

Conference Paper

Entrepreneurship in Greece

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Abstract

Back in 2008, when the global economic crisis started, Greek companies and generally the corporate sector faced numerous difficulties. A lot of businesses closed, and the unemployment rate was significantly raised. The aim of the following paper is attempting to study the current situation of entrepreneurship in Greece, to find the problems that arose from the crisis and to acknowledge any future chance of positive development. Our results from the conduction of the two surveys have indicated that the entrepreneurs who answered our survey are facing a lot of problems in extroversion, due to the high taxation and the general market crisis. Also, only half of them had any advisory support at the beginning of their business. Similarly, their answers showed that it is more possible for them to close their business soon, as they are more pessimistic for better conditions and environment in entrepreneurship, in the near future. On the other hand, the results for the non-entrepreneurs, who answered our second survey, showed that a lot of them were in favor of making a company but they hesitate because of the taxation system, the bureaucracy and the lack of knowledge in business sector.

The key to making entrepreneurship in Greece approachable is to rebuild the tax system and make it more sustainable for the businesses. Similarly, it is important to have financing support through private and public initiatives and help new innovative businesses and startups begin operations. Lastly, Greek Government must make a new proactive environment to protect all low and middle range businesses from terminating their operation.

Keywords: entrepreneurship, Greece, crisis, economyIntroduction

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1. Introduction

In 2009 the entrepreneurship status in Greece, entered a deep structural and multi-faceted crisis, the main features of which are a large fiscal deficit, huge public debt and continuous erosion of the country's competitive position. [1] The rate of new businesses was scientifically low, and the rate of unemployment was rising day by day.

A few reasons why this is happening is the increased taxation in the Greek economy, the lack of sustainable business plans and the economic crisis that is still causing problems to the general economy. [2]

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Furthermore, the inadequate information is a serious problem for the Greek society to address if it wants to cultivate and convey the spirit of entrepreneurship to young people but also to potential people who want to work or create their own business. [4] Unfortunately, even today, the Greek state does not currently provide young people with knowledge about entrepreneurship courses. [3]

If we consider the fact that there are several lessons from the Greek educational system that could cultivate children from a young age some basic knowledge of entrepreneurship so that they are ready for some future engagement, then we understand how much, unfortunately, the state has not provided for such actions.

Moreover, business with same **service-fullness [5]** is also a problem. By service-fullness, we mean the types of businesses that exist over hundreds across the territory. Such types of business, for example, are café bars, fast food restaurants, etcetera. This huge problem has been created mainly because of the simplicity in creating and operating such a business and perhaps the **'safe' investment** as this has been perceived by many entrepreneurs.

In conclusion, **our main goal** for this study is to determinate, with the conduction of **2 surveys**, how entrepreneurs (**Self-Owners & Start-Ups owners**) and non-entrepreneurs are thinking about the current entrepreneurship situation in Greece and the difficulties that they are facing.

2. Endeavor Entrepreneurship Study

Endeavor is an international non-profit organization which promotes High-Impact Entrepreneurship around the world and is supported by some of the most prominent business leaders and investors globally.

In the recent study about entrepreneurship in Greece [6] has always exhibited strong tendency towards entrepreneurship with a very high number of businesses per capita.

However, many of these businesses have been subscale, unproductive and focusing on consumption-driven sectors with low growth potential. Entrepreneurship has been often associated with corruption and typically hindered by State's bureaucracy and informality: not an attractive career option for most of Greece's brightest minds.

At the beginning of the crisis, the perception of entrepreneurship started to change; the need to restore growth through entrepreneurship became critical, the potential was identified in various sectors and, in lack of career alternatives, entrepreneurship was considered the way forward for Greece. A number of new institutions were established,

and entrepreneurship became a 'hot' discussion topic in Greek web and media. Unfortunately, this wide discussion about entrepreneurship has not yet translated into an actual entrepreneurial boom of large scale.

Approximately **90%** of new ventures all over Greece still follow the logic of the failed growth model of the past. On a positive note, there is a **10%** of new ventures that are indeed focusing on the proper growth areas, up from **7%** a few years ago.

Out of these ventures, 1% can be characterized as truly high-impact, in the sense that they have the potential to grow in jobs and revenues more effectively than peers; even if this **1/1000** may sound trivial, it still corresponds to 40 new high impact ventures per year that can make the difference in triggering growth and job creation

3. Our Study

In the **Endeavor Entrepreneurship Study**, we saw a macroscopic view of the general entrepreneurship in Greece, and facts about the growth of businesses and ventures.

Now, in our study, in order to gain a more in-depth and understanding of the current entrepreneurship situation in Greece, we collected data, with the conduction of two surveys. That is because we saw a gap between the findings and the questions of other surveys.

In the first survey, we targeted entrepreneurs (**Self-Owners and Start-Up companies**), in order to investigate which, were the problems and the challenges that they are currently facing as business owners and to investigate if they are willing to develop further their business or not.

In the second survey, we investigated the general reaction of the public opinion, for the current economic crisis as well as why them, who are non-entrepreneurs, are afraid to make their own business.

3.1. Methodology of the survey

To begin with, the distribution of the survey was made by email, to companies & startups, and also by sharing it to groups on social media platforms, such as Facebook and LinkedIn.

As for the statistical techniques, for the analysis of these 2 surveys, we used the google survey platform and the Microsoft excel analytics to evaluate and form all of our data.

All the interviews were taken in 2017

3.2. Survey of Entrepreneurs

The total sample presented in this first survey questionnaire were **60 people**, of which 44 were male entrepreneurs while 16 were female entrepreneurs.

As for the age group of the interviewees, we had a higher percentage of responses from entrepreneurs belonging to the age group of 31-45 years (60%) and fewer for the age group 16-24 (3,3%).

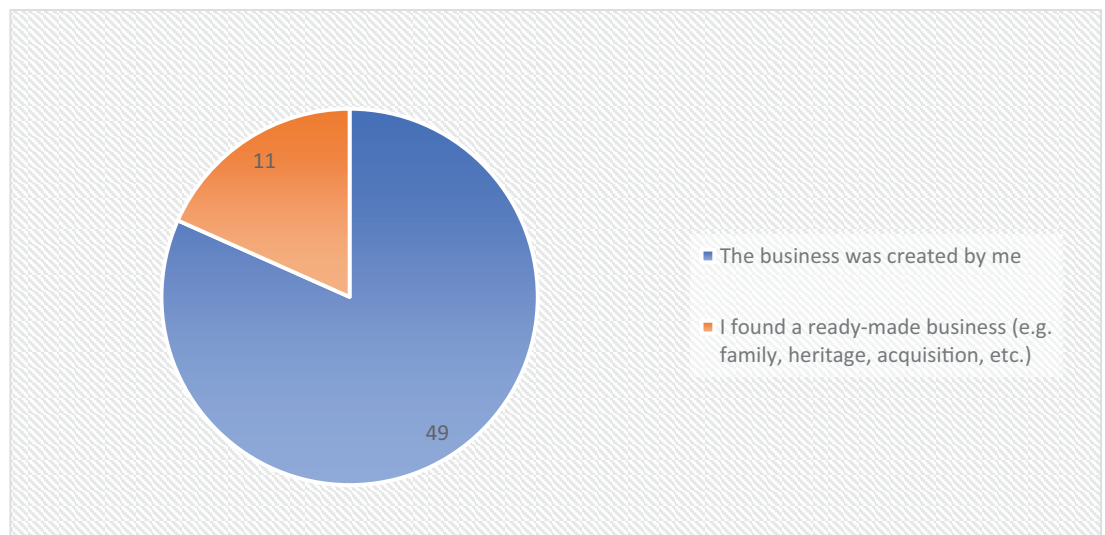
The breakdown of the categories to which the respondents belong based on the replies

"The business was created by me"

"I found a ready-made business (e.g. family, heritage, acquisition, etc.)"

In total 49 respondent for the first category and 11 for the second category.

TABLE 1: Category of responders for the first survey.

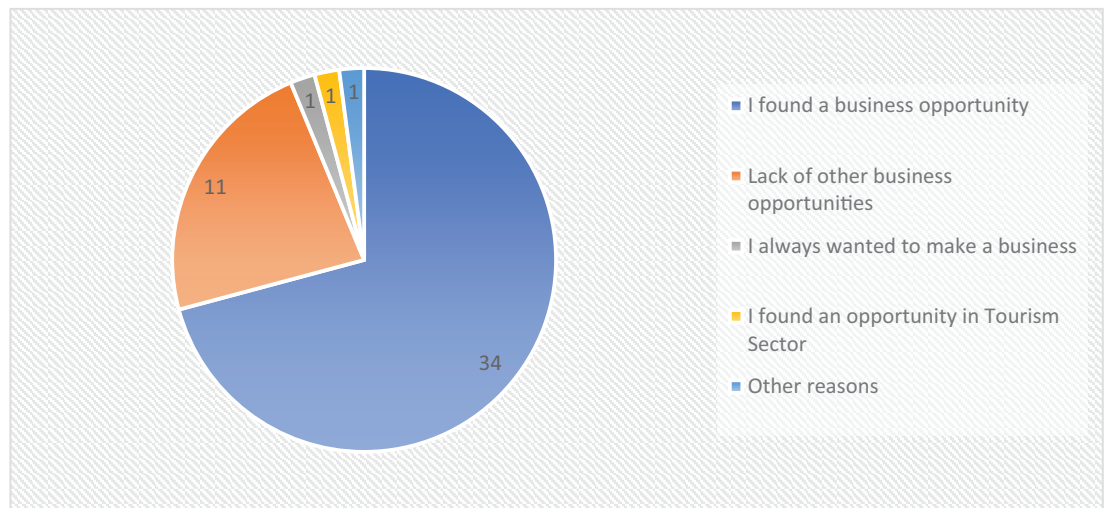


3.2.1. Analysis of the survey

To begin with, as we can observe from statistics from the **Tablet 2**, we can understand the reasons why entrepreneurs want to open a business.

Analyzing the answers, we observed that the two main reasons why these people made a business were first because they found a business opportunity and secondly because they did not have any other working prospects.

TABLE 2: Reason to open a business.



In addition, a relevant question that was answered only by people who are the owners of a Start-Up company, concerning that they are difficulties being more extrovert in your business, we found that the most common answer was the profit and income taxation.

Moreover, in a question about the future of the entrepreneurship in Greece, nearly 2/3 of the interviewers answered by expressing high pessimism about it and about 1/3 had reduced their workers during the past year (2016)

In another question, many entrepreneurs answered that they are struggling to cover their living needs through their business operations and many of them were not provided with any advisory support on how to build or form their business plan on the initial stage.

Furthermore, other factors which were more frequently reported as the reason for the decreasing development of their business were the shrinking turnover and the inability of finding the right people for the right job description.

Last but not least, a lot of the interviewers were also disappointed with the quality of services that was given by their accountant.

3.3. Survey of Non-Entrepreneurs

The total sample presented in this second survey questionnaire was **66 people**, of which 36 were males while 30 were females.

As for the age group of the interviewees, we had a higher percentage of responses from entrepreneurs belonging to the age group of 16-24 years (86,4%) and fewer to the age group 31- above (1,5%).

The breakdown of the categories to which the respondents belong based on the replies

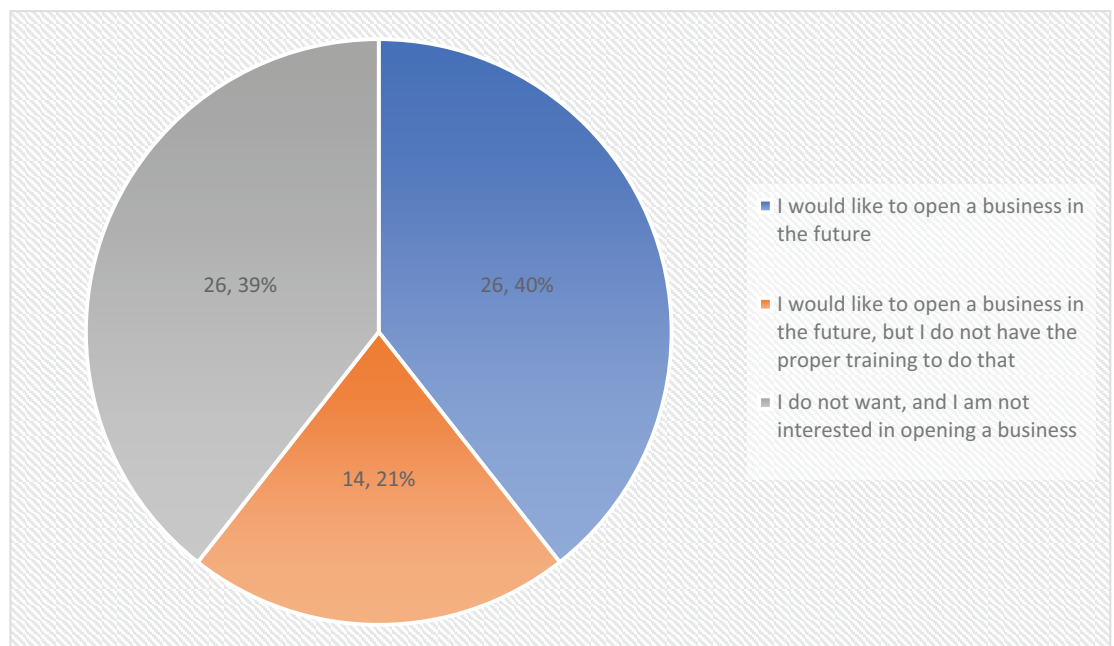
"I would like to open a business in the future"

"I would like to open a business in the future, but I do not have the proper training to do that"

"I do not want, and I am not interested in opening a business"

In total, 26 responded for the first category, 14 for the second and 26 for the third one.

TABLE 3: Category of responders for the second survey.



3.3.1. Analysis of the Survey

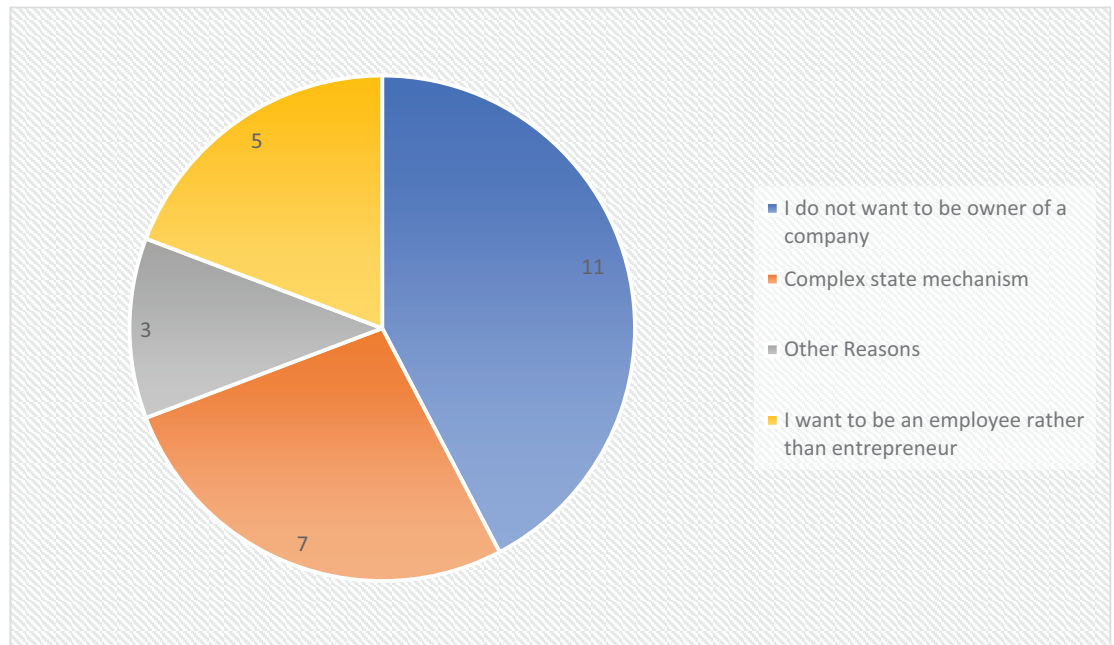
Responders from the first category (**I would like to open a business in the future**), estimated that there is a good opportunity for them to start a business in the future, whereas that plenty of them answered that are not having the needed knowledge on how to do that.

Furthermore, a small percentage of the responders reported that they might attempt to open a business in the future if the economy gets better and the bureaucracy becomes friendlier.

Additionally, in the question "Would you want to open a cooperative business" the majority responded positively in the have this chance.

Last but not least, as for the responders of the last category (**Table 3**) the two most common reasons why they do not interest opening a business in the future, is first because they do not care about the business sector and secondly because of the complex state mechanisms and the uncertain business future.

TABLE 4: Reasons not to open a business.



4. Conclusion

As we observed previously, to make entrepreneurship friendly to more businesses, it is necessary to reconstruct the tax system and make it more sustainable. Similarly, it is important also, to have financing support through initiatives and help new innovative businesses and startups launch their businesses.

Now, summarizing the results of the two conducted surveys, we can indicate a few useful key points.

1. A huge presentence of the current entrepreneurs are still afraid of a bankrupt due to the high taxation and the affection of their market continuation of the economic crisis.
2. Many business owners are struggling with government tax policy and other bureaucratic issues hence they are afraid of business closure and cannot find the right workforce for demanding projects.

3. A cooperative style of business is a good alternative that many of the responders might want to do in the from this point forward.
4. Lastly, people who are not involved in any business activity and especially the young generation, are interested nor like to commence a business because of the fractal economy situation in Greece and the general ignorance of this specific field.

To conclude, further analysis of our results indicates that entrepreneurs in Greece believed that the financial crisis was the cause of many of the problems that have arisen in the business sector. Along with the crisis, tax policy also appears to be one of the most important problems, while the parallel pay cuts, further hamper the business scenery. On the contrary, despite all these recent economy events, a small presentence of interviews is still optimistic for the future of the economy as well as the recovery of the business sector.

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