

BUSINESS Partners

THE MAGAZINE OF THE AMERICAN-HELLENIC CHAMBER OF COMMERCE

NOVEMBER-DECEMBER 2015
Vol. XIV | No. 81

Thought Leaders Point, Counterpoint

LEADERSHIP
CHANGE
MANAGEMENT



THE HUMAN AGE
BE KIND



SYNERGIES@WORK
LOCKHEED MARTIN
& HAI



GREECE 2.0
I HAVE A DREAM



ALBA BUSINESS REVIEW
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Straight Talk— Greece and the Economy

Marios T. Kyriacou

Senior Partner, KPMG Certified Auditors S.A.

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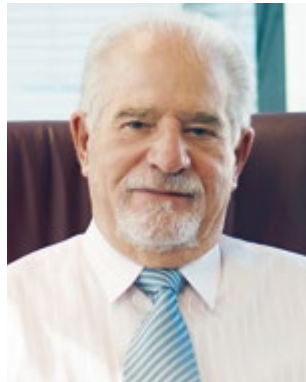
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24▼

Marios T. Kyriacou, Senior Partner at KPMG Certified Auditors S.A., discusses the framework for growth and reform in Greece



38▼

Marielle Thomas, EAST MED Regional Director, Greece, Israel, & Cyprus, Stanley Black & Decker, on the critical role of change management



40▼

Dennys Plessas on Lockheed Martin's agreement with Hellenic Aerospace Industry (HAI)



- 4 THE BOARD**
- 6 CHAMBER NEWS**
- 10 ALBA BUSINESS REVIEW**
Commitment to Flexibility:
A Modern Resource Allocation Approach
BY DR. STEFANOS ZARKOS
- 12 NAMES & FACES**
in the News
- 14 HERITAGE ECONOMICS**
Thinking Outside the Box, Exhibiting Outside the Museum
BY DR. EVANGELOS KYRIAKIDIS
- 15 ONE WORLD**
MetLife LifeChanger—How MetLife's CSR Initiative
Impacts the Young
- 16 BIZ BUZZ**
- 18 TRAVEL AMERICA**
With Lufthansa: Harro Julius Peterson Interview
- 20 SPARK!**
Government Programs That Help Unemployed
Become Entrepreneurs
BY PROF. DR. PETER VOGEL
- 21 EDUCATION**
Not-for-Profit Universities: An Unknown Concept in Greece
BY ALEXIS PHYLACTOPOULOS
- 22 BUSINESS MATTERS**
A Positive Footprint in the Greek Economy
with Christos Charpantidis
- 23 TRAVEL USA**
Discover America—North Dakota
- 24 THE INTERVIEW**
Marios T. Kyriacou, Senior Partner at KPMG Certified
Auditors S.A, on the Greek Economy
- 26 THOUGHT LEADERS**
Point—Counterpoint: Critical Issues in Perspective
- 36 THE HUMAN AGE**
Be Kind
BY DR. VENETIA KOUSSIA
- 38 LEADERSHIP**
Change Management—Your Ultimate Test
BY MARIELLE THOMAS
- 40 SYNERGIES@WORK**
Lockheed Martin's Vote of Confidence to the Hellenic
Defense Industry with Dennys Plessas
- 42 GREECE 2.0**
I Have a Dream
BY GEORGE S. KOUNOUPIS, ESQ.
- 44 BUSINESS2BUSINESS**
A B2B Toolbox
- 46 TRENDS & TRADE MAKERS**
- 48 VIEWPOINT**
Prime Ministers in Greece: The Paradox of Power

BUSINESS PARTNERS IS THE BIMONTHLY MAGAZINE OF THE AMERICAN-HELLENIC CHAMBER OF COMMERCE

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The close of 2015 finds Greece struggling to overcome its financial problems and get back on track. After two elections, one referendum, capital controls and one more memorandum, no one wonders why the country's economy is sluggish. And, unemployment is rising again and another round of brain drain has begun. Welcome back to the future.

It would be normal to expect that after the new agreement and the new 82-billion Euro loan, Greece would finally do what is necessary to get itself in better shape. In other words, reform.

Instead, we are witnessing repetitions of policies that led to pathogenic system breakdown. A continuation of causes that brought us to where we are now. More unproductive measures, such as high taxes and other unnecessary overhead costs. Once again, a lack of will to create an attractive investment environment. Once again, mismanagement of state organizations and a lack of accountability. Once again, the appointment of incompetent people in the state administration and management positions.

Without a new course, a new strategy, and new people, there is no hope for a "reversal of fortune." Our struggling economy and high unemployment desperately require initiatives that leap past obsolete ideological differences, behind which we hide our internal resistance to change. We need to decide whether we want to become a modern democratic state with strong, independent, and trustworthy institutions and values.

We all know that the solution to our financial impasse lies in attracting investment and expanding entrepreneurship. How else is it possible to redress unemployment and brain drain? It is disappointing that in times when money is cheap and available we do whatever possible to send it away. In our recent travels to Washington, we witnessed a strong interest in our country but in almost all meetings our structural problems were the deal breaker.

Greece has amazing opportunities in many sectors, but sustainable investments are not looking for low taxes and low wages. They primarily look for an environment with a high degree of justice, transparency and accountability. They look for a credible environment that will treat them with friendliness and respect. Credibility is not built with words and promises, it is built with actions.

No one owes us anything because we are Greeks. To the contrary, we owe it to ourselves to change—and to respond with valor to our call of duty and, with respect, to our country's name, history and legacy. To a real future.

ELIAS SPIRTOONIAS
Executive Director

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The American-Hellenic Chamber of Commerce is an active mem-

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Chamber Organizes Hellenic Pavilion at AUSA 2015

The Chamber, in supporting the growth potential of the Hellenic defense industry, and with the aim to strengthen its presence in the United States, organized for the second consecutive year the Hellenic Pavilion at the AUSA 2015 Annual Meeting and Exposition that took place October 12 – 14, 2015 in Washington D.C.

“The Chamber,” according to President Simos Anastasopoulos, “believes that while Greece is trying to achieve fiscal consolidation and find its way to sustainable development and growth, its healthy private and public sectors need to continue the effort to enter new export markets. Innovative and outward-oriented companies are eager and capable to take advantage of global business opportunities and participate in international projects that will benefit themselves as well as the national economy.”

AUSA 2015 was a unique opportunity for participating Greek companies to connect with defense businesses within regional and global markets, with a strong focus on the United States of America.

The Deputy Minister of National Defense, Dimitris Vitsas, who attended the event with Ministry personnel, said, “the Ministry of National Defenses want to actively encourage the outward-oriented efforts of our defense industry by promoting its strong capability and existing infrastructure as well as our peoples’ fresh and innovative ideas. We inform all stakeholders that the Hellenic defense Industry is present, viable, reliable and competitive and supports Greece’s efforts for development and growth.”

The Chamber organized the Hellenic Pavilion under the auspices and with full support of the Hellenic Ministry of National Defense and Enterprise Greece.

Hellenic Pavilion Exhibitors: Hellenic Aerospace Industry (HAI) | Hellenic Defence Systems (HDS) | Hellenic Vehicle Industry (ELVO) | IDE-Intracom Defense Systems | Theon Sensors | ELFON | Alpha Systems/Kouimtzis | DASYS

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CHAMBER LAUNCHES ATHENS CULTURE SYMPOSIUM

The Chamber and the International Relations for Culture held, for the first time in Greece, the Athens Culture Symposium, on November 2, at the Alikei Theatre–CityLink in Athens. The main topics discussed at the conference were Cultural Diplomacy, New Technologies and Self-Financing, Culture & Regional Development, Cultural Institutions & National Cultural Development, Proposals From the World of Culture in Planning and Strategy. During the conference “Sfygmos Politismou” (The Pulse of Culture), a first ever nationwide statistical research survey to record the cultural behavior of the public, member companies of the American-Hellenic Chamber of Commerce and people professionally involved (directly or indirectly) with cultural activities, was presented. Chamber President Simos Anastasopoulos opened the event along with the President of International Relations for Culture President Zozo Lidoriki. Minister of Culture Aristidis Baltas, as well as numerous members of cultural organizations, the diplomatic community, and enterprises, addressed the more than 200 delegates in attendance. Keynote addresses were delivered by Louka Katseli, Governor of the National Bank of Greece, and Werner Hoyer, President of the European Investment Bank.

SIMOS ANASTASOPOULOS, LITSA PANAYATOPOULOS, LOUKA KATSELI, WERNER HOYER, ZOZO LIDORIKI



13th Annual Corporate Social Responsibility Conference

The Chamber, in conjunction with its Corporate Social Responsibility Committee, held its 13th annual Corporate Social Responsibility conference, Changing Mindsets Within the Boardroom: Fostering a Culture of Corporate Sustainability, on October 26 at the Athens Ledra Hotel.

Today, companies are challenged to focus on growth, provide a more holistic workplace, and respond to new, difficult issues, including environmental risks, community development, and long-term thinking. The conference, attended by 250 delegates, provided a platform for delegates to join the discussion on how forward-thinking boards understand the importance of fostering a culture of corporate sustainability to lead to a more sustainable future.

Among the speakers were Antonis Papaderakis, Secretary General at the Ministry of Economy, Development, and Tourism.

The event's successful innovation, the CSR Marketplace, showcased best practices, encouraged more interaction, dialogue, and sharing among conference participants. The exhibitors included: AbbVie, Athens International Airport, Diageo, EY, Hellenic Petroleum, Interamerican, Vodafone, Elliniki Etairia, Salvation Army, Shedia.

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SANDRA COHEN, ALASTAIR MACGREGOR, PANOS PAPAZOGLOU, DIMITRIOS DIMOPOULOS



YIANGOS CHARALAMBOUS, VASSILIS RABBAT, POLYDEFKIS LOUKOPOULOS, DESPINA PASSARIS



ELECTION DEBATE

The Chamber hosted a pre-election debate on September 8 at Cotsen Hall of the American School of Classical Studies. The topic was The Reconstruction and Development of the Greek Economy. Chamber President Simos Anastasopoulos opened the debate with an overview of the challenges that Greece faces today and that the Greek government must address without delay.

Participants included George Stathakis, Syriza; Kyriakos Mistotakis, New Democracy; Haris Theoharis, Potami; Andreas Loverdos, Pasok-Dimar, and Dimitris Kammenos, Independent Greeks.

The discussion was moderated by journalist Katia Makri.

TRADEUSA OPEN DAY EVENT

The Chamber of Commerce held a TradeUSA Open Day Event on October 2, at the Hotel Grande Bretagne in Athens. The event presented the TradeUSA Department of the Chamber, showcased trade delegations, and to announce its 2016 strategy. Participating companies came from the Construction, Food & Beverages, and Fashion and are interested to expand their trade activities to the United States.

TRADEUSA WORKSHOP IN THESSALONIKI

On November 12, the Chamber held a TradeUSA Workshop—Prepare, Plan, Execute, at the Met Hotel in Thessaloniki. The event was held in cooperation with the Greek International Business Association (SEVE) and sponsored by AIG.

HealthWorld—Does Health Matter?

The Chamber's 14th Annual Healthworld Conference —“Does Health Matter”—took place on Monday, October 19 & Tuesday, October 20 at the Athens Ledra Hotel. The conference was held under the auspices of the Ministry of Health and the Hellenic Association of Pharmaceutical Companies.

Representatives from all Healthcare sectors participated at the conference and took part at the constructive discussions expressing their deep concerns regarding our country's healthcare environment.

Approximately 400 distinguished guests, representatives from the political, academic and business communities attended the conference, where key issues of healthcare policy were presented and discussed.

Simos Anastasopoulos, President of the Chamber said: “immediate measures are needed for the stabilization of the health sector to ensure the provision of quality health services to all citizens. Structural reforms that will change the economic environment and will attract investments are needed by the country.”

Among the many distinguished speakers were Haseeb Ahmad, President of the Chamber's Pharmaceutical Committee; Pascal Apostolides, President of SFEE; Andreas Xanthos, Minister of Health; Giannis Baskozos, Secretary General at the Ministry of Health; Costas Fotakis, Alternate Minister of Research and Education at the Ministry of Education; Efstratios Zafeiris, Secretary General, Ministry of Economy; and members of the academic, healthcare, and pharmaceutical communities in Greece.

ANDREAS XANTHOS



COSTAS FOTAKIS



HASEEB AHMAD



VASSILIOS KATSOS, PASCAL APOSTOLIDES, ANASTASSIOS TAGARIS, JOHN KYRIOPOULOS, THEODORE LIAKOPOULOS, ATHANASSIOS SKOUTELIS, EMMANUEL LORGE, KATERINA KOUTSOGLIANIS, IOANNIS DAGRES,



NIKOS DEDES, SIMOS ANASTASOPOULOS, ANDREAS XANTHOS, PASCAL APOSTOLIDES, HASEEB AHMAD,



DARIO PIROVANO



KURT TONG

CHAMBER HOSTS KURT TONG

The Chamber hosted a special discussion on the Transatlantic Trade and Investment Partnership (TTIP) under the title TTIP: Opportunities and Prospects for the U.S. & European Economies on October 27, at the Atheneum InterContinental Hotel. Guest speaker was Mr. Kurt Tong, Principal Deputy Assistant Secretary in the Bureau of Economic and Business Affairs at the U.S. Department of State. Mr. Tong said that TTIP is an agreement that goes far beyond tariffs, and focuses on regulation that is designed to deeply integrate the U.S. and EU markets and that, at a global level, also goes far beyond bilateral trade and WTO agreements. TTIP is the most far-reaching trade agreement that will essentially change global trading rules. For U.S. companies the deal will, he said, greatly assist exporters and for EU companies allow them to become far more competitive. Regarding Greece, Mr. Tong believes TTIP will assist in economic recovery and will make Greece more attractive as an FDI destination. At the moment, exports to the U.S. account for only 4% of Greek exports and he believes this can and should increase substantially.

In a question about the key impediments in the negotiations, Mr. Tong mentioned data protection, environmental regulations, foreign investment dispute resolution, and geographical indications. He claimed that at the 11th round of negotiations, to be held in Miami, both parties would try to resolve, or put on a strict timetable, most of these and other issues.

Thessaloniki Tax Forum

The Chamber and its Taxation Committee held the 7th Annual Thessaloniki Tax Forum under the title: The Tested Strength of the Economy and Society within in the Suffocating Burden of Over-Taxation and Strict Austerity, on November 13, at the Nikopolis Hotel, Thessaloniki.

Speakers discussed issues including fair taxation and the proper functioning of tax justice, taxation and development, competitiveness, openness and business ethics, the underground economy and tax evasion, tax codes and the new single property tax. The Thessaloniki Tax Forum 2015 was designed to offer delegates first-hand knowledge of crucial taxation issues and provided a decisive platform for high-level dialogue between the public and the private sectors in Greece. Delegates included distinguished state officials, taxation experts, accountants, consultants, professors, decision and policy makers, and members of the Greek business community. The Forum, attended by over 250 delegates, focused on those tax policies to be followed that will lead to healthy fiscal positions and economic growth.



JOSEPH QUINLAN SPEAKS TO CHAMBER MEMBERS

Joseph Quinlan, Managing Director and Chief Market Strategist at U.S. Trust, Bank of America Private Wealth Management, who appears regularly as a television commentator and whose research is frequently cited in Barron's, The Wall Street Journal, The New York Times and the Financial Times, spoke to guests at a breakfast meeting held by the Chamber on October 8 at the Hotel King George in Athens. Mr. Quinlan discussed his view of the Greek economy and spoke about the Trans-Atlantic Trade and Investment Partnership (TTIP).

ELIAS SPIRTOUNIAS



ELIAS SPIRTOUNIAS & STAVROS KOSTAS



NIKOS VETTAS



GEORGE MAVRAGANIS



STAVROS KOSTAS



ATHANASSIOS SAWVAKIS



Chamber Calendar

December 9 Athens, WIB Committee Luncheon with David Orban, Chief Innovation Officer, Dotsub and Advisor, Singularity University

December 14 Chania, Trade U.S.A. Workshop

January Athens, New Year's Reception

February Thessaloniki, New Year's Reception

February Athens, Leadership Forum

February Athens, Fundraising and cultural management seminars

February Athens, Big Data & Data Protection

March Athens, 13th Athens Tax Forum



BY DR. STEFANOS ZARKOS
ASSISTANT PROFESSOR IN THE PRACTICE OF FINANCE,
ACADEMIC DIRECTOR OF MSC PROGRAMS AT ALBA GRADUATE BUSINESS SCHOOL
AT THE AMERICAN COLLEGE OF GREECE.

In strategic management literature commitment and flexibility are often presented as contradictory paradigms.

COMMITMENT TO FLEXIBILITY

A Modern Resource Allocation Approach

For example, the investment in resources and creation of overcapacity is perceived as an aggressive signal to possible entrants. Possible entry may cause a nearly suicidal confrontation at a cost that potentially threatens the very existence of both the defending firm and the competitor. Burning your exit options is a typical signal of commitment. The literature provides several examples like burning bridges, destroying ships, and other heroics to discourage enemy attack.

Commitment seems to work well in rather stable market environments. After all, the very essence of business planning is almost tautological to the notion of commitment in terms of resources devoted for a specific purpose. For instance, the economies of scale through industrialization is a typical benefit of commitment in production resources. However, commitment comes at a cost which is often associated with loss of flexibility. This cost becomes even more apparent in the current business environment characterized by high level of uncertainty. Commitment as a manifestation of persistence to prior choices may turn the firms into corporate dinosaurs that will extinguish along with their traditionally defined markets.

On the other hand, there is flexibility, referring to the ability to outmaneuver and

beat the opponent. Usually, the narrative that promotes the virtues of flexibility describes small, agile, “smart” players that can exploit the relative weaknesses of their opponents and score against them. However, flexibility by itself as a notion is not

FLEXIBILITY SHOULD NOT BE PERCEIVED AS AN END ITSELF BUT AS THE MEANS WITH WHICH THE FIRM CAN EXERCISE ITS OPTIONS PROFITABLY AND COPE WITH THE FUTURE CHALLENGES SUCCESSFULLY

always beneficial to the firm. If developed in an unorderly fashion there is the danger of flexibility becoming an opportunistic approach in management characterized by unorganized reaction to changing circumstances. Without clear direction, firms are threatened to enter into a continuous turmoil shifting from one strategic choice to another without achieving any serious or sustainable benefit.

Thus managers have to decide what they

mean by being flexible and what the best form of flexibility is for their company. We see that the “commitment or flexibility” dilemma set above is an unreal one since none of them prevails over the other and the firm cannot, and should not, perceive them as mutually exclusive alternatives to choose from. To restore this error we rephrase the statement and transform it from a mere contradiction to a synthesis and reconciliation of the terms, that is, “Commitment to Flexibility.”

Commitment to flexibility refers to an organized way to develop and maintain those aspects of flexibility that really matter. Sources of flexibility are obtained through investment projects in new technologies, new marketing tools, new processes and the like. To demonstrate the practical implications of the above to modern financial management consider an opportunity available to the firm as equivalent to a real call option. The company has the right but not the obligation to make the necessary investment (equivalent to exercise price) and capture the benefits from the particular opportunity. According to the real options the firm should invest on specific resources and capabilities that enable the firm exploit market opportunities better, faster, and cheaper than competitors. But to do so the firm must have made a prior commitment to those sources of flexibility that reduce the cost of exploiting the opportunities and not simply increase flexibility for the sake of it. In other words flexibility should not be perceived as an end itself but as the means with which the firm can exercise its options profitably and cope with the future challenges successfully. 🐉



70 YEARS IN BUSINESS
52 NATIONS SERVED
126 PROPRIETRY DESIGNS
615 HULLS CONSTRUCTED

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...in the news

▼ STAVROS KOSTAS AT HANDS ON BUSINESS FINANCE—2015 CONFERENCE



Stavros Kostas, President of the Chamber's Taxation Committee, spoke at the "Hands on Business Finance - 2015" Conference held September 24. Mr Kostas spoke on the Starring Role of Finance Management at the Crucial Time of Complying with Demanding Taxation Requirements. He discussed the need of leaders in finance to integrate the competitive advantages of their enterprises with efficiency deriving from correct and strategic tax management. This approach is especially crucial in today's recessionary environment, where business must cope with Greece's longstanding, pathogenic and adverse taxation system.

▼ U.S. CONGRESSIONAL DELEGATION VISITS GREECE

On September 20-23, 2015, U.S. Congressman Steve Scalise, U.S. House of Representatives Majority Whip and Representative for the State of Louisiana, led the visit of a U.S. congressional delegation to Athens and Chania, Greece. The delegation met September 21 with President Pavlopoulos to discuss energy, economic developments, security, and migration issues as part of a wide-ranging discussion on topics of bilateral and regional interest. On September 22, the delegation concluded their visit to Greece with briefings at the Naval Support Activity at Souda Bay, Crete.

▼ CNN.GR LAUNCHES



CNN has launched a Greek edition at cnn.gr of online news in collaboration with DPG Digital Media, based in Athens. "The launch of CNN.gr is an important moment for CNN, and equally important for news audiences in Greece," said CNN's Chief Commercial Officer Rani R. Raad. Editor in

Chief is Andreas Panagopoulos.

▼ FLEETWEATHER BUSINESS INTELLIGENCE OPENS ATHENS OFFICE

FleetWeather Business Intelligence, a provider of industry-unique maritime business intelligence (BI) solutions and consulting services for global shipping leaders, opened its new office this October in Athens.

YIANNIS PARASCHIS—AIRPORT CHIEF EXECUTIVE OF THE YEAR



YIANNIS PARASCHIS

Athens International Airport's CEO, Yiannis Paraschis, was honored with the "CAPA Airport Chief Executive of the Year" Award in Helsinki, for his pioneering work at Athens Airport and his overall contribution to the international airport industry.

The award distinguishes the airport executive who has demonstrated outstanding strategic thinking and innovative direction for the growth of the specific airport business and the industry. Mr Paraschis was selected "for his ability to thrive in an extremely difficult environment." Mr. Paraschis said: "I feel deeply honored with this distinction, which comes from the world leaders of independent aviation market intelligence. It emphasizes that, even going through the most severe conditions, a company governed efficiently and driven, at the same time, by the firm commitment of a highly capable and dedicated team of professionals, may achieve fantastic results. Dealing with significant challenges is never a one man show. This recognition belongs to the Athens International Airport and the total of 13,000 employees from 300 public and private sector operating entities."

NEW ECONOMIC COUNSELOR



STEVEN BITNER

Steven Bitner is the new Economic Counselor at the U.S. Embassy. Prior to his posting in Athens, Steve was the Deputy Chief of the Economic Section at U.S. Consulate General Jerusalem where he worked to develop the Palestinian economy and contributed to the economic track of negotiations between Israel and the Palestinian Authority. He served previously as an economic officer in San Jose, Costa Rica where he advanced the Central American Free Trade Agreement and as an economic officer in Warsaw, Poland. Steve has also completed multiple tours within the State Department's Executive Secretariat in Washington, D.C. Before joining the Foreign Service, Steve completed a Fulbright Fellowship in Kuwait.

SPEAKER'S CORNER

AN OATH OF BEAUTY

The Athenians had an oath for someone who was about to become a citizen: 'I shall leave the city not less but more beautiful than I found it.'

—Richard Rogers

DOES? DID? WILL AGAIN?

Rome represents conquest; Faith hovers over the towers of Jerusalem; and Athens embodies the pre-eminent quality of the antique world, Art.—Benjamin Disraeli

Q&A



DR. ORSALIA KALANTZOPOULOS
CEO, EUROPA-RE

Disaster Insurance

Please tell us about Europa re.

Europa-re is a Swiss catastrophe reinsurance company, set up by the World Bank to help the countries of South-east Europe, the Caucasus and Central Asia respond to natural disasters and extreme weather events caused by climate change. Member countries, insured municipalities and households can respond quickly and avoid major financial implications.

Is it important for Greece?

Greece is a prime candidate for catastrophe insurance as it is highly exposed to natural disasters, earthquakes and climate change associated events. Droughts, floods and extreme temperatures will become more pronounced as climate change affects Greece. Today, central and local governments continue to be self insured, helping households and businesses through limited own funds. As private insurance penetration for households and small businesses, especially agricultural businesses, remains extremely low, a natural disaster can translate to a financial disaster.

How can Greek businesses and households participate?

Europa-re would be interested to engage in Greece but must do our "homework." This involves a mapping, understanding and modeling of risks. Locating flood planes and areas prone to landslides and droughts. Seeing how often events occur. And to examine the insurance sector regulatory environment so we can ensure solvency and meet Swiss and EU solvency standards.

► more info: www.europa-re.com

News To Make Us Proud

▼ FIRST PRIZE

The **Department of International Studies** and the team of undergraduate students of the **University of Athens' Law School** won first place in the Global Rounds of the **Foreign Direct Investment International Arbitration Moot** that took place in London October 29-November 1.

▼ WINNER OF TOP PHYSICS PRIZE



Vicky Kalogera, who received her Ptihio (B.S.) in Physics in 1992 from the **University of Thessaloniki** and her Ph.D. in Astronomy in 1997 from the **University of Illinois** has won the **2016 Hans A. Bethe Prize** from the **American Physics Society (APS)**. Ms. Kalogera's research focuses on

the physics of compact astrophysical objects: white dwarfs, neutron stars and black holes. "It's a humbling honor to receive this award," she said. "Many of the past recipients are giants in the field, people whose work I have admired and read about since I first started learning about astrophysics and nuclear physics."

▼ STILL NUMBER ONE

Greece continues to be the **largest ship-owning country**, followed by Japan, China, Germany and Singapore, according to the UNCTAD Review of Maritime Transport 2015. Together, the top five ship-owning countries control more than half of the world tonnage.

▼ ATHENS AMONG WORLD'S BEST SUBWAYS

The travel guide **Frommer's** has selected **Athens Metro** among the best in the world. It says, "One of the crowning achievements of this city's Olympic bid was the creation of Attiko Metro, with stations housing archaeological exhibits and items that were uncovered while digging (walls, cisterns, urns, and even sarcophagi).

▼ MAJOR ARCHAEOLOGICAL FIND

The most important treasures "to have been discovered in 65 years," according to the **Culture Ministry**, have been unearthed in southwestern Greece by archaeologists from the **University of Cincinnati**. In the area surrounding the **Nestor Palace** of ancient **Pylos** (modern-day **Chora, Messinia**), archaeologists have discovered the rich grave of a warrior who was buried at the dawn of European Civilization

AND THAT'S THAT

This City is what it is because our citizens are what they are.

—Plato

THE FREEDOM TRAIL

When the freedom they wished for most was freedom from responsibility, then Athens ceased to be free and was never free again.

—Edith Hamilton

AND JUSTICE FOR ALL

Justice will not come to Athens until those who are not injured are as indignant as those who are injured.

—Thucydides



BY DR. EVANGELOS KYRIAKIDIS
SENIOR LECTURER IN AEGEAN PREHISTORY,
LEVENTIS SENIOR FELLOW IN HERITAGE MANAGEMENT,
UNIVERSITY OF KENT, CANTERBURY

Museums in Greece have fabulous collections; some have unsurpassable collections.

Thinking Outside the Box, Exhibiting Outside the Museum

Not exhibiting works of art, that have universal appeal, showcase Greece's vast cultural heritage, and contain precious potential revenue streams, is not a good idea. Keeping them in storage benefits no one.

Temporary exhibitions that travel, a practice the most successful cultural institutions in the world have taken up, is a way to showcase Greek art out of the museum, overcoming at the same time the problem of limited space. In addition, museums promote themselves globally, reach new audiences, satisfy key stakeholders, and generate vital funds that all museums need.

Limited resources, human and monetary, often prevent museums from taking advantage of such a win-win model. Creating attractive and compelling exhibits, that can compete on an international scale, requires vertical skills and lateral understanding. Lacking such skills inhibits international ambitions.

The topic of temporary exhibitions was addressed in Athens this year at the Initiative for Heritage Conservation Executive Leadership Development Workshop on Temporary Exhibitions, organized for the first time in Greece with the Victoria and Albert Museum of London and hosted by the Benaki Museum. The workshop was led by Rosie Wanek, senior project manager (V&A).

It was made clear that temporary exhibitions do not necessarily need a high budget. In fact, it was shown that if a proper

plan is put together, temporary exhibits can break even by their third iteration. Following that, revenue accrues to the organizing institution. With this in mind, it becomes easier to imagine the possibilities—and potential—of organizing such temporary exhibitions. The rewards are multiple—a sustainable source of alternative funding, networking, outreach, as well as the promotion the museum's collection and mission. 16 students from Greece, the U.S. and Ukraine attended the workshop, many of which museum curators, conservators, graphic designers or project managers, and

and the beginnings of a network can work wonders for these museums and their collections.

Currently, the main impediments to museums in promoting temporary exhibitions are lack of ambition, lack of experience in this field, and therefore no significant network, and lack of clear 'out of the box' thinking that will provide a clear perspective to what each museum can do. In addition, a lack of staff time and proper planning further impede the potential.

The Victoria and Albert Museum has more than 30 collections touring the world at any

AMBITION, CAREFUL PLANNING, THE RIGHT AMOUNT OF TIME DEDICATED IN DESIGNING THE EXHIBITION AND THE BEGINNINGS OF A NETWORK CAN WORK WONDERS FOR THESE MUSEUMS AND THEIR COLLECTIONS

worked in groups to create an appropriate summary of an exhibition to be proposed to museum boards and donors.

Greek museums have a strategic advantage; they have collections of a heritage with global significance, and they have the genuineness of being Greek.

Ambition, careful planning, the right amount of time dedicated in designing the exhibition

one time. They have created an alternative revenue stream and they promote their collection as one of the most important collections internationally.

There is no reason why Greek museums could not gradually do the same, starting with a modest number, say two exhibitions per year, that are of high enough quality to be exported. 🐼

METLIFE LIFECHANGER—

How MetLife's CSR Initiative Impacts the Young

The real test of any CSR initiative is the impact it has on members of society.

MetLife, through its Corporate Social Responsibility program MetLife LifeChanger, is actively promoting financial understanding and empowerment, thereby providing young people the skills and knowledge to be financially independent.

MetLife launched this initiative two years ago in partnership with Junior Achievement Worldwide (JA), the global organization that provides educational programs approved by the Government, in over 35 countries in the EMEA Region. It is the first initiative of MetLife Foundation's commitment to bring financial inclusion to underserved populations.

Since LifeChanger was launched, more than 100 MetLife volunteers in Greece have led a variety of programs—and reached over 1,100 students of all educational levels. Students, through these programs, become familiar

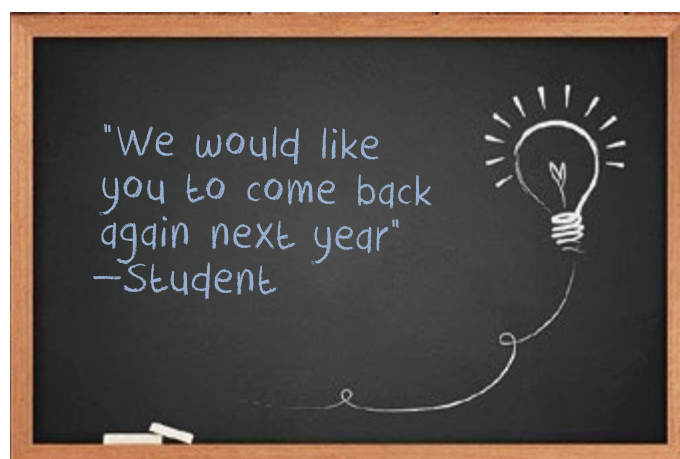
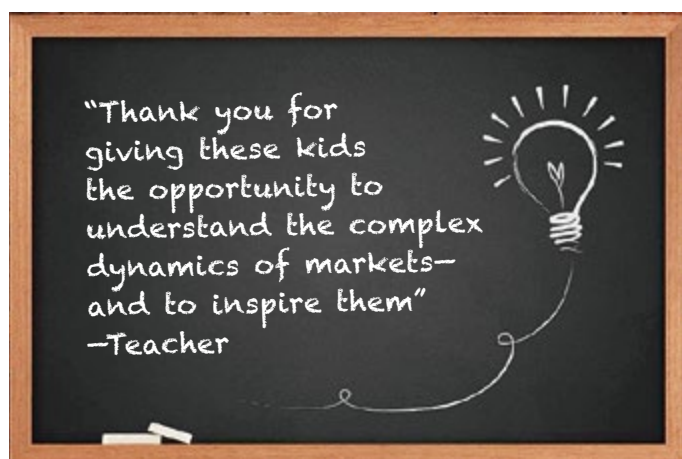


with basic financial concepts, participate in leagues and student competitions, enhance their entrepreneurial spirit and, most important, learn to become financially responsible for their own future. As the name implies, LifeChanger aims to directly affect young people and be a catalyst for meaningful change. Following its success during the past two years, MetLife is enthusiastic to continue the program during the 2015-2016 school year.

MetLife's vision is to empower and encourage the young generation, by enhancing their level of financial and entrepreneurial understanding, focusing on those children and young adults with limited access to such knowledge and information. Within the current environment in Greece, such initiatives carry increased potential to impact society and assist individuals.

This year, beyond reaching a broad array of students throughout the Greek school system, MetLife LifeChanger hopes to reach children supported by NGOs that assist people in financial need. Furthermore, in line with today's digital environment, tailor-made tech applications will be developed—at the same time allowing the program to reach more students and increase financial literacy both off and online.

MetLife, as a company and as a Foundation, is committed to helping people, families and communities around the world to get the most out of life. The willingness of volunteers who participate in the program ensures that MetLife LifeChanger will continue to carry on its CSR commitment—and continue to have an impact. 🐛



One-up Platform Presentation

On October 14, the One-Up platform was presented at the Impact Hub Athens. One-up is an innovative Crowdfunding tool, part of a Business Coaching Center program implemented by Praksis, an initiative that helps young people during this time of difficulty. During the event, young entrepreneurs presented their journey from the vulnerability and social exclusion they experienced in Greece during the crisis to their participation in the program, the development of their own business plan, and the participation of their campaign in the One-Up platform. Thomas Pierce, Director of Public Relations of the US Embassy in Athens, spoke about the Embassy's support in programs implemented to address the consequences of the economic crisis and promote social development and employment. He said that the event is celebrating the success of several participants in starting their own business and wished good luck to those who will follow. Paul Kidner, Project Coordinator at the Business Coaching Center, presented the One-Up platform, and said that this is the first platform in Greece that accepts credit cards and can provide over 98% of the funds from donations directly to the entrepreneur. He also mentioned that the development of the crowd-funding market will provide broad access to alternative sources of funding to support new businesses in Greece.

New Development Law— A New Beginning?

"The new development law will be implemented as of January, 1, 2016," according to Greek Economy Minister George Stathakis.

"Youth entrepreneurship will constitute the basis for Greece's growth. We are giving priority at all levels, and this is reflected strongly on both the new development law and the new programs of the NSRF.

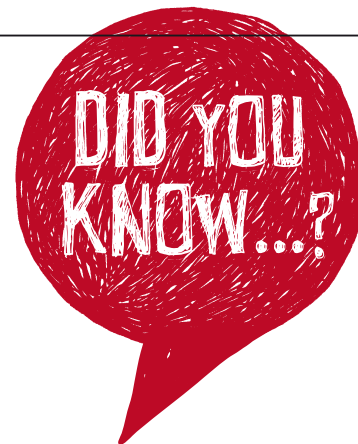
"We made all the necessary steps to smoothly start the new NSRF program. Apart from youth entrepreneurship, the program concerns small and medium entrepreneurship, tourism and reduction of unemployment," he said.

Greek Endgame, From Austerity to Growth or Grexit



Former Minister of Finance Nicos Christodoulakis, in his new book, explores in depth both the origins of the Greek debt crisis and the conditions under which the economy might be turned around from its current malaise. Greek debt turned explosive after the 2008 global crisis, through a combination of a fiscal spree and domestic policy complacency, but the unpreparedness and indecision of the European Union intensified the problem of liquidity and a massive bail-out agreement became inevitable. However, the stringencies of the adjustment program led to more recession and unemployment, while social tension and political polarization became entrenched.

The book lays out some key reforms that would allow Greece to return to growth and, at the same time, keep the Euro.



...humans are born craving sugar?
 ...there are more than 7,000 varieties of apples?
 ...the oldest evidence for soup is from 6,000 B.C.?
 ...apples, pears and plums belong to the rose family?
 ...alliumphobia is the fear of garlic?
 ...chocolate was once used as currency?
 ...coconut water could be used as a substitute for blood plasma?
 ...the tea bag was created by accident, as tea bags were originally sent as samples?
 ...ketchup was used as a medicine in the 1830s?
 ...pearls melt in vinegar?

STUDENTS WIN ROBOTICS SILVER

At the 12th Annual World Robot Olympiad that took place in Doha, Qatar, three senior high school students from Xanthi, won the silver medal, outdoing global competition. Vasilis, Alexandros and Harris, from the 1st Lyceum of Xanthi, created robots that look and act like human athletes on a football field. The students worked on their hobby for two hours every Sunday and practiced at school over the summer as part of their training. Dedication, ingenuity, and perseverance overcame a lack of financial resources to excel on the world stage. Interest in robotics in Greece is growing fast with a fourfold increase in the national competition since 2009.

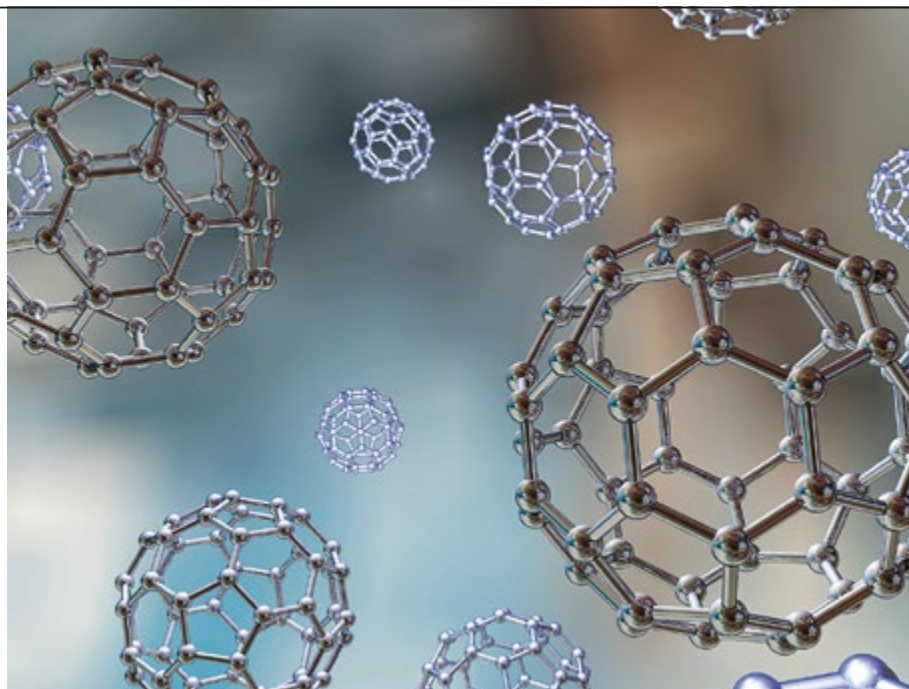
INDUSTRIAL REVOLUTION 4.0

A 4.0 industrial revolution is underway with the introduction of new digital technologies within smart factories enabling efficiency, flexibility and productivity gains.

In January 2015, a European consortium of researchers and industrialists launched the SatisFactory Project, which aims to demonstrate and promote the potential of 4.0 industry to improve the work environment in factories. SatisFactory is a three-year research project funded by the European Commission under its Horizon 2020 programme. It will create a collaborative and augmented-enabled ecosystem for increasing satisfaction and knowledge sharing in smart factory environments. The project proposes to incorporate a set of cutting-edge technologies in industrial assembly lines to provide laborers with real-time informational support for incident management, maintenance and training. Data will be collected by a sensor network, processed by a centralized analysis system and ultimately redistributed to the concerned operatives via augmented reality glasses and other connected interfaces.

After a test phase in pilot plants in Italy and Greece belonging to the automotive and energy fields, the project is expected to widely spread its solutions in Europe.

"Manufacturing enterprises need to incorporate human-centric technologies on one hand to increase their competitiveness and on the other to offer a working environment that is knowledge-driven and attractive to employees."—Dr. Dimitrios Tzovaras, Coordinator of SatisFactory (CERTH/ITI)



When Small Might Not Be Beautiful

A study led by UCLA scientists has found that smaller silver nanoparticles entered fish's bodies more deeply and persisted longer than larger silver nanoparticles or fluid silver nitrate.

More than 2,000 consumer products today contain nanoparticles — particles so small that they are measured in billionths of a meter. Manufacturers use nanoparticles to help sunscreen work better against the sun's rays and to make athletic apparel better at wicking moisture away from the body, among many other purposes.

Of those products, 462 contain nanoparticles made from silver, which are used for their ability to kill bacteria. But that benefit might be coming at a cost to the environment. In many cases, simply using the products as-intended causes silver nanoparticles to wind up in rivers and other bodies of water, where they can be ingested by fish and interact with other marine life.

According to Andre Nel, director of UCLA's Center for Environmental Implications of Nanotechnology (CEIN) and associate director of the California NanoSystems Institute at UCLA, it is not yet known whether silver nanoparticles are harmful, but the research team wanted to first identify whether they were even being absorbed by fish.

Intale Raises \$2.5 Million in New Funding Round

Greek start-up Intale raised \$2.5 million in a round led by European investor and entrepreneur Alexander Rittweger. Intale has raised a total of \$3 million to date. Intale develops integrated cloud solutions that improve the operations of small retail shops and convenience stores. Its flagship product, formerly known as i-kiosk is currently re-branding to Intale Point. The commercial launch of Intale Point is planned for the end of 2015. Fanis Koutouvelis, founder and CEO of Intale said, "We are very pleased with this new round of funding, especially since our new shareholder will be instrumental in guiding us to develop our unique offering and to market it successfully at a global scale."

LUFTHANSA

SEAMLESS, CONVENIENT AND COMFORTABLE TO THE USA

HARRO JULIUS PETERSEN, LUFTHANSA'S DIRECTOR OF PASSENGER SALES FOR GREECE & CYPRUS, DISCUSSES THE SUPERB OPTIONS THE AIRLINE OFFERS FOR TRAVEL TO THE USA, EUROPE, AND BEYOND.

Lufthansa is offering direct flights from Germany to Boston, New York, Philadelphia, Washington, Atlanta, Tampa, Chicago, Miami, San Francisco, Los Angeles, Denver and many more USA destinations

How was tourism traffic for Lufthansa in Greece this summer?

Lufthansa flew to Athens 23 times per week from Frankfurt and 23 times per week from Munich this past summer, offering seamless connections through our hubs to and from all over the world. We increased the capacity offered by 16% and we have maintained a load factor that reaches 90%. The economic situation has not affected tourism traffic. Tourists love Greece, they like the country and they will continue to visit and enjoy Greek hospitality.

Lufthansa has a long history flying travellers to Greece. What is it that makes these flights a long-term favorite for your passengers?

Travellers to and from Greece trust the quality of our services, Lufthansa's strong international network and its punctual and seamless connections to 321 destinations in 103 countries on 4 continents. Thus, Lufthansa holds a strong market share in Greece, transferring thousands of passengers each year through our hubs in Germany to this country.

What is the profile of passengers travelling with Lufthansa to and from Greece?

Around 18% of our passengers come from USA (a large part of them are members of Greek Diaspora in the US), 8% come from France, 17% from Germany, 10% from Switzerland and 28% from Greece. Also,

during this summer we saw a significant increase in the number of passengers that arrive from the USA and Canada in order to board cruise ships. That was a very pleasant surprise for us and a very promising sign for the future of Greek tourism.

Apart from leisure travellers, a large percentage of our passengers travel for business.

What makes Lufthansa particularly attractive for travelers, including business travelers, to and from the US?

Our unique selling point is the Lufthansa Group's network of routes and carriers: Lufthansa, Austrian Airlines, Swiss, Brussels, Eurowings and Germanwings offer multiple options via our hubs in Frankfurt, Munich, Vienna, Zurich, Brussels and Dusseldorf and the flight schedules are designed in a way that travelling to and from the USA is seamless, convenient and comfortable for leisure as well as for business. And via our partners, flight options increase further. For example, via our successful partnership with Aegean, in place 10 years already, passengers may travel from Salonica to our hubs in Frankfurt and Munich and from there to continue to North America and vice versa. Lufthansa is offering direct flights from Germany to Boston, New York, Philadelphia, Washington, Atlanta, Tampa, Chicago, Miami, San Francisco, Los Angeles, Denver and many more USA destinations. The demand

for flights to and from North America is strong and thus, our next summer schedule includes even more new destinations, such as San Jose in Silicon Valley.

What are Lufthansa's plans for Greece for next year?

As the airline marks its 56th anniversary of service in Greece, Lufthansa has received a renewed vote of confidence by the Greek tourism industry and will further strengthen its presence in the Greek market.

After a successful summer period, with flights from Frankfurt and Munich to Athens and from Munich to Heraklion, Crete, next year we are about to offer seasonal flights to Santorini and Corfu, two new favorite island destinations. These two seasonal flights are expected to start operating as of May 2016, offering travelers from Europe direct flights to two popular summer resorts. At the same time, we are planning to increase frequencies to and from Athens in order to meet increased demand during summer season. Lufthansa considers Greece to be a country with great potential of development in terms of tourism traffic. Lufthansa has introduced a number of new products for its passengers during this year.

What are these?

As of late December 2015, Lufthansa has completed retrofitting its entire long haul fleet of over 100 aircraft with a new cabin, Premium Economy. Depending on the aircraft type, the new seats are up to three centimeters (just over an inch) wider than in the normal Economy Class, with 10 cm more space at the side and greater seat pitch by 17cm, which means that passengers have about 50 percent more room. Practical fea-



HARRO JULIUS PETERSEN


tures around the seat, including a bottle holder, a power socket and plenty of storage space for personal items, also help to ensure a relaxed journey. A few additional services also accompany Premium Economy Class, such as checking-in two bags, free of charge, entrance in the LufthansaBusiness Lounges, welcome drink on board, dinner selection from a dedicated menu served on porcelain tableware and in-flight entertainment program. The new Premium Economy Class fares are closer to the fares in Economy Class than to those in Business Class. The upgrade for a round-trip flight across the North Atlantic varies according to the length of the route, but on average is about 600 euros.

Lufthansa has invested over 3 billion euros over the past three years for the retrofit of long-haul aircrafts with state-of-the-art new Business and Economy Class cabins and seats, as well as the new Premium Economy Class. Also, on order are another 263 new aircraft, valued at a total of about 37 billion Euros at list price and scheduled

for delivery until 2025.

In addition, Lufthansa is introducing a new price concept for flights in Europe. The new Economy Class fare options "Light," "Classic" and "Flex" for domestic and European flights (which apply from 1 October 2015), offer different services depending on the price. For example, within Economy Class, passengers can select services according to their individual wishes in the areas of free luggage, seat reservations, as well as rebooking and cancellations options. The booked fare can be complemented with additional services by individually adding further options. Thus passengers only pay for the services they actually make use of.

What innovations is Lufthansa planning to introduce in the near future?

Lufthansa remains steadfast in its commitment to provide passengers with innovations that will make air travel more comfortable, quicker and safer. From early summer 2016, Lufthansa will be the first network airline in Europe to offer broadband wifi on board its short and medium-haul flights. Also, as of early next year, Lufthansa will launch the new-awarded "Rimowa Electronic Tag," the first digital and fully integrated mobile solution for luggage which enables passengers to check in their luggage from home or on the go. With one click, they will be able to transfer the data from their electronic boarding pass via their smartphone to their item of luggage equipped with the "Rimowa Electronic Tag" via Bluetooth. 

Lufthansa flight schedules are designed in a way that travelling to and from the USA is seamless, convenient and comfortable for leisure as well as for business





BY PROF. DR. PETER VOGEL,
AUTHOR OF *GENERATION JOBLESS?*

GOVERNMENT PROGRAMS THAT HELP

Unemployed Become Entrepreneurs

In fact, start-ups are a critical part of the equation and as researchers have found, the net job creation would be negative if not for the jobs created by new ventures.

It has been suggested that entrepreneurship is a central strategy to combat global (youth) unemployment and to re-ignite the labor market. In response to the growing awareness of its importance, a large diversity of governmental and non-governmental entrepreneurship support programs have been launched. Policymakers around the world have implemented dedicated Active Labor Market Policies (ALMPs) to foster entrepreneurship and self-employment.

One ALMP that many governments have put emphasis on in an attempt to tackle unemployment is to directly help unemployed individuals transition to self-employment. Despite some early studies that have investigated this type of new venture creation, there has been relatively little knowledge

about these programs. Neither did many scientists investigate this specific form of entrepreneurship nor did the public care too much about it, given that no one really thought that it made sense to help unemployed start their own companies.

However, formerly unemployed founders are very motivated to become self-employed and their companies have high survival rates. Despite making up a relatively small portion of national ALMP expenditures (1-6% of ALMP spending) firms established by the formerly unemployed make up a large proportion of all new firms in an economy (30% in Sweden and more than 25% in France). It is surprising that until recently, not more scientists have shown interest in this particular research setting considering the severity of the labor market crisis and the potential impact it can have on tackling unemployment. During my PhD at the Chair for Entrepreneurship of the École Polytechnique

While historically it was believed that it is only the large companies that drive economies, innovativeness and job creation, we today know that this is not true.

Fédérale de Lausanne (EPFL) under the supervision of Prof. Dr. Marc Gruber and co-supervision of Prof. John Dencker, PhD, we collaborated with several Ministries of Employment across Europe to empirically investigate the effectiveness and efficiency of these programs. We found remarkable results with regards to survival rates, job creation, life- and job-satisfaction of these founders and their overall contribution to the economy and society.

One of the programs we assessed as part of a descriptive comparative analysis, was the Greek program, provided by OAED, called “Πρόγραμμα Νέων Ελεύθερων Επαγγελματιών” (Program of Young Freelance Professionals). Later on, the group of Prof. Gruber conducted more detailed quantitative analyses of this program.

In Greece, like in many other European countries, this ALMP is of great relevance to the labor market. However, one must be aware of the fact that there is no “one-size-fits-all” solution to (youth) unemployment and that there needs to be a portfolio of solutions. With regards to entrepreneurship promotion, the Greek government must certainly further their support for formerly unemployed founders, but at the same time must also put emphasis on high-growth startups, given that they have been shown to have the largest impact in the mid- to long-run. 🇬🇷

ONE OF THE PROGRAMS WE ASSESSED AS PART OF A DESCRIPTIVE COMPARATIVE ANALYSIS, WAS THE GREEK PROGRAM, PROVIDED BY OAED, CALLED “ΠΡΟΓΡΑΜΜΑ ΝΕΩΝ ΕΛΕΥΘΕΡΩΝ ΕΠΑΓΓΕΛΜΑΤΙΩΝ”

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Book: www.generationjobless.eu



BY ALEXIS PHYLACTOPOULOS,
PRESIDENT, DIKEMES
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The recent application of VAT on private education has brought to the surface a number of misconceptions about private academic institutions.

NOT-FOR-PROFIT UNIVERSITIES

An Unknown Concept in Greece

There was a time, some ten years ago, when a breakthrough in the field of higher education seemed imminent and as a consequence some of the misconceptions would have been eliminated. There was then a public discourse about the need to rescind Article 16 of the Constitution, which establishes severe limitation on the development of private higher education institutions. Private not-for-profit universities would have been allowed as equals to state universities.

The efforts to abolish the anachronistic Article 16 of the Constitution foundered when PASOK, under George Papandreou, failed to live up to its promise to support the revision. Similarly, the discussion to differentiate private universities that are for-profit from those that are not-for-profit did not lead anywhere. Nowadays, almost a decade later, we are even worse off. The last straw was the gradual demolition of the educational reform of former Minister of Education, Anna Diamantopoulou, a reform supported by a huge bipartisan majority in Parliament, and reversed by her successors in the Ministry. The ultimate blow has been served by the decisions of the SYRIZA Ministers of Education, Baltas and Filis.

It remains a mystery why the not-for-profit status of private higher education schools is

a concept not acceptable by the educational establishment and the tax authorities in our country. But it is exactly this concept that has allowed colleges and universities in the western world to develop and to offer enviable education to their students.

The not-for-profit status does not mean, as the common Greek tax officer believes, that an organization should have no income other than donations and that it should be involved in philanthropic activity. As the

IT WAS THROUGH THE RECOGNITION OF THE NOT-FOR-PROFIT PRINCIPLE THAT THE GREAT UNIVERSITIES OF THE U.S. BECAME WHAT THEY ARE TODAY

concept is understood in other legal systems, it has few but specific characteristics:

- The institution does not distribute profits or other financial benefits because it does not have owners and shareholders. This is the cornerstone of its financial structure.
- The institution is governed by a board of trustees, which is always serving on a

volunteer basis. This does not mean that the organization does not have paid employees. The board of trustees determines the strategy, approves the budget and the annual financial report among its other duties, but it is the employees of the institution who operate it.

- The institution is not meant to be running annual deficits to justify its status as a not-for-profit. It can have deficits from time to time but it is not advisable that it does. It should at least be breaking even. If there are “profits” they are considered surpluses which get transferred to the next fiscal year in order to support the educational and research mission of the university, its system of financial aid, and the improvement of the infrastructure of the school.
- Scholarships to needy students are an important feature of not-for-profit universities.
- The institution operates under close scrutiny of the tax authorities, and its books are audited annually by certified auditors.
- Donations to the not-for-profit institution should be tax-exempt, which is to say that the amount contributed must be exempt from the income tax of the donor.

The current political environment does not create the right conditions to contemplate the advancement and the full recognition of the not-for-profit concept in Greece and it is sad to think that we have regressed on these issues from where we were 10 years ago. It does not hurt, however, to remember that it was through the recognition of the not-for-profit principle that the great universities of the U.S. became what they are today. 🍷

A Positive Footprint in the Greek Economy

You assumed your position as CEO of Papastratos recently, in the midst of a very difficult period in Greece. After having spent the last three years in Lausanne, the headquarters of Philip Morris International, how do you see the situation in the country?

I did spend the last three years in Lausanne, but of course being a Greek and after 13 years in Papastratos, I never stopped having an active interest in what is happening in the country. Undoubtedly, this is a very difficult period and bold decisions and changes are needed, if we do not want the current state of affairs to become permanent. I believe that stability in all areas is necessary if we are to get back to growth at some point. With a stable regulatory, fiscal and political environment, investments will be made and this will result in increasing employment, state revenues and so forth.

Papastratos and Philip Morris International represent a major player in the market. What is the impact of the company on Greece's economy and employment?

To date, since 2003, PMI and Papastratos have invested more than 650 million Euros in Greece, of which more than 150 million during the crisis. Strategic decisions and investments—such as the construction of a new state-of-the-art factory, the cooperation agreement with the Greek government



to purchase increased volumes of Greek oriental tobacco, the conversion of our warehouses into PMI's pan-European oriental tobacco logistics hub, the new production lines which increased our production and our exports—have had a positive impact on our country's economy and employment.

Apart from our direct investments, Papastratos contributes annually approximately 2.5% on the revenues of the ordinary State budget via more than 1 billion Euros from excise tax and VAT.

Our activity has also a direct positive impact not only to the 800 people we employ, but also to about 30,000 Greek tobacco

Christos Charpantidis, Papastratos President and CEO, discusses the company's presence in Greece and its impact on the Greek economy.

farmers and workers, 25,000 retailers and 700 suppliers collaborating with us.

Additionally, over the past 5 years, we have allocated more than 1.5 million Euros in corporate social responsibility activities supporting the tobacco growers, the local communities and vulnerable groups, such as the unemployed and the homeless with an aim to lessen—if possible—the impact of the economic crisis to them.

Acknowledging that illicit tobacco products' trade is an increasing phenomenon, affecting the whole sector and depriving the Greek State of more than 600 million Euros every year, we have undertaken since 2012 the initiative "NO TO ILLICIT CIGARETTES and BULK TOBACCO." To date, we have spent close to 1 million Euros in this fight, in order to raise awareness among the citizens as well as to assist the State and the Law Enforcement Agencies in combatting illicit trade.

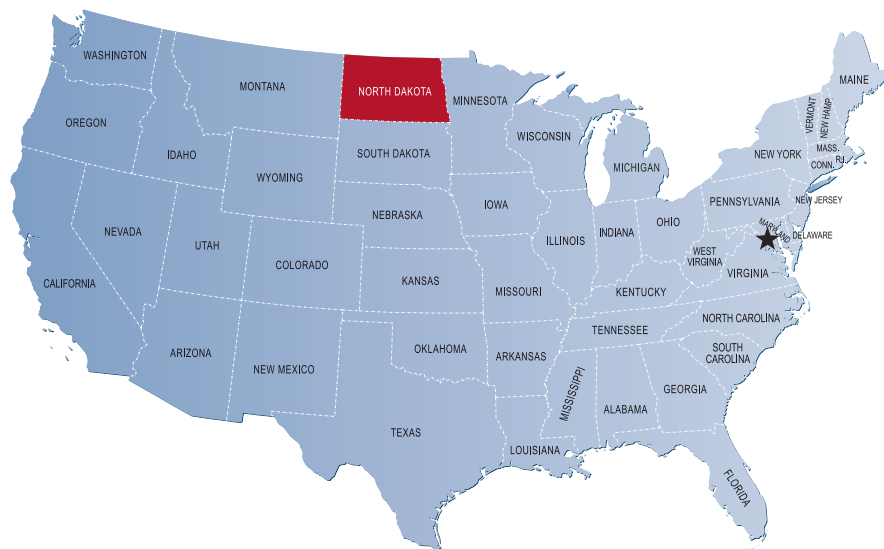
Do you have any plans to reinforce your footprint and your presence in Greece?

We have a clear strategy for our operation in Greece, as this is a significant country for PMI and Papastratos is the leading company in the tobacco industry.

After 85 years of dynamic presence in Greece, we make every effort so that we have a positive footprint in the Greek economy and society, be it through our investments in our production facilities, our brands and the tobacco-growing sector, our CSR programs or the way we provide for our own people.

We plan to continue all of the above, provided of course that Greece remains a business friendly country with a stable regulatory and fiscal environment that helps us have a certain level of predictability. 🍷

PAPASTRATOS CONTRIBUTES ANNUALLY APPROXIMATELY 2.5% ON THE REVENUES OF THE ORDINARY STATE BUDGET



On the occasion of Greece's entry into the Visa Waiver Program, the U.S. Commercial Service of the American Embassy in Athens is showcasing all 50 states and five territories in *Business Partners*.

Discover America—North Dakota

It takes a lot to become a legend. It takes a personality, a vision, a lifetime of heroic deeds and great accomplishments that transcend time. North Dakota is no stranger to legends. The list of trailblazers and pioneers who have left their mark on this state is as long and diverse as anywhere: Custer, Sitting Bull and Theodore Roosevelt. Lewis and Clark, and their guide, Sakakawea, are immortalized at the Clark Interpretive Center and Fort Mandan near Washburn.

General George Armstrong Custer commanded Fort Abraham Lincoln near present-day Mandan. From there, he took the 7th Cavalry west to Montana for a show down with chiefs Sitting Bull and Crazy Horse in 1876. Indian tribes celebrate their heritage each September in Bismarck with the United Tribes International Powwow. The celebration features drummers and dancers from around the world. Theodore Roosevelt credited his stay in North Dakota with helping him become the 26th president. Roosevelt's life is immortalized in the two units of Theodore Roosevelt National Park, connected by the 145-mile-long Maah Daah Hey Trail. The North Dakota Heritage Center on the Capitol Grounds in Bismarck takes visitors from the first settlers to present day, and we still celebrate our diverse cultures with events like Norsk Hostfest at Minot.

LAND AREA 70,837 sq. miles

POPULATION 720,000

STATE CAPITAL Bismarck

LARGEST CITY Fargo

LOCAL TIME CST – 8 hrs behind Greece

CLIMATE Continental with wide temperature variation, low humidity and a lot of sunshine. Annual rainfall is 17.16 inches. Summers are warm with an average July temp of 68°F (20°C). Average January temp is 7°F (-14°C).

NATIONAL PARKS Theodore Roosevelt National Park is located in western North Dakota in the beautiful, rugged Badlands. The park offers 70,744 acres of pristine, scenic land along Little Missouri River where President Theodore Roosevelt ranched. The park abounds in natural beauty and abundant wildlife, including bison and wild horses. The Western frontier town of Medora offers museums, shopping, a world-famous musical and pitchfork steak fondue. www.nps.gov/thro/index.htm.

► See more at: <http://www.visitusa.org.uk/statesanddestinations/statesanddestinations/north-dakota/123#sthash.jkMvgTlg.dpuf>



STRAIGHT TALK— GREECE AND THE ECONOMY

*MARIOS T. KYRIACOU,
SENIOR PARTNER
AT KPMG CERTIFIED
AUDITORS S.A.,
DISCUSSES THE
FRAMEWORK FOR
GROWTH AND REFORM
IN GREECE.*

Do you believe that Greece is now in a position to grow and prosper?

I believe that the new loan agreement provides the opportunity to grow and prosper. However, growth and prosperity cannot be legislated.

Growth is a result of a series of actions, legislative moves and investments. Investments originate basically from two sources viz. the public or the private sector. Currently in Greece the public sector is not in a position to make any significant investments. Therefore, we must turn to the private sector, both local and foreign. For the private sector to invest they need a stable environment and rules of the game. What is stability has been explained in numerous articles so I will not expand further. It is up to the government to legislate in such a manner as to provide this stable environment. Should they need help to do so there are many people ready and willing to assist. Given the current lack of public resources for investment, the government should expand the Public Private Partnership approach (PPP, SDIT in Greek) whereby private investments are made for the benefit of the State, both a short- and long-term. Short term, there will be the generation of jobs, directly and indirectly from the related business activities that are bound to arise, revenue from taxation from the payroll and the profits generated. In the long term the resulting asset will be in the ownership of the State for ongoing use.

Do you think the current government is in a position to encourage private sector investment?

The basic premise for any government is to accept that we belong to the EU, which is highly in favor of private investment. You simply cannot be a member of a club which has defined rules and not adhere to them. There is nothing wrong with you trying to change them but until the club changes the rules, you should continue to adhere to them. The current club is very much in favor of the private sector and it is geared towards actions to support private investment for development and growth. I do not see why our government cannot conform, especially after having signed the recent loan agreement.

Does our current tax system encourage investment?

Tax laws are enacted with a primary view to encourage development and growth or to satisfy the cash needs of the State. Obviously, under normal circumstances, there will be a logical balance between the two. Given our current fiscal problems, our tax system is highly geared towards collection at the expense of growth. Hence it does not encourage investment.

How can we overcome such a tax impediment?

Without growth, tax revenues will decrease with mathematical certainty. Taxing the rich excessively has never been a solution in any country either because there are not enough of them or because they have the means to pack up and go to another country. In any case I believe that the fiscal problem of Greece did not only arise from the crisis but from rampant tax evasion throughout the years. The reasons for this is the lack of trust between the tax payer and the authorities and the high tax rates, high penalties, unfair treatment by the State and lack of effective punishment. These factors have resulted in an attitude in the majority of people to tax evade, in the mistaken belief that they will not be punished and, more important, that they get nothing in return for the payment of taxes. In addition to embarking on a campaign to explain the consequences of tax evasion on each one of us, we must also find a way to sever the collusion (synallagi) between customer and supplier to avoid tax. Focusing only on issuing or not issuing receipts has proven ineffective so the effort should be towards disclosure by individuals of their sources of income, expenditures, and hence wealth. The proper use of a Wealth Statement i.e. the "Pothen Esches" will be our best solution to combat tax evasion now. This will overcome the collusion between customers and suppliers as the suppliers will know that sooner or later they would have to account for their wealth in the wealth statement. Therefore, combating tax evasion will increase the revenues of the State and allow it to use the tax system for growth.

Is it true that the independent tax audits introduced in 2011 will end as of this year?

One of the most important reforms during this crisis which was enthusiastically received by the companies, various organizations, independent auditors and, I dare say, many of the tax auditors, and which produced about 800 million Euros of additional taxes from the first year, will cease as of 1 January 2016 for reasons that I do not really understand. For the first time in Greece companies were filing their tax returns in the knowledge that they were compliant with the law and paying their taxes without waiting for a period of up to five years to find out what their final tax liability would be.

The fact is that the tax authorities will now have to employ and train about 2,000 people to be able to carry out the audits within the period of the statute of limitation. Why anybody would want to burden the State with such costs at a time when the work is done at no cost to the State and with significant revenues coming in promptly is beyond me. Therefore, while the government is searching for alternative funds (isodynamia), the independent auditors stand ready to audit all the unaudited years within two to three months and, with a high level of certainty, based on the experience of the first year of audit, the State would collect over 1 billion Euros!

Assuming a successful recapitalization of the banks, will that help the economy?

It will certainly help by not having one or more banks going bankrupt and add-



It is up to the government to legislate in such a manner as to provide this stable environment. Should they need help to do so there are many people ready and willing to assist.



ing to the existing problems. We should remember that our banks were quite healthy until the PSI, which was then followed by the general attitude of people not paying their debts irrespective of whether they had the money or not. The banks, irrespective of the recapitalization, cannot assist effectively with the recovery until such time as they are able to collect the outstanding loans and attract further deposits. Remember that new loans can only be given from deposits or the re-payment of existing loans. The funds from the recapitalization cannot be used for the granting of loans. ☹

THOUGHT LEADERS

POINT

BUSINESS PARTNERS PRESENTS CONTRASTING PERSPECTIVES ON KEY ISSUES AFFECTING GREECE TODAY: TAXATION, WATER MANAGEMENT, ENVIRONMENTAL LEGISLATION, AND REMAINING IN—OR LEAVING—GREECE.

—Raymond Matera



COUNTER POINT

Flat Tax or Progressive?— A Debate That Will Stifle Action



GEORGE SAMOTHRAKIS
CPA (GR), SENIOR PARTNER,
AUDIT SERVICES S.A.

Can the Greek economy afford the risk even of a short-term slump in tax receipts as a result of lower marginal rates?



If there is one point on which we can all agree about our tax system it is that it is thoroughly dysfunctional. On any criterion you care to mention, it falls unacceptably short of what should be expected of a fiscal regime in a modern European economy. It is a constantly shifting quagmire, full of pitfalls for the unwary but also loop-holes for the well-connected. It is unfair in its implementation and widely abused through tax evasion. And it is potentially catastrophic for those who inadvertently stumble over its infinite complexities and absurdities.

I could have written all the above 30 years ago. It would have been as equally true then as now. Nothing of substance ever seems to get done to remedy the real problems that plague our taxation system. Repeatedly, the focus of attention is diverted from action on specifics to debates on theoretical solutions. The quest is always for a panacea, a revolutionary concept, a root-and-branch reform that will usher in a new age of fiscal rectitude, efficiency and equity. And in practice virtually nothing gets done.

The current debate on flat rate versus progressive rate taxation is one more manifestation of our predilection for talk but no action. Yes, there are advantages to a flat rate tax system; but there are also disadvantages. I could hold several debates defending either position. The only certain outcome of such debates is that there will be no outcome. Or, if there is, it will be some unworkable compromise. And the real system, the one that taxpayers actually have to live with, will remain as dysfunctional as ever.

Even if the flat tax system can deliver what its proponents believe it will (a huge if), who can estimate the time horizon over which these benefits

will kick in? Can the Greek economy afford the risk even of a short-term slump in tax receipts as a result of lower marginal rates?

The flat tax idea, moreover, raises difficult and politically charged issues of fiscal equity on which there are fundamental and legitimate differences of opinion. It will prove impossible to secure the necessary political and social consensus on which the success of any meaningful fiscal reform must rest in a democratic society.

We cannot afford endless debates in pursuit of supposedly ideal but controversial fixes like the flat tax. There is no flat, uniform solution that can address the heterogeneous multitude of urgent problems in our tax system. We need specific policies on a host of pressing issues: the taxation of rents if we want to revive the real estate market; of capital gains on share transactions if we want to encourage corporate restructuring; of dividends and, more generally, of corporate profits if we want to stimulate investment. Most urgently, we must act now to encourage capital inflows and to reverse the wave of disinvestment that is engulfing our economy and leading to a mass flight of our most precious national asset: our most productive youth. None of these problems (and numerous others) will be solved by simply adopting a flat tax system.

Implementation of a flat tax requires a huge upheaval in the philosophy of our tax system that is out of all proportion to whatever (doubtful) benefits the reform will bring.

So, let's get to work on implementing specific solutions to the real problems we are facing. Let's relegate the flat tax debate to the academics where it rightfully belongs. It's not ideas we are short of. It is meaningful action on the realities of our fiscal predicament that we need.

Flat-Rate Taxation: A Recipe Against Fiscal Crisis

The potential fiscal and further economic consequences from the enforcement of a flat-rate taxation system have been the subject of an academic and political debate for several decades. This is because there is considerable complexity on the goals which a fiscal regime has to achieve, along with the social expectations for a just redistribution of wealth.

Given the experience of implementation of a flat-rate tax system in several European Countries in the last 20 years, we may say that such a system is suitable for countries which face growth considerations, rather than for countries with well established and prosperous economies. We should also notice that the system itself cannot lead to substantial growth unless it is supported by extended structural reforms.

In our opinion, to effectively examine the expected impact of a flat-rate tax system on the Greek Economy, we have to focus on:

- a) The theoretical advantages and disadvantages of such a system
 - b) The particulars of the economy as it has evolved after six years of an ongoing recession
- Regarding to the advantages of a flat-tax system, we indicate:

- Simplification of the tax system
- Considerable reduction of bureaucracy and administrative corruption
- Lower administrative and compliance costs
- Significant deterrence for tax planning, tax avoidance, tax evasion
- Enhancement of incentives to work, save, invest and take risks

As potential disadvantages we may consider the redistribution that occurs at the expense of the middle class and the distancing from the constitutional provision for all citizens to contribute to the tax burden in compliance with their income and wealth ability.

At this point, to become more practical, we need to

refer to some critical characteristics of the Greek economy which, in combination with the above mentioned, indicate the necessity of the introduction and implementation of a flat-tax system:

- a) Greece has lost more than 25% of the GDP in the last five years, while at the same time income tax rates keep on increasing
- b) Unemployment has reached the frightening level of 27% of the active population, with this number climbing to 55-60% among ages 18-24
- c) Direct foreign investments have been at close to zero for the year 2015
- d) The shadow economy has climbed to 24.5% of GDP
- e) Almost 82.5% of households declared annual income less than 20.000,00 Euro for the fiscal year 2014
- f) Non-collected taxes will probably exceed 7 billion Euros for the fiscal year 2015, bringing overdue taxes to 80 billion in total

This social and fiscal Armageddon cannot be confronted with the tools of the past, i.e. increasing tax rates, imposing additional burden on the shoulders of the existing tax payers, ignoring the tax competition of the surrounding countries of the Balkans and Southeastern Europe which, in the majority, have already introduced flat-rate taxation systems (with an effective income tax rate between 10% to 21%).

Therefore, we come to the unforced conclusion that, to restart the Greek economy, attract investors to take risks and create new jobs and, at the same time, minimize the pathological effects of tax avoidance, bureaucracy and administrative nontransparency, we need to start the absolutely necessary structural reforms by the introduction of a flat-rate taxation system.



HARIS ANASTASIADIS
ECONOMIST-TAX ADVISER,
MANAGING PARTNER,
ALPHATAX AUDITORS &
CONSULTANTS LTD.

This social and fiscal Armageddon cannot be confronted with the tools of the past



Water—To Privatize or Not to Privatize, That is the Question



WILLIAM J. GIANOPULOS
MANAGING DIRECTOR,
ARTEX VALUE LIMITED, IRELAND

ARTEX IS GLOBAL WEALTH
MANAGEMENT COMPANY
SPECIALIZING IN TRADITIONAL
AND ALTERNATIVE INVESTMENTS,
INCLUDING ISLAMIC FINANCE

The efficient and effective way to bring this about is through an expansion of public partnerships with European companies



One certainty in today's globalized world is the private sector is better equipped to handle the task of providing sustainable public infrastructure, particularly in burgeoning urban centers. Water and sewage services are no exception to this rule, and Greece needs more public-private partnerships to handle the unfinished business that remains in sustainable water management.

Friends of mine, experts in the water management business—all engineers with working projects—point out a few distinctives of the Greek situation. First, water quality remains respectable by European standards, particularly in Athens and Thessaloniki—but less reliable in outlying villages, where wells provide most of the water. Agricultural effluents—chemicals and fertilizers—draining into wells, are a known problem. The solution is less reliance on wells, and greater use of above-ground reservoirs to capture rain water. With the Greek government practically broke, the efficient and effective way to bring this about is through an expansion of public-partnerships with European companies providing capital and international experience to develop an infrastructure to meet the task.

On the matter of water quality, Greece is a mixed bag. One anomaly is the sight of supermarket customers lugging packs of plastic bottles home for potable (drinking) water. The reason for their preference for bottled water in unsustainable plastics is that tap water has a heavy chlorine smell—which, in fact, it does. Over-reliance on chlorine and other chemicals suggests more sophistication is required at the water source, as well as an upgrading of city pipes into homes. Again, capital is the problem, and the only good way to find solutions is to bring in experts and capital from

companies specializing in these matters.

Then there's the issue of sewage treatment, which major urban centers seem to have under decent control, but villages less so. Water utilities of Athens and Thessaloniki also control their sewage treatment, but even big cities have glaring problems begging for solutions. Incapacity is certainly one, but the major need is solutions for the end-product of waste treatment—sludge.

A blind visitor from Athens driving into Thessaloniki knows when he's arrived....his entry is marked by the stench of the accumulated sludge on the Western outskirts of the city. Water companies need modern solutions to the problems of sludge production and distribution. How about a private effort to offer low cost sludge to farmers or those looking to fertilize their gardens? This will require efficient processing centers, which requires capital....and, these days in Greece, the only available capital is private.

A final note. Proponents of public agencies as the final arbiter of all that is good, often forget that the private sector—specifically, the pricing mechanism—also plays a role in helping us avoid wasteful habits. Greek water prices are low by European standards, and as such, there is almost no incentive for consumers to control or moderate the usage of this valuable resource.

In the end, the argument is circular. No money=no solution. But we have also learned in recent years, within the Greek public sector, even unlimited capital and European grants often don't translate to good solutions. Public utilities need to come to their senses and stop viewing the private sector as the enemy. It cannot be business as usual. As they say, one sign of senility is doing something over and over again, and expecting a different outcome. Haven't we witnessed enough senility in recent years to push us in a more enlightened direction?

The Privatization of Water in Greece—No Thank You

Throughout the history of the human race, water has influenced the development or the demise of important civilizations. At the same time, the interference of the state in the economy was and still is, for over a century, the cornerstone of the differentiation between dominant ideological trends of political analysis of the economy. Water is no exception.

In the last 15 years there have been at least 180 cases of water remunicipalization in 35 countries¹ including high profile cases in Europe (Paris, Berlin), the Americas (Atlanta, Indianapolis, Buenos Aires, La Paz), Asia (Kuala Lumpur, Jakarta) and Africa (Accra, Maputo). Direct experience with common problems of private water management—from lack of infrastructure investments, to tariff hikes to environmental hazards —has persuaded communities and policy makers that the public sector is better placed to provide quality services to citizens and promote the 2010 UN declaration on the human right to water. Moreover, the right to water is established in the Convention on the Elimination of all Forms of Discrimination against Women, in the Convention on the Rights of the Child, and others.

In the case of Greece, water privatization has been “suggested” by the country’s lenders as a means to reduce the public debt.² The two largest water companies (EYDAP S.A. / EYATH S.A.) were decided to be privatized through the transfer of their shares in HRADF in 2011 and 2012. This despite the fact that the two public water companies of Athens and Thessaloniki are both profitable - even during the crisis. They have developed immense infrastructure, they hold precious technical expertise and have been organized with money from generations of taxpayers.

This suggestion by the lenders is contrary to a

fundamental clause of the EU Treaty (Article 345 TFEU), which requires the EU itself to be neutral on public or private ownership.³ After a long three-year struggle by citizens at the local and European level, which climaxed with the 98% NO to privatization vote in the referendum organized by the municipality of Thessaloniki and several activist groups,⁴ a Supreme Court decision⁵ put the tombstone in the efforts of water privatization in Greece.

The court ruled that the privatization of the Athens water company is unconstitutional, basing its decision on eventual public health hazards which are not allowed by Article 5 of the Constitution and ordered the return of the second tranche of stocks, that were transferred to HRADF, back to the public sector. In the decision it is stated that “the conversion of a public company into a private one, operating with the interest of profit, makes uncertain the continuity of affordable and, in particular, of high quality services which are not fully guaranteed by governmental supervision.” Despite this evolution, in a legal move, yet one that is in defiance of democratic principles, a leaked memorandum between the Greek government and its lenders⁶ foresees anew the sale of 11% of EYDAP shares. The same document foresees the sale of 23% stocks of EYATH. Water is life itself and it is very difficult for anyone to be convinced that privatization targeted to profit could be beneficial to all.

Thanks to Maria Kanellopoulou from savegreekwater.org



STAVROS TSIPRAS
LAWYER

The court ruled that the privatization of the Athens water company is unconstitutional



¹ <http://www.savegreekwater.org/?p=4415>

² <http://www.savegreekwater.org/?p=820>

³ <http://www.savegreekwater.org/?p=743>

⁴ <http://www.savegreekwater.org/?p=4118>

⁵ <http://www.savegreekwater.org/?p=4235>

⁶ <http://www.savegreekwater.org/?p=4502>

Environmental Regulations— An Essential Tool and Prerequisite for Responsible Investment



DEMETRES KARAVELLAS
CEO, WWF GREECE

The . . . study identifies the strictest policies to be in Nordic countries and the Netherlands while the most lax are in Greece and Ireland



There is no doubt that clear environmental regulations are one of the important safeguards in ensuring both sustainable and responsible investments. This is not breaking news.

Developed almost 25 years ago, the Porter Hypothesis addressed the impact of environmental regulation on business and brought forward the view that well-designed regulation could actually enhance competitiveness. This hypothesis has proven true time and time again. A recent

study, published by the OECD¹, examines an 'environmental policy stringency' indicator across 24 OECD countries and comes to the conclusion that 'an increase in stringency of environmental policies does not harm productivity growth.' Quite the contrary in fact, the most competitive economies in Europe often have quite strict environmental policies. For those in Greece who may contend that environmental policies and related regulations are in any case too restrictive, it is also worth noting that the same study identifies the strictest policies to be in Nordic countries and the Netherlands while the

most lax are in Greece and Ireland.

Progressive economies and businesses go way beyond perceiving regulations as a necessary 'evil,' as a mere basis for compliance. Greener policies and regulations can drive innovation, with eco-innovative businesses actually performing ahead of compliance and thus often gaining a competitive advantage in the market.

So what does this have to do with a crisis stricken

country like Greece, starving for investments of an unprecedented scale? I would argue that a potential responsible investor requires two simple things to proceed—firstly a development paradigm and setting that is in line with the investment and, secondly, a clear set of stable regulations that allows for sound due diligence of the investment and ensures an even playing field among competitors.

The reality in Greece is presently very different. Firstly, regarding the development paradigm, one would think that the amazing natural landscapes, coastline and beautiful seas, ample wind and sun, would place environment and sustainability issues at the heart of a new development paradigm that could set this country on a more promising path. Instead, the prevalent political view is that these topics are, in times of crisis, at best a luxury, and usually—because of associated regulations—an obstacle to growth. So at present, the predominant vision, if any, is not conducive to green investments. Secondly, regarding the investment prerequisite of stable and predictable regulations, WWF Greece recently released its annual report on the implementation of environmental regulation² that documents an unprecedented rollback in environmental regulations and a plethora of scattered legislative interventions that tend to cater for specific interest groups and investments. In other words, a responsible investor may not be hindered by the presence of regulations per se but by the poor quality of legislation, the lack of transparency and the continuously changing legal framework.

In these challenging times, Greece is in dire need of responsible, sustainable investments that can help it out of the crisis. High quality, transparent and consistent environmental regulations are an essential tool and prerequisite in making these investments truly worthwhile in the long term.

¹ "Do environmental policies matter for productivity growth?" By Silvia Albrizio and others. OECD, 2014

² <http://www.wwf.gr/en/news/1470-two-greek-governments-same-disregard-for-the-environment-and-sustainability>

Do Environmental Regulations Affect Greek Investment Flows?

Amid one of the most resistant and disturbing crises in the history of the Greek economy, government and regulatory bodies are in search of new regulations that could alleviate recession and the environment is a key sector. Securing protection of the environment—in biodiversity, urban planning, waste disposal, mining licenses, water supply management—through re-shaping environmental policy could, in the long run, build a stable and sustainable economy, predominantly regarding FDI inflow.

However, so far it has not worked as such since compliance with rigorous environmental regulations is demanding and onerous for distressed economies—such as Greece—especially in regions of mature market economies—such as the European Union. To a large extent, non-compliance crops up as an excuse to avoid tackling the principal grounds of its substance, ranging from budget-related hurdles to the purposive approach of regulatory drafting.

Implementation of environmental regulations or those requiring new technology, i.e., those that opt for new environment-friendly technologies, to rejuvenate the economy by introducing new industries and business marketplaces, are expensive in compliance and maintenance. Manufacturers, who seem unable to cope with deploying new technologies and internal structural reforms, need to shift gears to meet new regulations with massive costs. Straight-out regulatory compliance calls for a total overhaul for businesses to operate, demanding updated data tracking and collection systems, improved reporting databases and “tailor-made” organizational structures that could require fully-fledged regulatory compliance departments.

What may initially seem as a good idea for economic growth and an investment boost now results in a skirmish between regulators and businesses, with the latter claiming that environmental regula-

tions are nothing more than a burden on both investments and the economy. Most often, businesses are forced to slow down processes and restrict expansion to secure continuity and sustainability in profits, jeopardizing progress in manufacturing, limiting products and activities, and blocking industries that could be the center of FDI attraction. Investors are, inevitably, further discouraged by the image of an idle market without enhanced prospects of immediate growth and profitability.

When assessing the effectiveness and impact of any regulatory proposal on the market and national economy, we must consider the purposive approach of the proposed regulation or, in other words, what regulators are going to want. The fact that most of the time regulators are not businesspeople or even business-oriented excuses their inability to fully understand a distressed economy’s needs or foresee investors’ reactions and explains why, in principle, well-grounded and sensible regulations cannot be applicable and effective in times of financial turmoil.

In light of the unabated pace of regulatory change, complying with strict regulations when the economy is in dire straits creates a drag on businesses and investments. Regulators and industry makers should strike a balance between them and build a substantial communication and insights exchange, seeking alternative avenues, e.g. low-cost financing projects to secure FDI and immediate investment flows. FDI inflows, which lead to growth and a stable, sustainable economy, able to support the strictest of environmental regulations, should undoubtedly be the norm once the crisis is behind us.



MARILIZA KYPARISSI
SENIOR ASSOCIATE,
DRAKOPOULOS LAW FIRM

The regulatory framework on the environment is transforming the national business and financial landscape and it is yet not clear whether this works in the right direction



No Country for Irregular Men



STRATIS ANDREADIS
CHIEF SAILS OFFICER,
SALTY BAG P.C.

I turned 36 last week. Other things being equal, I have no more than 300 months of crackingly productive life left, after that you can't spin with the world as you like.

I am also responsible for a new business concept in a country hostile to change. My partners and I have been throwing ourselves for the past 30 months into becoming the best makers of sustainable luxury. We now know it takes much longer here than in most developed markets. As I don't have enough time left to both wrestle opinions in Greece and reshape the rest of the world, I will be leaving to focus on the latter.

Creating something new is not what most businesses do in Greece anyway. Around 80% of companies founded in Greece since 2009 have been either coffee shops or kebab stands, add to that a

our public services, cater to what has been, a uniquely Greek torpor. Living in Greece is a bit like going to an 80's party, fun to go now and then, soul destroying if all you can listen to is the greatest hits of Bananarama, day in, day out.

It needs mentioning that the buffoonery, chicanery, the sheer ineptitude that defines the Greek political class today is of vital importance. Those in office create our rulebook (constitution), our rules (laws), and place the referees (public servants) that let us play the game of making something, from coffee to souvlakia, to reusable luxury travel goods.

This 21st century will require global solutions for resource scarcity. We will need to find value in previously discarded materials, like in our case sails with untold stories from the sea. We want to be at the forefront of supply chains that sustainably nourish the fashion industry. In a world that moves at the speed of Internet connections, taking the required time for the Hellenic Republics' public servants, who as far as we can understand are neither for the public nor do they seem to serve anything save anger and disappointment, amounts to dangerous mismanagement of our one irretrievable asset.

Greece has been great to us. For the past two and a half years we have grown, survived, at times even thrived as we ran the gauntlet of startup emotions. We have been propelled by family, friends, our growing fans and their attendant goodness. What I need now, in the months I have left, is a springboard. The Greek experience is akin to standing on a rotting wooden bridge. Both platforms propel you, just differently. So I will be taking our ideas, our Greece, and the stories that propelled us to focus on a world worth our time.

Greece, as set up, is no home for those who stand, like E.M Forster said of Cavafy, "at a slight angle towards the universe"



bizarre proclivity for frozen yoghurt dispensaries and one surveys a pathetic production of the new, the different, the challenging. This is no accident, Greece, as set up, is no home for those who stand, like E.M Forster said of Cavafy, "at a slight angle towards the universe."

Indeed, our politics, our constitution, our laws,

Staying in Greece— Up For a Challenge?

Allow me to begin with a simile: imagine a forest that is rich in natural resources, has a vast, untapped ecosystem, is mature in age but has a lot of room for growth. Its trees, however, are like silos, as they have not become entangled and complementary, and whose timber has not been developed for the market and is sitting idle. Imagine a forest whose rivers and streams, stagnant now, can be made to flow, providing nutrients to all forest occupiers. To date, this forest has not been properly tended to, does not have a forest management system in place, as the rangers, so far, were either lazy or incompetent, and it is full of obstacles because of it. Its resources lie fallow, its potential is wasted and its trees start to fall, one by one, for lack of care.

Now let me reveal that this is how I see Greece—a place where actual economic development is still at a very basic level. All the features that prevent growth are present: inward orientation, dubious quality of services across a variety of sectors, legal impediments, bureaucracy, poor taxation strategy and implementation—to name but a few. Above all is the current mentality—the natural aversion to change—which has become a kind of *modus operandi* for Greek society.

But, just like in the forest where within the dense flora one may find unexploited resources, in Greece, these days one may, after deep excavation, detect some promising talent. A fresh, worldly generation which cannot afford to continue on the same path as its predecessors and wishes to diversify. Living in a global-virtual society which does not confine their interests and activities to a geographical location *per se* and, combining high academic qualifications with an eagerness to success, young Greeks have the opportunity to be creative in a country with much lower business costs than in the U.S.A. or the U.K.

Greece has many of the characteristics of an emerging market, while at the same time it is bound by the legal and regulatory framework of the EU with regards to competition, IP, trade rules and the like, making business transactions safer and proclaiming it belongs to the west. This youth is exposed to all sorts of entrepreneurship programs, incubators, and accelerators and benefits seriously from trends such as coaching and mentoring that currently flourish. In other words, our younger compatriots have access to much more information and resources than we did 20 years ago. To take this reasoning further, imagine that a 20-year-old with a vision to create his/her own business will have failed several times by the time he or she reaches 30 years of age and become a successful entrepreneur and, as a result of that, a more mature, responsible citizen.

Of course, as our forest will be resurged neither in days nor in months, the two key elements for Greece's ascension are time and proper guidance. It is, though, my conviction that a nation with such worthy human capital and a "retro" style governance in urgent need of refurbishment presents a true opportunity for both visionaries and doers.

This challenge is a tough one; it requires the maximum of commitment, presupposes tons of hard work and includes a somewhat incalculable risk that not everyone can handle. However, it is my view that it is a risk worth taking for those who wish to make a change and reap the rewards of new Greece in some years from now. Are you up for it? 🐾



MARCEL CREMER
ATTORNEY-AT-LAW,
CREMER & PARTNERS

As our forest will be resurged neither in days nor in months, the two key elements for Greece's ascension are time and proper guidance





BY DR. VENETIA KOUSSIA
PRESIDENT AND MANAGING DIRECTOR,
MANPOWERGROUP

BE KIND

A CONSTANT DILEMMA REIGNS IN THE C-SUITE, WHETHER A LEADER WHO WANTS TO BE IN A POSITION OF INFLUENCE SHOULD BE A KIND LEADER OR AN AUTOCRATIC ONE. SHOULD THE PEOPLE LOVE YOU OR FEAR YOU? ISN'T KINDNESS A SIGN OF WEAKNESS?

Half a century ago, Niccolò Machiavelli observed the leaders of Central Europe and concluded that a leader can definitely not be both. In order to become a successful leader, you need to be feared and not loved. His theory was quickly embraced and gained a lot of support.

Traditionally, when we are in management positions or other positions of power and influence, we believe that in order to earn the respect and loyalty of our subordinates, we need to be strict, ruthless and distant—seeing as a closer relationship with our employees would jeopardize the hierarchy established in the company. However, a great deal of research has come to refute this false perception.

Especially today in the Human Age, when the success of any organization is deter-

mined by its people, their creativity and innovative spirit, we cannot afford not to be the leaders who will unleash the true potential of our people. To achieve this, we need to develop a relationship of trust with them, which will not be enforced through fear and authoritarianism, but which will be cultivated with time and dedication. This relationship will become an invaluable asset to any organization, since it will constitute the cornerstone for the mutual development of both the people and the organization, through collaboration and a strong will to evolve.

The key that will unlock this relationship is to forget practices of unconstructive criticism focusing on flaws and weaknesses, and to learn how to praise the achievements and the continuous effort put in by our employees.

Robert K. Greenleaf developed the idea

of Servant Leadership, whereby a leader focuses primarily on the growth and well-being of people and the communities to which they belong, putting the needs of others first and helping people develop and perform as highly as possible.

The encouragement, empowerment, development, motivation and reward of employees are all attributes of a leader who deserves and eventually wins the trust of his or her people. In such a way, the team feels secure, confident, collaborative, and is inspired to go a step further every day, based on its real and developing skills.

Harsh and judgmental leaders are mistaken to think that, by putting their team under pressure, they will manage to increase their effectiveness. Under constant ordering, even the best soldiers will eventually end up being mercenaries. Let us not



forget that when our adrenaline reaches excessive levels our stress levels also rise, with an unavoidable negative impact on our job efficiency and our health. This will even affect the company itself in the long-term. If we cease to love what we do and find no meaning in our job, then our efficiency will plunge, our creativity will block, and our job will simply become a “necessary evil” in order to get our paychecks at the end of the month. For how long can this situation be viable?

Especially today, when we are experiencing an unprecedented socio-economic crisis, the role of leaders is crucial, as they are called to effectively manage, on a daily basis, the emerging challenges that affect themselves, their company and their people. However, we must always bear in mind that no matter how many responsibilities and concerns the C-Suites have, they will not accomplish anything without their people, who are a driving force to move forward. Cultivating a relationship of mutual trust with our employees should be viewed as a strategic investment so that we can strengthen, safeguard and finally capitalize upon their talents and prospects.

At the same time, we must acknowledge the fact that these same people with whom we spend a large part of our day have their own lives, their own personal concerns and

dreams—beyond their job. In the same way that we are influenced by the everyday challenges—especially today when uncertainty, fear and anger prevail due to the current crisis—so are they, maybe even more.

It is necessary to realize that if we have the luxury to “let it out” on our people, they will eventually let it out on their job and their clients, damaging their effectiveness

thinking—and not that of our employees. Before we ignore or reject their work, we need to shape the necessary perception and provide them with the tools that will help them cope with the demands of our fiercely competitive environment.

The balance that used to exist in organizations dictating that employees were detached from the outside world, and were

Harsh and judgmental leaders are mistaken to think that, by putting their team under pressure, they will manage to increase their effectiveness



at work and finally our own careers as managers and leaders.

It is equally important to remember that our employees cannot operate and function with the same experience, knowledge, ambition and passion that drive us. We often want things implemented in a particular way, which emanates from our own modus operandi, our own experience and way of

placed at a respectful distance from their manager, has become a recipe for failure. As everything revolves around us, we need to remember that growth is never accidental or occurs by mere chance, but it is the result of forces working together. Our achievements depend on our people, so let’s learn how to be kind...and we can start by thanking them! 🙌

CHANGE MANAGEMENT

YOUR ULTIMATE TEST



BY MARIELLE THOMAS
EAST MED REGIONAL DIRECTOR, GREECE, ISRAEL, &
CYPRUS, STANLEY BLACK & DECKER

I HAVE NOW BEEN WORKING FOR ALMOST 30 YEARS. OF THESE 30, I HAVE BEEN PRIVILEGED TO BE IN MANAGERIAL POSITIONS FOR 25, AND HAVE MOVED FROM FINANCE, TO CONSULTING, BACK TO FINANCE, TO SUPPLY CHAIN/LOGISTICS, TO PROJECT MANAGEMENT, AND THEN FINALLY TO GENERAL MANAGEMENT. IN THE LAST 19 YEARS I HAVE WORKED FOR STANLEY BLACK & DECKER AND HAVE REPORTED TO EIGHT DIFFERENT PEOPLE DIRECTLY AND INDIRECTLY TO 11. BE PATIENT, I WILL EXPLAIN LATER WHY I AM TELLING YOU THIS.

If there is a single theme throughout my career it has been *adapting to* and *adopting* change. I have worked for three companies in total (I am very conservative in changing jobs), but I have been through two global mergers and seven restructurings. I have been involved in three complete ERP system implementations, which entailed a major overhaul in all company processes. I have driven numerous outsourcing projects (accounting, customer service, warehousing, merchandising) in

two of the companies I have worked for and tried, at least, to facilitate three others, in my consulting role, to find what is known as their 'new business model.'

Change is scary. Change is not about the new system, it is not about the new boss, it is not about the new procedure. It is about us. It moves us out of our comfort zone that we have worked hard to establish, and just as we feel that we are safe and we are in control, it all changes. Literally it is like practicing continuously to play something

well, to finally understand the rules and the people on your team, and suddenly somebody says 'new team, new rules, new game.' You feel that your 'Performance Counter' has been reset to zero...something like not saving your progress on a video game and having to do all the levels again. Of course you know the tricks and you go through the levels much more easily this time around but, still, you need to start the game again. Change can manifest itself in a variety of shapes and forms. It can be organizational:

new manager, new team, and new reporting lines. It can be structural: new company resulting from a merger, new business unit, new geographical location. It can be the business environment: new economic climate (recession), marketing changes (social media), new sales model (online buying). It can be systemic/procedural: new IT system, new schedule of authority affecting procedures, outsourcing of services or others. What I am saying is that it is unlikely your organization has not been impacted by change seriously over time and, whether you have realized it or not, you have been forced to make significant changes to yourself in the process, possibly without your full consent.

I have always been an advocate of Jack Welch's famous quote 'Change Before You Have To.' I think the evidence from our experience in Greece the last few years has proved these to be possibly the wisest words ever spoken. Just imagine if we had made all the structural, tax, and pension reforms in 2000-2005, when the economy was booming, the enthusiasm of the Olympic Games was at a peak, and the nation's mindset was set on winning. Effective, timely, necessary changes would have been made with less pain, would have had more buy-in from stakeholders, and any associated pain would have been numbed in the upward spiral of the times. Instead, we are trying to implement change after the collapse, when the downward spiral is in a Gale 5 Hurricane and psychology is at its lowest.

Unfortunately, in many cases, the same goes for companies. When sales are up, cash flow is good, we are all happy. When recession sets in, we start really looking at our expenses, our KPIs, our inventory,

our cash flow. Suddenly, we discover many things that are wrong, not because they became wrong in the crisis but, because now, we looked at them.

I will not waste your time discussing the need for change or go into specific examples. I will assume that you have identified the need for change or been forced to implement change, and you are now at the implementation phase. I am saying this because whatever the nature of the change you are about to implement, the steps are the same, and the issues you will face are almost identical.

TIMING

- As I mentioned earlier, if possible, try to implement change before you have to. Look at your business model every six months, look at market trends, look at what other companies are doing, look at your KPIs. Is your model resilient to, let's say, a 20% drop in sales? Are you sure your route to market will be valid in 2-3 years? Are your internal procedures in line with what you are doing, or is half your company marching to a different tune?
- Conclusion: Try to make the change when things are still good. People are much more open to change when they feel safe and in a healthy climate.

COMMUNICATE

All the time, clearly. Manage expectations. Address fears. Explain the Why, the Who and the What. Don't underestimate people's intelligence by saying silly things like 'No one will be affected.' You are a leader and you need to be pragmatic. Not addressing the issues means you are afraid and the last thing people want during a change period is a weak and fearful leader.

MAKE A CLEAR AGENDA/TIMELINE

Set a timeframe for your change depending on the urgency of the matter at stake. Space out your deliverables/challenges in such a way that benefits are evident after an unpleasant change. Allow time in your agenda for people to absorb what has happened and the resulting impact.

KNOW YOUR ALLIES AND YOUR RESISTORS

In every project you will have people who are for it and people who are against it. But it is not so simple, here are things to think about:

- Are the allies on board because they believe it, or just because they want to be on your side? Careful, these people can be your worst enemies if things go wrong.
- Why are the resisters against you? Is it because they don't believe in the change; is it because they fear they won't be able to work in the new way? Identify whether it is resistance or insecurity—huge difference.

EXPECT AND EMBRACE INSTABILITY, FEAR, AND THE 'NOTHING IS WORKING MOMENT'

- Change is the move from one equilibrium to another. Do not expect this will happen without disequilibrium in between, and potentially psychological and maybe even actual chaos.
- As a leader you know the whole picture, you know where you are going. Manage fears and expectations. Explain that this period of insecurity and instability is necessary in your migration process to the new equilibrium. People need to understand this was part of the plan and is not happening because things have gone horribly wrong.

Change Management is probably your ultimate test as a leader. It impacts all areas: people, systems, and procedures. As a result it embraces psychology, management, and operational know-how. It requires you to be visionary and effective. It requires that you, first of all, are capable of leading a new business. You are the bridge between the old equilibrium and the new. Are you ready to lead change, perhaps even before you have to? 🐼

Try to make the change when things are still good. People are much more open to change when they feel safe and in a healthy climate



LOCKHEED MARTIN'S VOTE OF CONFIDENCE TO THE HELLENIC DEFENSE INDUSTRY



LOCKHEED MARTIN AWARDED CONTRACT TO HELLENIC AEROSPACE INDUSTRY (HAI) FOR THE FIVE-YEAR (2015-2019) EXTENSION OF THE C-130J AIRCRAFT CO-PRODUCTION PROGRAM

Hellenic Aerospace Industry (HAI) recently signed a contract with Lockheed Martin for the extension of the C-130J Super Hercules aircraft co-production program. In this context, HAI will continue to manufacture and assemble major structural parts of the C-130J aircraft through 2019. The program started at the end of 2009 when HAI undertook the manufacturing and assembly of major parts of the military aircraft (accounting to for almost 30% of the total aircraft) as a Lockheed Martin sole-source supplier for the global market. The total value of the new contract is approximately USD 72 million. With the opportunity of the recent impor-

tant agreement between Lockheed Martin and HAI we met with Mr. Dennys Plessas, Lockheed Martin Aeronautics/International Vice President for Business Development Initiatives, to discuss the continuation of this major strategic cooperation, indisputably providing the Greek Defense Industry with a vote of confidence from the American colossus.

Congratulations for this new agreement and important cooperation. What exactly does it mean for the Hellenic industry?

As you may be aware, for 70 years now Lockheed Martin has developed a strategic cooperation with the Hellenic Armed Forces and the Hellenic defense industry based

on mutual trust, absolute transparency, and the achievement of common goals for the defense and security of Greece. Within this frame, Lockheed Martin has subcontracted to HAI a considerable amount of workload for the fabrication, manufacture and assembly of structural units for the F-16 and C-130J aircraft, which are realized following significant investment initiatives by LM concerning technology transfer, modern facilities, and equipment. The latest agreement signed, amounting to \$72 million for the next five years, is an extension of the “mid panels and plugs” co-production program for the C-130J tactical transport aircraft, which initiated back in 2009.



DENNYS PLESSAS

It should be stressed that during the last 10 years HAI has become Lockheed Martin's sole source, worldwide, for specific F-16 fighter aircraft and C-130J major structural assemblies. The F-16 and C-130J coproduction programs are providing hundreds of permanent job positions, while at the same time establish HAI as a strategic partner to Lockheed Martin. This latest agreement demonstrates once again the continuous vote of confidence of Lockheed Martin towards the Hellenic Defense Industry in general.

The continuous performance improvement and maintaining competitiveness over other international subcontractors are absolutely necessary in both the aircraft maintenance, upgrade and manufacturing domains



Could you describe the LM-HAI relationship over the course of years?

The relationship between Lockheed Martin and HAI is known, as Lockheed Corp. was the company to which the Hellenic Government entrusted in 1976 the planning and the development of a modern aircraft industry. Lockheed Martin is proud for completing the establishment of HAI in less than three years, a record time by any standards. Since then, HAI's development has been quite rapid. Soon, under Lockheed Martin's guidance and technical assistance, HAI developed capabilities for the general overhaul of many aircraft and helicopter types, as well as for hundreds of their accessories. The acquisition of F-16 fighters by 4 different Hellenic governments provided HAI with the opportunity for developing

even further by claiming major programs through the implementation of Offset Programs. The accumulated expertise of HAI employees, combined with the continuous technical assistance by LM, led to the undertaking by HAI of USAF's F-16 fighter upgrade program, which was successfully implemented.

How do you see HAI's future? Is it possible to enhance its footprint in the international market?

Today HAI demonstrates high quality standards, despite the fact that it lacks personnel since many workers are retiring and their replenishment rate needs to accelerate. A continuous effort from all HAI personnel is necessary in order to maintain the high

level of quality and manufacture, the preservation of cost at competitive levels and of course the on-time deliveries. The continuous performance improvement and maintaining competitiveness over other international subcontractors are absolutely necessary in both the aircraft maintenance, upgrade and manufacturing domains. Lockheed Martin is always trying to assist HAI in all these issues. The experience and the technical know-how acquired by HAI from its association and cooperation with Lockheed Martin in the F-16 and C-130J coproduction programs comprise a guarantee for further development of the company, the attraction of new investments, and for creating and maintaining new aerospace jobs. 🐼



BY GEORGE S. KOUNOUPIS, ESQ.

I HAVE A DREAM

I WOKE UP TODAY FROM A STARTLING DREAM. BECAUSE OF THIS, WHILE HAVING MY COFFEE, I WAS COMPELLED TO LOOK UP THE SPEECH OF THE AMERICAN CIVIL RIGHTS LEADER, MARTIN LUTHER KING, DELIVERED IN 1963 AT THE LINCOLN MEMORIAL IN WASHINGTON DC.

That speech was about the terrible injustice of racial discrimination, but there are parts of that speech which can be borrowed to describe the challenges of Greece in recent times. King warned that there was “no time to engage in the luxury of cooling off or to take the tranquilizing drug of gradualism,” stressing instead a “fierce urgency” to take advantage of the “great vault of opportunity.” I had gone to bed last night with my mind once more flooded with media and newspaper accounts of Greece being a failed economy, and facing the smirks and jabs of American and European colleagues

and business associates regarding Greece’s “deadbeat status.” Among Greek-Americans and Greeks both, the endless tirade of the “blame game” was exhausting—I had no more interest in it. As I closed my eyes to sleep all I could think of was the closed storefronts in my birth place of Sparta and the resigned faces of the young men and women who told me there were no jobs, and their biggest hope was to leave the country. I saw terribly bright young men and women working as waiters and taxi drivers, when I knew that these young people would be professionals, business leaders and managers in the United States job market. Most of these young

people told me that they could not even think of having a family since they couldn’t afford it. I know that in the U.S. these same smart, motivated kids would have families and significant upward mobility. But in my dream, it was different. I was flying from Philadelphia to Athens for a business meeting at my Athens offices. I was tired. As a U.S. and Greek lawyer I had been swamped with clients in the U.S. wanting to do business in Greece. Every U.S. company with an innovative product or idea wanted to use Greece as its entry point for European, Balkan and Asian expansion. The entrepreneurship and talent of the diaspora Greeks was fueling multiple U.S.-Greek joint ventures as U.S. funds perceived great opportunity there. After we landed, I boarded a taxi at Athens Airport, marveling at the bustling stores, warehouses, manufacturing facilities, and business centers around me. The young people seemed energized, happy and going places. Walking into my office at the center of Athens I found several U.S. business clients waiting and in no time at all we were in the conference room discussing their plans about their Greek business venture. Although they had a lot of questions, I advised them that time was of the essence because other investor clients were waiting.

“Mr. Kounoupis,” the clients started off, “in the US and Canada our company became successful with little or no help from the government.” “What we want to know,” the clients continued, “is that we will not face burdensome and unpredictable legal regulations and bureaucratic obstacles.” “For example,” they asked “how complicated and time consuming is the formation of a subsidiary in Greece?” “Gentlemen,” I stated, “Greece is known for its simplicity in forming and registering companies, and it can all be done in one day—and in one office—including tax registration.” I pointed out that the “One-Stop Centers” in each region facilitated not only complete business registration and formation, but also had handy guidance pamphlets and friendly staff who could quickly point to all relevant regulations in any regulated industry or business—together with all forms for any such additional approvals and permits. Another branch of these One-Stop Centers operated as liaisons with government, university and private group support sources and incubators—for qualifying businesses and start ups which promoted Greek jobs and/or exports. “What kind of taxation can we expect in Greece,” they nervously asked. I quickly pulled out the most recent Greek Tax Code (a brief and succinct pamphlet) and explained that it was the essence of simplicity with clear rates and deductions. “What about the legal systems?” one of the clients asked. I snickered at the question. Was he the only one who did not know that Greece was ranked by all world ratings organizations as near the top in terms of efficiency, predictability and adherence to rule of law? I explained that the new Greek Business Court and the revised Code of Civil Procedure and Commercial Code gave absolute predictability to businesses and investors that any business dispute would be adjudicated by the Court within 90 days (the system having been modeled on the Delaware Chancery Court). I pointed out that the Business Court and applicable business laws were balanced so that shareholders and management of a business enjoyed equal and fair comfort and protection. I explained that Greece had an advanced

arbitration and mediation system and that settlements and amicable resolutions were common. Discrimination and harassment were illegal and employment contracts were interpreted and enforced according to their terms, but collective employee activities were protected and labor unions and managements’ rights were fairly balanced. In any event, quick and efficient labor arbitration resolved union disputes. I also pointed out that since the Greek real estate title and lien recording system had been modernized, title searches on real estate were quick, clean and reliable. This allowed the banks to feel confident in their

and had gotten rid of over 500 non-productive and unnecessary rules and regulations. Every government bureaucrat and employee was required to accept the proposition that they were servants to the public—the other way around.

I warned him, your corporation will have to be a good corporate citizen. Taking advantage of the significant corporate business opportunities Greece provides does not mean that you can be an irresponsible corporation. Greek law was known for its corporate law “balance.”

“Mr. Kounoupis,” the client said, “I am more than comforted by what you say and

I assured him that corruption, clientelism and burdensome bureaucracy in the government were long gone



mortgages (hypothecy) and real estate liens which then allowed newly formed title insurance companies to insure these mortgages, making banks even more comfortable making business loans. Greece had long since adopted all UNCITRAL creditor rights provisions (together with the cross-border insolvency provisions) bringing predictability to commercial contracts. I assured him, “Greek banks will be happy to lend to you and if necessary, you will be able to legally enforce your rights as a creditor—should a customer or other business default or breach any contract with your company.” I pointed out that Greek banks had a very low percentage of non-performing loans and that, pursuant to important legislation Greece had enacted, the billions in old non-performing loans threatening Greek banks in the past had been sold off to investors, giving the banks needed liquidity.

I assured him that corruption, clientelism and burdensome bureaucracy in the government were long gone. Greece had adopted the recommendations of the OECD and numerous other international observers

tomorrow I will contact my U.S. offices to arrange for the significant investment funds to be sent to Greece for our manufacturing and distribution facility.” However, as the client’s smile slowly faded in a haze of white fog, I awoke.

Facing the harsh reality of the morning, I stared at my coffee and King’s speech. I realized that, however shining and optimistic my dream was, dreams do not become reality by magic or by simply invoking the greatness of Greece that once was. John Lennon said: “A dream you dream alone is only a dream. A dream you dream together is reality.” To my fellow dreamers, I pose the only viable question: Are you for creating good Greek jobs and opportunities for all members of Greek society or not? That is the question, with all due respect to Hamlet. All of us must now declare with a “fierce urgency” that young men and women with vast potential will not be destined to live their lives in the servitude of poverty and that, as King urged his people, we will put our foot down and not accept “the way of things” any more. 🐼

What Is Behavioral Economics?

Behavioral economics is at the intersection of economics and psychology. Traditional economic theory assumes that people are perfectly rational, patient, computationally proficient economic robots that know objectively what makes them happy and make choices that maximize this happiness. Even if traditional economists acknowledge that people aren't perfect utility-maximizers, they usually argue that the deviations are random rather than showing evidence of consistent biases. Behavioral economists aim to develop models which account for the facts that people procrastinate, are impatient, aren't always good decision-makers when decisions are hard (and sometimes even avoid making decisions altogether), go out of their way to avoid what feels like a loss, care about things like fairness in addition to economic gain, are subject to psychological

biases which make them interpret information in biased ways, and so on.

These deviations from traditional theory are necessary if economists are to understand empirically how people make decisions about what to consume, how much to save, how hard to work, or how much schooling to get. Furthermore, if economists understand the biases that people exhibit that lower their objective happiness, they can put on a bit of a prescriptive, or normative, hat in policy formation.

Behavioral economics as a significant field of economic research is often thought to have started with the work of psychologists Daniel Kahneman and Amos Tversky. In 1979, Kahneman and Tversky published a paper entitled "Prospect Theory" that offers a framework for how people frame economic outcomes as gains and losses and how this framing affects

people's economic decisions and choices. Prospect theory, or the idea that people dislike losses more than they like equivalent gains, is still one of the main pillars of behavioral economics, and it is consistent with a number of observed biases that traditional.

There are three prevalent themes in behavioral economics

- **Heuristics:** People often make decisions based on approximate rules of thumb and not strict logic.
- **Framing:** The collection of anecdotes and stereotypes that make up the mental emotional filters individuals rely on to understand and respond to events.
- **Market inefficiencies:** These include mis-pricings and non-rational decision making.

► About.com & Wikipedia

Dining: For Business and Pleasure

ALL SENSES GASTRONOMY

Take 5

The Sensory Kitchen, a cooking style designed so diners abundantly use sight, sound, smell, taste and touch throughout their meal, is the modus operandi at All Senses Gastronomy, a one-of-a-kind restaurant in the heart of Glyfada's gastronomy central.

All Senses Gastronomy is not a standard restaurant. With one table seating 12, three set-menu options, and an orchestrated and stylized ambience, dining is a total sensory experience—and one that requires you leave prejudices at the door. Bark and pine, tart with local botargo, sour cream and almonds, sea urchins and carrots, burned bread, smoked cheese and salmon roe start



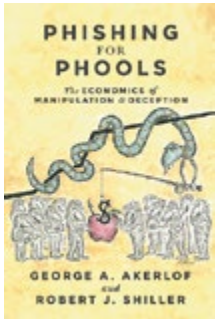
things off. Raw squid with green strawberries and mussel stock ensure your senses are connected. Then, wild hog with salsify and mushrooms brings you back to earth. Menus may be paired with select wines or juices. A corporate menu invites companies to put employee palates through the test, so to speak. Consultant chef Rony Emborg suggests you be ready for a memorable meal. Reservations are in fact pre-purchased "tickets" and dining times/day are made in line with the set menus on offer.

All Senses Gastronomy

Lazaraki 12 & Dousmani, Glyfada, 210 89 80 080,
www.allsensesgastronomy.gr

Phishing for Phools

GEORGE AKERLOF AND ROBERT SHILLER, PRINCETON UNIVERSITY PRESS



Ever since Adam Smith, the central teaching of economics has been that free markets provide us with material well-being, as if by an invisible hand. In *Phishing for Phools*, Nobel Prize-winning economists George Akerlof and Robert Shiller deliver a fundamental challenge to this insight, arguing that markets harm as well as help us. As long as there is profit to be made, sellers will systematically exploit our psychological weaknesses and our ignorance through manipulation and deception. Rather than being essentially benign and always creating the greater good, markets are inherently filled with tricks and traps and will "phish" us as "phools."

Phishing for Phools strikes a radically new direction in economics, based on the intuitive idea that markets both give and take away. Akerlof and Shiller bring this idea to life through dozens of stories that show how phishing affects everyone, in almost every walk of life. We spend our money up to the limit, and then worry about how to pay the next month's bills. The financial system soars, then crashes. We are attracted, more than we know, by advertising. Our political system is distorted by money. We pay too much for gym memberships, cars, houses, and credit cards. *Phishing for Phools* tells stories of individuals who have stood against economic trickery—and how it can be reduced through greater knowledge, reform, and regulation.

Jargonaut

4W&H

Where, When, Why, Who, & How?

5CBD

Five Consumer Buying Decisions

ABBRBC

American by Birth. Rebel by Choice.

(L)MIRL

Let's Meet In Real Life

1NAM

One In A Million

AAMOF

As A Matter Of Fact

AFAIC

As Far As I'm Concerned

CMIIW

Correct Me If I'm Wrong

CRAT

Can't Remember A Time

DYK

Did You Know?

SODDI

Some Other Dude Did It

UG2BK

You've Got To Be Kidding

► <http://www.netlingo.com>

ANERADA INN—BOUTIQUE BED'N'BREAKFAST

BY ANDREAS STYLIANOPOULOS
PRESIDENT, NAVIGATOR TRAVEL & TOURIST SERVICES LTD



Tucked away in the charming forest of Megalo Xorio, Karpnisi central Greece, lies this secluded, picturesque, boutique bed'n'breakfast designed for

travellers "who know exactly what they are looking for." Called the Switzerland of Greece, Megalo Xorio has abundant walnut and chestnut trees at the foothills of Mt. Kaliakouda—and nature is what it's all about.

This quiet, romantic, hidden treasure is an ideal winter escape that offers a variety of out-door activities such as rafting, kayaking, hiking, horseback riding, mountain biking and ski-ing. For those who just like to relax and indulge in self pampering, reflexology, shiatsu and reiki help rejuvenate body and soul. Long walks supply pure mountain air. Unwind in the jacuzzi and enjoy a glass of wine by the fireplace while overlooking the endless views of the white snowy mountains. Visitors may choose from individually decorated rooms and enjoy the common areas with a cup of mountain tea and homemade sweets.

► <http://www.anerada.com.gr/index-en.php>

Piraeus Among World's Leading Ports



According to Lloyd's list 2015 the Port of Piraeus is among the top 39 leading container ports in the world, making the "containerization International top 100 ports" list which is based on the cargo capacity and movement of its container ships. The Piraeus Port Authority accomplished amplified profitability in

the first half of 2015 with a 130.5 percent increase, after tax profit, to 7.6 million Euros, compared to 3.3 million Euros in the first half of 2014.

Within a four-year period Piraeus moved up 54 positions, making it one of the worlds most competitive ports. These results have been raised due to the effective implementation of strategic collaborations policies with large terminal operators such as Cosco.

High Speed Internet—Not

Greece ranks 27th out of the 28 European member-states in Internet speed, according to official figures released by the European Commission. Greece has a rate of 0.4 percent in ultra-high-speed web connections; the majority of its households (70 percent) enjoys internet speeds of below 30 MBps. The European Commission's plan is to have 50 percent of active telecommunications lines in European Union member-states enjoying a speed of more than 100 MBps by 2020. Although Greece is generally approximately 20 percent cheaper than other EU states regarding low-speed internet connections, it appears to be lightly more expensive in triple-play connections.

Legislative Review—The Public Voice



The Public Consultation process to review new legislation is a highly attractive idea, that many people support. However, participation has been limited. After all, how does the public engage in dialogue with the government? Now, a technological infrastructure that puts the process online is changing "participatory democracy" for the 21st Century.

DemocraIT is designed to coordinate citizens' views, regardless of the class or group they belong to. It also highlights citizens' objections, suggestions and arguments and energize them so that

they substantially participate in the institutional framework, before the law is formed.

DemocraIT is an open-source, open-ended collaborative platform for commenting on and annotating proposed legislation. Data will be analyzed and summarized so the voice of every citizen may be part of the input and consultation process. The developers say the system design will allow for its adaptation and reuse in any form of public or private consultation, and also in other languages.

TINY HOME COMPETITION— WINNING DESIGN



Three young architects from Greece, Efstratios Skopelitis, Maria Christoulia, Alexandros Valsamidis, were among the winners in a tiny homes competition held by Activate 14 in North Carolina. According to the jury, the innovative design by the Greek team had the best combination of site organization, appropriate construction methods, and thoughtfully organized residential dwellings; was sensitive to the scale and context of its community and would enhance the neighborhood.. "The designers showed a strong sense of urban sensitivity to the needs of the individual and the community."

EU, U.S. REACH DATA PROTECTION DEAL

Brussels and Washington reached agreement on a data protection deal that allows Europeans to sue over the immoral use of their personal information in the United States, said the EU, after four years of talks. "Once in force, this agreement will guarantee a high level of protection of all personal data when transferred between law enforcement authorities across the Atlantic," EU Justice Commissioner Vera Jourova said. "It will in particular guarantee that all EU citizens have the right to enforce their data protection rights in U.S. courts." Jourova said the deal was an "important step" to "rebuild trust in EU-US data flows." However, the US Congress still has to sign the deal for it to become operational.



IT'S OFFICIAL— CHIOS MASTIC A NATURAL MEDICINE

The European Medicines Agency (EMA) has recognized the mastic of Chios as a natural medicine. The mastic falls into the category of traditional herbal medicines in two therapeutic indications, diarrhea and skin inflammation and wound healing. The island's mastic, with more than 70 recognized components, has been shown to have beneficial effects on gastrointestinal diseases, reducing in diabetes and LDL (bad) cholesterol, improve oral hygiene (gingivitis, plaque) due to the antimicrobial activity and generally strengthens the human body because of its antioxidant constituents. Two clinical studies are underway on Crohn's disease, diabetes mellitus and cholesterol.

LEARNING SKILLS ONLINE

Learn CSS

<http://www.w3schools.com/css/>

Guide to Google Analytics

<https://analyticsacademy.withgoogle.com/explorer>

Learn wordpress

<https://www.siteground.com/tutorials/wordpress>

Learn SSL

<https://www.digicert.com/ssl.htm>

Learn to Sell on E-bay

<http://pages.ebay.com/sellerinformation/learn-to-sell-online>

How to Guide iOS and O S X features

<http://www.macworld.co.uk/how-to>

Learn Photoshop

<http://www.photoshop.com/learn>

Learn About Forecasting

<http://www.forecastingprinciples.com>

Investment and Advisory

<http://www.ariadnecapital.com>

Understanding EU law

http://europa.eu/eu-law/index_en.htm

NEW DATA REPORT



The Hellenic Statistical Authority (ELSTAT) has launched a new quarterly publication, Greece in Figures, published in both Greek and English, that presents demographic, social and economic data. For comparison, the publication also presents, by theme, selected tables with statistical data of EU Member States. The publication will be updated quarterly and posted on the portal of ELSTAT on the first Wednesday of January, April, July and October.

WORK PROGRAMME 2016-17 FUNDING



The European Commission will invest almost €16 billion in research and innovation in the next two years under Horizon 2020, the EU's research and innovation funding scheme. The new Work Programme 2016-17 offers funding opportunities through a range of calls for proposals, public procurements and other actions like the Horizon Prizes, together covering nearly 600 topics.

The programme will support a range of cross-cutting initiatives: the modernization of Europe's manufacturing industry (€1 billion); technologies and standards for automatic driving (over €100 million); the Internet of Things (€139 million) to address digitalization of EU industries; Industry 2020 in the Circular Economy (€670 million) to develop strong and sustainable economies; and Smart and Sustainable Cities (€232 million) to better integrate environmental, transport, energy and digital networks in EU's urban environments.

Prime Ministers in Greece

THE PARADOX OF POWER

P *Prime Ministers in Greece: The Paradox of Power*, published by Oxford University Press, results from extensive research and interviews by Professors Kevin Featherstone of the London School of Economics and Dimitris Papadimitriou of the University of Manchester. The authors spoke with prime ministers who governed during that past 25 years as well as with ministers, advisors, and confidants within the Greek power structure.


The book addresses one key question that has multiple ramifications: how can a prime minister establish control and coordination across his or her government?

According to the authors, the Greek system of government sustains a “paradox of power” at its very core. The Constitution provides the prime minister with extensive and often unchecked powers. Yet, the operational structures, processes and resources around prime ministers undermine their power to manage the government. Through a study of all main premierships between 1974 and 2009, *Prime Ministers in Greece* argues that the Greek prime minister has been “an emperor without clothes.”

The costs of this paradox included the inability to achieve key policy objectives under

successive governments and a fragmented system of governance that provided the backdrop to Greece’s economic meltdown in 2010. Building on an unprecedented range of interviews and archival material, Professors Featherstone and Papadimitriou set out to explore how this paradox has been sustained. They conclude with the Greek system meeting its ‘nemesis’: the arrival of the close supervision of its government by the ‘Troika’—the representatives of Greece’s creditors. The debt crisis challenged taboos and forced a self-reflection. It remains unclear, however, whether either the external strategy or the domestic response is likely to be sufficient to make the Greek system of governance “fit for purpose.”

Kevin Featherstone is Eleftherios Venizelos Professor of Contemporary Greek Studies and Professor of European Politics, and Director of the Hellenic Observatory within the European Institute. He has held visiting positions at the University of Minnesota, New York University, and Harvard University.

Dimitris Papadimitriou is Professor of Politics at the University of Manchester and Director of the Manchester Jean Monnet Centre of Excellence. He has held visiting posts at Princeton University, the London School of Economics, and Yale University. 

A new book by Kevin Featherstone and Dimitris Papadimitriou sheds light on how the highest position in Greece is severely undermined by the “OS” in place in Greece today.



THE COSTS OF THIS PARADOX INCLUDED THE INABILITY TO ACHIEVE KEY POLICY OBJECTIVES UNDER SUCCESSIVE GOVERNMENTS AND A FRAGMENTED SYSTEM OF GOVERNANCE THAT PROVIDED THE BACKDROP TO GREECE'S ECONOMIC MELTDOWN IN 2010.

THE AMERICAN-HELLENIC CHAMBER OF COMMERCE

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To become a member of the American-Hellenic Chamber of Commerce, one of Greece's most preeminent and proactive business organizations, apply on the Chamber website at www.amcham.gr, send an e-mail to info@amcham.gr, call the Chamber at 210-699-3559, or fax the Chamber at 210-698-5687-7 and request an application form.

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