productive transformation of the economy and in the creation of new jobs. However, the pressures exerted during the crisis have left a strong imprint. Today in Europe, the number of SMEs, employment in SMEs and the value added generated have returned to pre-crisis levels, with only a few exceptions, one of which is Greece. Nevertheless, there is an entrepreneurial profile of medium and small enterprises that has withstood the crisis and can also lead to recovery.

Entrepreneurship is a key component of the industrial policy of any modern state. However, it cannot, on its own, lead to the economic development of a country. The economic impact of micro and small enterprises is limited, as they are characterised by low productivity, difficulties in incorporating innovation and the use of economies of scale.

In recent years, increasing importance has been attached to business growth, the so-called "scale-up", especially for companies with growth potential. Scaling up for a business is understood by the OECD to mean an increase in the annual rate of employment or revenue of more than 20% over a three-year period, and if it had 10 or more employees at the beginning of the period.

In order to provide effective support to SMEs and to increase the size of their business (given that Greece has a very high percentage of micro enterprises), the Greek Ministry of Economy and Development is promoting the creation of relevant support structures. In today's globalised market environment and the demand for digital transformation, SMEs need to be effectively supported to increase their productivity, innovative capacity, to integrate into value chains, to incorporate digital technologies and new skills and to enhance their outward orientation. It is therefore necessary to create a coherent public interest structure that will operate in an integrated way to address the challenges, seek partnerships with Chambers of Commerce, Universities and research centres, coordinate and expand the services currently provided by various institutions to support SMEs.

**Implementation of a number of financial instruments**

Greece has initiated the implementation of a number of financial instruments in order to achieve optimal use of available public resources with other available financial sources. The main programmes and instruments concerning SMEs, which contribute to growth by combining with public resources additional sources of finance.

**EquiFund:** Provides capital in the form of Equity, Venture Capital, Seed Capital, etc. Financing: €200 million from European and national resources. European Investment Fund (EIB) and European Investment Bank (EIB) from the Juncker Plan, with a contribution of €60 million and around €40 million. Finally, private investors contribute with additional own resources. This brings the total funds available to businesses to close to €0.5 billion.

**Risk Sharing and Guarantee Fund "Entrepreneurship Fund I and II":** it grants loans to SMEs by reducing the interest rate or guarantees required by banks. Funding: €400 million NSRF, €200 million of recycled funds from the corresponding instrument of the previous NSRF and an additional €600 million of bank funds (total: €1.2 billion)

**EIB, Global Loan:** This is a liquidity guarantee from the European Investment Bank to the 4 systemic banks to provide loans exclusively to SMEs. EIB lending to the banks is backed by a guarantee from the Greek State. The total volume of capital to be channelled to enterprises is EUR 1 billion.

**EIB Trade Finance Facility**: This is the first EIB product of its kind and is available exclusively in Greece. Guarantees of €500 million are provided to foreign banks, covering 85% of the total risks of export activities of Greek SMEs. These are short-term financial instruments, with an average maturity of four months, so EIB financing can be revolving three times per year and can therefore support three times the volume of transactions, i.e. up to €1.5 billion per year. In this way, export activities are strengthened and Greek SMEs and mid-cap companies are supported.

**Microfinance:** microcredit is provided to micro-enterprises, freelancers, individuals, SMEs, etc., which do not have access to the banking sector to raise capital, in order to implement their projects and ensure job creation, thus contributing to the increase of employment and the reduction of unemployment. The maximum loan amount that can be granted is € 25 thousand.

Many actions of the Operational Programme Competitiveness and Innovation of the NSRF 2014-2020 are also aimed at supporting SMEs. In particular, among the announced actions of the ERANEK (in the form of non-repayable grants), the following are worth mentioning:

**Start-up Entrepreneurship:** Based on the fifth (5th) amendment of the programme, the budget of the Action amounts to EUR 116 million.

This is the fifth and last year's fifth framework programme, which provides for the support of tourism SMEs for their modernisation and the upgrading of the quality of the services provided: Under the sixth (6th) amendment to the programme, the budget for the action is EUR 110 million.

**Upgrading of micro & small enterprises to develop their capacities in new markets:** On the basis of the ninth (9th) amendment to the programme, the budget for this action is EUR 310 million.

**Action Business Outside - Support for the International Promotion of SMEs with an Outward Orientation:** (Start of Submissions 18.1.2018) The Action aims to promote the extroversion of Greek manufacturing enterprises that are already developing export activity, through their participation in trade fairs organised in the EU and in third countries. The budget of the Action is €50 million for all the regions of the country. This action is under direct evaluation and will remain open for applications until the available budget is exhausted and at the latest eighteen (18) months after its initial publication.

**Aid for the creation and operation of new tourism SMEs**: The aim of this measure is to promote entrepreneurship in the tourism sector through the creation of new tourism businesses. The budget of the Action is € 120 million for all the regions of the country.

As regards the forthcoming actions for SMEs, the following actions are expected in the coming period:

**Digital Jump:** The Action aims to strengthen the digital upgrading of enterprises in our country and in particular with a focus on the digital transformation of medium, small and micro enterprises. Total IDA of the action: € 50 million.

**Digital Step:** The Action aims to strengthen the digital upgrading of enterprises in our country and indeed with a focus on the digital transformation of medium, small and micro enterprises. Total IDA of the action: €50 million.

**Qualitative Modernisation:** this action aims to support medium-sized enterprises in the nine (9) priority sectors of the NRDP (agri-food, energy, energy, supply chain, cultural and creative industries, tourism, environment, information and communication technologies (ICT), health, materials and construction) in order to improve their competitive position by investing in their technological modernisation. Total IDA of the action: €120 million.

**Upgrading of existing micro, small and medium-sized enterprises in the service sector (retail, catering, private education):** The action concerns the upgrading of existing micro, small and medium-sized enterprises in the service sector (retail, catering, private education) around the four categories of interventions: (a) Interventions to save energy; (b) Interventions to integrate information and communication technologies into the service provided; (c) Interventions to improve the hygiene and safety of premises; (d) Interventions to strengthen the supply chain. Total IDA of the action: € 50 million.

**Green growth is inextricably linked to green entrepreneurship.** This term refers to economic development that puts the protection of the environment and nature at the heart of its strategy. Green entrepreneurship in shipping consists of a positive attitude of the company and its assumption of responsibility towards environmental protection, both in terms of the products or services it produces and the production processes it adopts. In Greece, the concept of 'green' development is quite new, so that the actions taken in this direction are few and far between.

It is undeniable that the Greek companies that are active in the production of 'green' technological equipment and follow international environmental policies are mainly small and medium-sized enterprises. In Greece there are a number of programmes that finance 'green' interventions by SMEs operating in the manufacturing, shipbuilding, tourism, service and trade sectors.

**Smes and Entrepreneurship Ecosystem in GREECE**

**Vocational Education and Training in Greece**

In Greece, Vocational Education and Training includes the Vocational Lyceums (EPAL), the Vocational Apprenticeship Schools of the OAED (EPAS), the Vocational Schools of the Ministry of Rural Development and Food (also EPAS), but also other structures such as the Post-secondary Years - Apprenticeship Classes and the IEK.

From 2020 the "National System of Vocational Education and Training" defines and describes all structures offering VET in Greece. In the school year 2020-2021, 116,704 students attended VET structures in secondary education.

There are currently 408 Vocational Lyceums in Greece (with 108,244 students). Children there receive general education, but are also trained in 35 specialisations, from 'construction technicians' and 'silversmiths' to 'merchant navy masters' and 'dental technician assistants'. The specialisations are mainly derived from the availability of corresponding teachers, and have remained more or less stable over time. Although in general the system works, and although initiatives have been taken in recent years to radically improve them.

In addition to the Vocational Lyceums EPALs, there are the Post-apprenticeship Years - Apprenticeship Classes, which are one-year programmes for graduates of EPALs trained by apprenticeship in enterprises in specific specialisations (in the school year 2018-2019 there were 26 different ones and 3,695 students attended).

Still, there are the 50 (EPAS) Vocational Apprenticeship Schools of the Human Resources Development Agency (OAED).

In the private sector there are the (IEK) Vocational Training Institutes and the KEK (Vocational Training Centres).

**The positive impact of the green transition on employment and challenges for businesses and workers in Greece**

According to EuroFound (2019), the full implementation of the Paris Climate Agreement is expected to result in a 0.7% increase in employment in Greece - the fourth highest growth rate in the EU. A positive balance also emerges from most international studies at the global level. This means that the new jobs created in emerging green sectors are estimated to outweigh, even marginally, those lost in sectors that will be transformed due to the need to adapt to new levels of environmental requirements.

As regards the scope of green occupations, there are several new ones with a purely environmental profile that are being created, such as carbon trading analyst, environmental auditing and certification specialist, pollution control specialist, photovoltaic installation and maintenance technician, etc. However, the green transition will mainly affect and transform existing occupations, highlighting the need for new, green skills for workers.

Developing green skills and supporting workforce adaptation requires:

- Immediate adaptation of the formal and non-formal education system, by reviewing/updating curricula, to ensure that new entrants to the labour market have the right knowledge and skills for a low-carbon and resource-efficient economy.

- Facilitate the transition to new green jobs for those whose jobs are lost, through reskilling combined with the promotion of geographical mobility and the provision of appropriate income support (active and passive employment policies) and upskilling for those whose jobs are being transformed.

- Developing reliable and effective systems for the recognition and certification of green qualifications and skills, including those acquired informally.

- Provide in-company training for the acquisition of specific green skills, tailored to the needs of each company and worker, and learning of generic green skills through seminars, on-the-job training, provision of relevant information material, etc.

- Allocate resources for the implementation of training programs to train workers in green processes and behaviours in priority occupations (office workers, drivers).

The exit of the Greek economy from the Crisis and the problems it had to manage due to the Pandemic have also highlighted a number of new professions of SME employees and self-employed people for whom training programmes should be developed in order to develop their skills.

**Occupations with teleworkability.**

The teleworking rate in 2020 in Greece was 7%, while the European average was 12% (Eurostat LFS, 2021). Although teleworking has increased during the pandemic, its real potential is even greater and goes hand in hand with the digital transformation of businesses. Many companies are already evaluating the possibilities of moving, after the pandemic, to a hybrid model combining teleworking and physical presence of employees.

The fact that 10 of the 20 highest-employed occupations in Greece have no teleworking capability is linked to the very low level of teleworking in the country digital transformation of enterprises (and the corresponding organisation of work).

Access to technologies and the modernisation of work objects can significantly increase the proportion of workers in Greece who can work remotely, enjoying the benefits of teleworking.

The digital transformation of enterprises is bringing about changes in the way work is organised, but also in the concept of the 'place of work'. Teleworking is a prime example, as it allows tasks to be carried out off-site using digital technologies, and changes the relationships, organisation and obligations of work.

**Dynamic occupations in the SME sector**

Many of the occupations for employment in SMEs are quite dynamic, i.e. they offer better employment prospects and pay. These are middle-level occupations, mainly in the productive sectors of the economy, which have shown considerable potential as key pillars for job growth and employment in the period between the peak of the economic crisis and the onset of the pandemic.

In particular, between 2013-2019, employment in manufacturing, logistics, ICT, energy and mining grew faster than employment in the economy as a whole. In 2019, 68% of workers in critical productive sectors were employed in VET occupations, compared to 37% for the economy as a whole. Among VET occupations, the most populous categories are "Operators", "Craftsmen" and "Management and Economics occupations", which show remarkable dynamics and are evolving as key pillars of employment enhancement.

In other words, these are sectors and occupations with considerable potential for workers, as they are at the heart of companies' search for suitably qualified human resources. However, as the productive sectors absorb an increasing share of human resources, there is a growing need to upgrade the quality of the VET system and further link it to the challenges of productive transformation in order to provide the specific, modern, knowledge and skills that will enable people to find jobs and enterprises to meet their business needs.

**Enhancing the skills of human resources**

Enhancing the skills of human resources broadens employment prospects and enables enterprises to meet their specific needs. Therefore, the redesign of VET programs is a process with mutual benefits for workers, the underemployed, the unemployed and enterprises, and a crucial condition to effectively support the transition towards a growth model oriented towards production and exports, with more and better jobs.

- There are dynamic technical occupations coming out of VET where the number of workers is increasing and good employment and wage prospects are provided, and it is important for VET to focus there.

- In 2019, employment in sectors such as Manufacturing, Logistics, Information and Communication Technologies, Energy and Mining accounted for 17% of the total. In these sectors, the rate of employment growth in 2013-2019 is higher than for the economy as a whole.

- Occupations in which workers come from education through VET are a particularly important pillar of employment in productive sectors (68%). As the contribution of productive sectors to total employment grows, the need to link VET to them is intensifying in order to offer programmes that meet the needs of enterprises, and thus help the career prospects of participants in VET.

- The role of VET is crucial as it must equip participants with the appropriate knowledge and skills, facilitate their integration into the labour market and operate in line with the productive needs of enterprises.

- The adaptation of VET to technological and economic conditions will enable the Greek productive ecosystem to meet the needs for knowledge and skills and to boost employment with appropriately trained human resources in dynamic, emerging productive activities and well-paid jobs.

- At the same time, the effort to upgrade VET needs to be combined with initiatives in other, related fields, such as, for example, the Regulated Technical Occupations where productive enterprises face persistent and serious shortages of suitably qualified human resources.

In Greece, cooperation between schools and enterprises in the field of vocational guidance has not been systematically developed, although vocational guidance in schools is the essential starting point of Lifelong Learning:

- The creation of conditions for the cultivation of a culture of cooperation between the educational and business community.

- The undertaking of joint initiatives to strengthen school-business partnerships across the whole spectrum of education.

- The use of new technologies to give schools and students throughout the country direct access to opportunities for experiential contact with the world of work.

- The exploitation and promotion of good practices in mobilising the business community in the field of School Vocational Guidance.

- The systematic monitoring and evaluation of cooperation between schools and businesses in the field of vocational guidance.

- Encouraging enterprises to strengthen their contribution in the field of school vocational guidance, especially by offering their staff the role of volunteer mentors.

**Conclusions**

Conclusion remarks on the trends and projections about the need of training for Sustainable business development in SMEs and Entrepreneurs

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