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Economy competitiveness and entrepreneurial environment.

Case study: evaluation of the Greek performance juxtaposed with the EU-27 and the  
BS-10.

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## Abbreviations

<b>ACCE</b>	Athens Chamber of Commerce and Industry
<b>AER</b>	Assembly of European Regions
<b>BCI</b>	Business Competitiveness Index
<b>BSEC</b>	Black Sea Economic Cooperation
<b>BS JOP</b>	Black Sea Basin Joint Operational Programme
<b>BSTDB</b>	Black Sea Trade and Development Bank
<b>CADIC</b>	Cross-Organizational Assessment and Development of Intellectual Capital
<b>CEPR</b>	Centre for Economic Policy Research
<b>CIA</b>	Central Intelligence Agency
<b>CPI</b>	Corruption Perception Index
<b>CSIC</b>	Consejo Superior de Investigaciones Científicas
<b>EAP</b>	East Asia and Pacific
<b>ECA</b>	Eastern Europe Central Asia
<b>ECB</b>	European Central Bank – Euro System
<b>EDB</b>	Ease of Doing Business
<b>EEN</b>	Enterprise European Network
<b>EIF</b>	European Investment Fund
<b>EKT</b>	National Documentation Centre
<b>EIT</b>	European Institute for Innovation and Technology
<b>ENPI</b>	European Neighbourhood & Partnership Instrument
<b>EIP</b>	Entrepreneurship and Innovation Programme
<b>ESF</b>	European Social Fund
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>FDI</b>	Foreign Direct Investments
<b>FP7</b>	7 <sup>th</sup> Framework Programme for Research and Technological Development
<b>GCB</b>	Global Corruption Barometer
<b>GDP</b>	Gross Domestic Product
<b>GCI</b>	Global Competitiveness Index

<b>GERD</b>	Gross Domestic Expenditure on R & D
<b>HDP A</b>	Hellenic Data Protection Authority
<b>Hel.Stat.</b>	Hellenic Statistical Authority
<b>IC</b>	Intellectual Capital
<b>ICBSS</b>	International Centre for Black Sea Studies
<b>ICT</b>	Information and Communication Technologies
<b>IEF</b>	Index of Economic Freedom
<b>IFex</b>	Initiatives for Start-Ups and Transfers
<b>IMF</b>	International Monetary Fund
<b>IPR</b>	Intellectual Property Rights
<b>IZA</b>	Institute for the Study of Labour
<b>LSE</b>	London School of Economics and Political Science
<b>MENA</b>	Latin America and Middle East and North Africa
<b>MiFID</b>	Markets in Financial Instruments Directive
<b>NBG</b>	National Bank of Greece
<b>NCHC</b>	National Confederation of Hellenic Commerce
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OP”COM”</b>	Operational Programme “Competitiveness”
<b>OTE</b>	Organization of Greek Telecommunications
<b>PABSEC</b>	Parliamentary Assembly of the Black Sea Economic Cooperation
<b>PERMIS</b>	Permanent International Secretariat
<b>PPP</b>	Purchasing Power Parity
<b>R&amp;D</b>	Research and Development
<b>SBA</b>	Small Business Act
<b>SEEDD</b>	Inspectorate – Auditor of Public Administrations Authority
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>TEN-T</b>	Trans-European Transport Network
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>UNICEF</b>	United Nations Children’s Fund
<b>UNPF</b>	United Nations Population Fund
<b>UNRIC</b>	United Nations Regional Information Centre for Western Europe

<b>WEF</b>	World Economic Forum
<b>WGI</b>	World Governance Index
<b>WHO</b>	World Health Organization
<b>ΔΙΚΕΜΕΠ</b>	Διεθνές Κέντρο Μελετών Ευξείνου Πόντου
<b>ΟΣΕΠ</b>	Οικονομική Συνεργασία Ευξείνου Πόντου

## **Abstract**

This dissertation concerns the Greek performance juxtaposed with that of the EU-27 and the BS-10 regarding the economy competitiveness and the entrepreneurial environment, as assessed by the Global Competitiveness Index and the Ease of Doing Business respectively. Data of benchmarking indicators will be presented in the form of boards and graphs, so as to reflect the current conditions, make the differences in performance more obvious and lastly to provide the opportunity for a retrospective look required for the evaluation of progress of the entities under examination. Despite the fact that Greece presents considerable progress in certain sectors, the overall performance of Greece in the two indices is far beyond being an efficient one. In short, bureaucracy, red tape practices, difficulty in funding, policy instability with constantly changing regulations and excessive taxation inhibits investments, either domestic or FDIs, and discourages entrepreneurial ventures. The response to the unprecedented fiscal and economic situation Greece undergoes could be focused on e-practices application, as a means to fight corruption, bureaucracy and to increase the flexibility of state mechanisms and the provision of funding. These along with the formation of a stable and predictable tax system, which would offer subsidies and incentives to enterprises, either new or already operating ones, could facilitate citizens and firms, attract more investments and contribute to economy competitiveness.

## Greece at a glance

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<b><u>Geopolitical characteristics</u></b>	<b>Population</b>		10.787.690
	<b>Size</b>		131,957km <sup>2</sup>
	<b>Currency</b>		Euro (€)
	<b>Capital</b>		Athens
	<b>Government type</b>		Parliamentary Republic
<b><u>Economic development</u></b>	<b>GDP in PPP</b>		309,231 billion \$
	<b>GDP per capita</b>		27.624,255 \$
	<b>Real growth rate as % of the GDP</b>		-5%
<b><u>Maastricht criteria</u></b>	<b>Inflation</b>		2,8
	<b>Long-term interest rate</b>		16,15
	<b>General government gross debt as percentage to GDP</b>		165,5% GDP
	<b>Annual government deficit (-) or surplus (+) to GDP</b>		-8,4%
	<b>Exchange rate</b>		GRD Greek Drachma 340.750
<b><u>Employment</u></b>	<b>Rigidity of employment Index (0-100 most rigid)</b>	2010 evaluation	50
	<b>Unemployment rate</b>		16,4%
	<b>Minimum wages per month</b>	(new wage scale)	780€
	<b>Monthly gross average wages</b>		2.323€



<b><u>Current account balance in international trade</u></b>	<b>Imports as % to GDP</b>	2011 -1Q	22,12%
	<b>Exports as % to GDP</b>		8,85%
	<b>Current Account Trade Balance as % to GDP</b>		13,28%
<b><u>Competitiveness and economy</u></b>	<b>Global Competitiveness Index (GCI) (1-7best)</b>	2011-2012 evaluation report	3,91 (90 <sup>th</sup> out of 142 evaluated economies)
	<b>Index of Economic Freedom (1-100 free economy)</b>	2011 evaluation	60,3 (88 <sup>th</sup> out of 183 evaluated economies)
<b><u>Entrepreneurship</u></b>	<b>Ease of Doing Business (EDB) 2011</b>	2010 evaluation	109 <sup>th</sup> (out of 183 countries)
<b><u>Shadow economy and corruption</u></b>	<b>Size of shadow economy as % to GDP</b>		27,5%
	<b>Corruption Perception Index (CPI) Min1,Max.10</b>	2010 evaluation	3,5
	<b>% of population reporting paying a bribe</b>	2010	18%
<b><u>FDI Index</u></b>	<b>Inward FDI Performance Index</b>	2010 evaluation	119 <sup>th</sup> in rank out of 141 countries
	<b>Inward FDI Potential Index</b>	2010 evaluation	43 <sup>rd</sup> in rank out of 141 countries

**Sources:** Bank of Greece-Eurosystem (Bank of Greece), Central Intelligence Agency - The World Factbook (CIA), Corruption Perception Index (CPI), European Central Bank-Euro System (ECB), Global Corruption Barometer 2010 (GCB), Hellenic Statistical Authority (HEL.STAT.), Inflation.Eu. (Inflation.EU), Organization for Economic Cooperation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), Worldwide Inflation Data International Monetary Fund (IMF).

**Note:** unless otherwise specified in the third column of the board, the data provided in the last column concern 2011 evaluations.

## 1. Introduction

Globalization and the establishment of organizations and unions, where many countries bear membership, have brought closer states all over the world and thus diversified the meaning of borders in comparison to the past; in this global setting, the only legitimate actors remain the nation-states -even in the form of federation, union etc.- and competition and cooperation among them have increased more than ever. Successful governments and leaderships are not only those that manage to maintain the sovereignty of their states, but also those that orientate their agendas to promote and foster developments that contribute to progress, growth and competitiveness. In that sense a dynamic transformation has taken place, affecting the traditional notion of economies and trans-boundary trade; the new trend is towards knowledge-economy relying to great degree on technology and innovation, whereas trade has been diversified due to the extended use of the internet or other technologically assisted tools for related activities (Kotelnikov, 2007, p4) .

This dissertation makes a comparative approach to the Greek performance in comparison to that of the EU-27 and the BS-10 regarding two dimensions, the first being their economy competitiveness and the second their entrepreneurial environment. The World Economic Forum (WEF) defines competitiveness as “the set of institutions, policies, and factors that determine the level of productivity of a country” (Schwab, 2011, p4) and on this basis it composes annual reports on the sections of its concern, which will be defined and further elaborated in the following units. In this context, the role of entrepreneurship is of key importance, with the Small and Medium-sized Enterprises (SMEs) comprising the backbone of state economy, as they are the basic source of revenue and employment. Investing on forming a friendly entrepreneurial environment that could attract investments either from the domestic market or abroad, equals to investing on future state competitiveness. The economy competitiveness and the entrepreneurial environment are assessed upon the adjustment and systematic compliance with conventionally set criteria in order to provide the most objective possible measurement and evaluation in specific fields.

It is worth providing certain specifications regarding the three entities that will be examined; Greece -which is a member of the EU-27 and BS-10- is a state, whereas the EU-27 is an economic and political union consisting of the following member

states: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. As for the BS-10, it includes ten countries of the wider Black Sea region: Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, the Russian Federation, Turkey, and Ukraine; some of them, with a background as former Soviet Republics, are still in the transition process in economics and politics. For the demands of this paper, these countries are to be viewed as a whole entity likewise the EU-27 with references to individual states, whenever this is essential, so as to pinpoint strengths and weaknesses and justify very high or too low scores in performance. Consequently, the performance of the EU-27 and the BS-10 as a whole in the form of scores and ranks juxtaposed with that of Greece serves as starting point for the analysis that follows.

The evaluation of the Greek performance compared to the other two entities would be based on data of two indexes, the Global Competitiveness Index (GCI) and the Ease of Doing Business (EDB), each being subdivided and analyzed into further and various thematic categories. The Global Competitiveness Index deals with catalytic factors connecting with economic growth and it is far more detailed compared to the Ease of Doing Business Index that presents states' position in rank only and therefore makes the estimation of average performance in the case of EU-27 and BS-10 impossible. Both indexes grade economies in relation to the products of their surveys. The World Bank initiated the Doing Business Project to measure regulations and their implementation across various countries all over the world, focusing mostly on SMEs and estimates the degree to which someone, either local or foreigner, is facilitated to set up a business and maintain it in a certain country. Until recently SMEs' distinguishing features were their small workforce and low turnover; however, the adoption of new technologies seems to have widen their prospects and increase the overall competitiveness of states along with innovation. The monitoring of business environments across economies in different places and over time contributes to the appreciation of their evolution and increases the potentials of amelioration in the regulatory business framework, which is strongly connected with competitiveness of economy; the states' accumulated experience on the pillars the two indexes assess is the foundation stone for their future performance.

The juxtaposition in terms of competitiveness of economy and entrepreneurial environment of Greece, EU-27 and BS-10 would be a two-folded process. Initially, differences, disparity and divergence in scores and ranks will be spotted among the three cases observed; these would be based on data at the disposal of the target reader in the form of boards and graphs. Secondly, based on that, there would be an attempt to identify strengths and weaknesses, policies and strategies responsible for the current situation and those under consideration for future implementation. In the case of Greece, the motivation is very high since Greece -that bears membership in the EU, the Black Sea Economic Cooperation (BSEC) and other organizations- is under a severe economic recession difficult to cope with, not to mention overcome, even with the May 2010 activation of the EU and the IMF support mechanisms, the rescue packages and afterwards with the 50% haircut on Greek bonds due to the Greek debt restructuring agreed on the 26<sup>th</sup> October 2011; the challenge would be to detect the advantages and the draw back elements of its business environment, which functions as grounds for working on the improvement of its economy competitiveness. So, the product of the essay would be the connection of the index-figures with assumptions denoting urgency for policy shifts with imitation of successful models and rejection of ineffective tactics and dysfunctional practices.

As for the structure, the dissertation consists of two main parts, which are focusing on the Global Competitiveness Index and the Ease of Doing Business evaluation respectively. They both start with a brief description of the index they examine and its constituent pillars. After that, there would be boards and graphs depicting the performance of the three entities in the form of scores and ranks depending on the case. The following part would be a substantial examination of the Greek performance, juxtaposed with the EU-27 and the BS-10 in the pillars considered, with references to trends, mechanisms, policies, etc. The last part comprises of the author's conclusions and recommendations.

## 2. Global Competitiveness Index

The Global Competitiveness Index was introduced in 2004 as the Growth Competitiveness Index; it was formed by Sala-i-Martin for the WEF and it currently functions as the basis for the Global Competitiveness Report and the competitiveness ranking of the countries included. The GCI measures global competitiveness with a grading scale from 1 up to 7 -where 1 stands for the lowest and 7 for the highest efficiency- by concentrating in specific pillars<sup>1</sup>.

### 2.1 GCI pillars

The pillars on which the GCI focuses are the following: “institutions”, “infrastructure”, “macroeconomic environment”, “health and primary education”, “higher education and training”, “goods market efficiency”, “labour market efficiency”, “financial market development”, “technological readiness”, “market size”, “business sophistication”, and “innovation” (Schwab, 2011, p4). These are grouped into three more general categories: the first four constitute the “basic requirements” for factor-driven economies, the next six, namely “efficiency enhancers” are the key for efficiency-driven economies and the last two, categorized as “innovation and sophistication factors” are crucial for innovation-driven economies<sup>2</sup>. All pillars inter-connect and as such, scores in a certain pillar affect performance in another one, as well; so, great degree of efficiency only in one pillar, could not guarantee a dramatic increase of the productivity and the overall competitiveness of a state.

Institutions: this pillar refers to the legal and administrative context, where not only individuals but firms and governments as well unfold their activity and interact

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<sup>1</sup> The 2004-2005 and the 2005-2006 reports derived from three indices, these being the Public Institutions Index, the Macroeconomic Environment Index and the Technology Index; they constitute the component parts on which the Growth Competitiveness Index was constructed. The sections that actually define the competitiveness of an economy increased from then onwards and became the Global Competitiveness Index instead of Growth Competitiveness Index called previously (GCI, 2011).

<sup>2</sup> Factor-driven economies are characterized by low level of development, where the main task of the government is to provide overall stability in terms of politics and macroeconomics and the role in the value chain is rather limited. As for the efficiency-driven economies, it is regarded as the next stage of development, where productivity increases and wages rise. The transition to an innovation-driven economy with “world-class technological capacities and presence of deep clusters” is a great challenge for economies that have already developed to a great degree (Competitiveness, 2011).

to generate income and wealth in economy. An effective institutional environment that is created by public and private institutions is the one that provides security to capital and consequently to investments, through preserving high standards of transparency, legislative context etc. This is essential in times of economic crisis because it determines the rate of recovery or whether the latter would be realized in the first place. Given the fact that governments rank high in the institutional framework, their role must be by no means disregarded; conducting careful management, dealing with draw-back tendencies, such as excessive bureaucracy and red tape regulations<sup>3</sup> -that make procedures complicated, costly and much time-consuming- corruption etc. or through evaluating and reconsidering practices that prevent development could significantly contribute to the establishment of a more competitive economy and thus wealth. The private sector has an equal share in this process and as such it is very important for it too to avoid scandals connecting with bribery, fraud and lack of transparency (Schwab, 2011, p4). Unless it is acknowledged that certain principles must not be violated, the interaction between the public and the private sector can bring both in front of a very detrimental reality. In any case, the societies, meaning people, citizens, firms etc. would bear the benefits and the costs of the policies implemented.

Infrastructure: this section is of utmost importance, as it indicates firstly where the economic activity could take place and secondly because it determines its type. Good infrastructure networks in combination with various modes of transport help to reduce distances, connect different regional markets at low cost, and facilitate movement of personnel, goods and services. Fine quality of power supply and telecommunications guarantee communication through an uninterrupted flow of information among economic actors and therefore they are vital for companies, factories etc. (Schwab, 2011, p5).

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<sup>3</sup> Robert K. Merton, an American sociologist dealt with red tape practices in his essay “Bureaucratic Structure and Personality”. This is a term to refer to excessive regulation and conformity to rules, that though they become redundant, are still imposed, thus blocking procedures affecting decision-making (1957). An example of that might be the rigidity of the Greek state to abolish the regulation concerning the publication of a firm’s balancing account, so that their shareholders are informed, that is a practice, which has become redundant, as these firms upload their balancing accounts on the internet at no cost. Even if 17 of the governing party’s representatives have asked for the abolishment of this practice for the Public Limited Companies and the Limited Liability Companies in March 2011 (SKAI, 2011), that regulation is still valid, which practically means a time consuming burden of 1500 up to 5000 € cost at annual basis.

Macroeconomic environment: this actually describes the overall performance of a state e.g. fiscal surplus/deficit, inflation etc. The stability of the macroeconomic environment is definitely a prerequisite for the sustainable state or region's competitiveness and growth. Setting this stability at risk, with running fiscal deficits for instance, directly affects the ability of the government to react in the future to business cycles (Schwab, 2011, p5) and makes the economy vulnerable if not fragile towards speculative trends and weak in negotiations.

Health and primary education: Both health and primary education are of vital significance; this becomes more evident especially when one considers the implications of the lack of both. Unhealthy workforce means regular absence, low efficiency and decreased productivity. Uneducated workforce equals to less efficient workforce often restricted in conducting simple manual tasks and also denotes low ability to adapt to new technologies and more sophisticated processes, which is vital for production and competitiveness (Schwab, 2011, p5). Consequently, government spending on health services and provision of education is interpreted as government investing on healthy and ductile workforce, which means business development and growth in the long run.

Higher education and training: this pillar focuses on secondary and tertiary enrolment rates and the quality of education provided in each; the continuous or lifelong staff training is also taken into account, because it provides the workers the opportunity to upgrade their skills and adjust to the demands that derive from the constantly evolving globalizing economy. This dimension mainly concerns the countries that want to "move up the value chain beyond simple production processes and products" (Schwab, 2011, p5). An investment on educating population and training is guaranteed to pay-off in the future not only in individual level but at state level, too, if combined with the necessary brain-drain activity.

Goods market efficiency: this sector refers to the efficiency to produce or to provide services that can be traded in the economy according to the supply-and-demand rule. In this context market competition is embraced and not despised as long as it is healthy without government intervention, because it elevates market efficiency



and business productivity (Schwab, 2011, p7). So, since market consists of customers with various attitudes, one could claim that this is challenge and a driving force for innovation through a consumer-oriented approach.

Labour market efficiency: this dimension deals with the allocation of the workforce in the economy so as to ensure its efficient use -this excludes sex discrimination- in relation to incentives and rewards for efforts. What is more, it highlights the importance of a flexible labour market in the sense of shifting workers to various economic activities rapidly and at low cost in addition to fluctuations in the wages without social objection, opposition and disruption (Schwab, 2011, p7).

Financial market development: an efficient financial sector utilizes in a productive way the national resources. The allocation of such resources requires an assessment of risk in advance and careful planning before channelling them to entrepreneurial or investment projects. It is for granted that transparency is crucial throughout this process, too; the expected result would be the highest rate of return. Efficient circulation of capital from a sound banking sector to private-sector along with the appropriate regulation, for example in security exchanges, increases the potentials of productivity (Schwab, 2011, p7), while it constitutes the product of a sophisticated and mature financial market.

Technological readiness: this section measures the agility of economies to adopt and implement existing technologies in order to increase the productivity of their industries. It focuses mainly on the access to Information and Communication Technologies (ICT) and the capacity to fully utilize in processes connecting with daily activities and production, so as to achieve greater efficiency and competitiveness (Schwab, 2011, p7).

Market size: this pillar refers to the market size of regional markets defined by national borders and to broader markets that consist of many states but present a single common market like that of the EU. In order to avoid discrimination -due to the geographic or population size restrictions- both domestic and foreign markets are considered. Whatever the case, the market size is closely related to productivity, trade

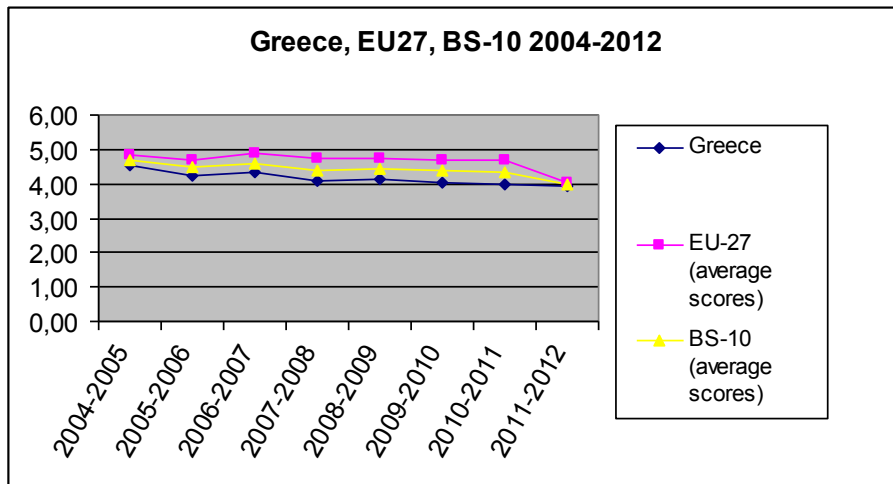
openness and the degree of internationalization of an economy in the form of its share in the international market (Schwab, 2011, p7).

Business sophistication: this sector is catalytic concerning the production of goods, the provision of services and competitiveness. It takes into account the quality of the overall business networks, the degree of cluster development among the individual firms, the latter's operations and strategies, the quantity and quality of local suppliers, the marketing extent and other relevant factors (Schwab, 2011, p8).

Innovation: since substantial steps have been made so far in this sector, it seems that it has become rather difficult to score high in it nowadays. Although the less-advanced countries can adopt and make use of the technological achievements and the know-how of the more advanced ones in order to increase productivity, the rest are in need of very dynamic products to maintain their competitiveness. In this context innovative activity can be sustained through investment on Research and Development (R&D) projects with the collaboration of scientific institutions and industry, the protection of intellectual property by regulations and the support of the public and private sector (Schwab, 2011, p8). After all, innovation and growth have always been strongly interrelated.

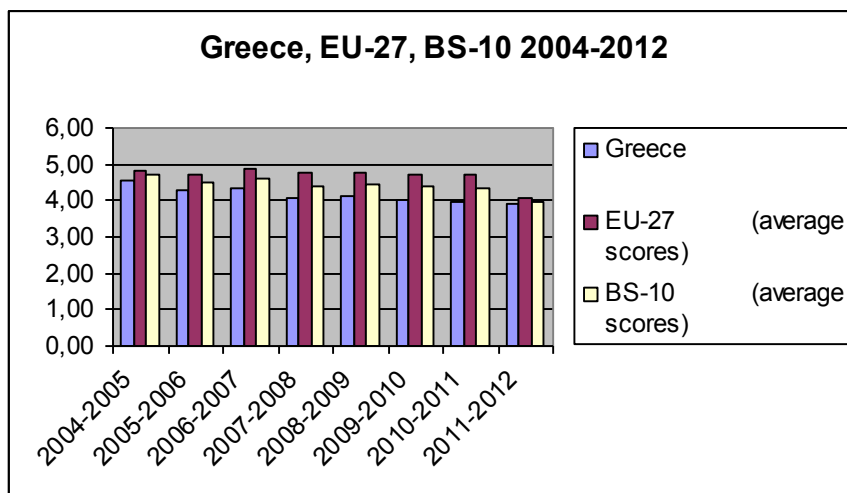
### **3. Informative graphs and boards on GCI**

It has already been stated that there would be boards and graphs to depict performance in terms of scores and ranks, as assessed and recorded by the GCI. The two graphs below show the evolution of Greece, EU-27 and BS-10 according to the GCI evaluation. Afterwards, the first board provides a retrospective view of the examined entities, indicating in the last column the positions lost or gained compared to the first year under consideration. Positive changes are marked with green colour, while the negative ones are indicated with red. The rest boards present a detailed view, regarding every sector the GCI focuses on, on an annual basis starting from 2004. For the EU-27 and the BS-10, each one's average score -as calculated by the author- would be also provided, besides those of the individual component states. Green colour is used to point to the highest rank -the most efficient performer- and yellow colour is used to point to the lowest in rank state -the least efficient performer.



Source: GCI 2004-2012, WEF.

GCI - graph 1



Source: GCI 2004-2012, WEF.

GCI - graph 2

## Appendix

Country/Union	2009 World Governance Index (0 min- 100 max)					
	Voice and accountability	Political stability and absence of violence	Government effectiveness	Regulatory quality	Rule of law	Control of corruption
<b>GREECE</b>	73,9	42,0	68,6	74,8	66,5	61,4
<b>EU-27 average score</b>	85,0	72,7	82,5	86,2	83,0	80,0
<b>BS-10 average score</b>	43,3	36,3	49,9	56,4	44,0	38,5

Source: World Governance Index (World Bank).

Appendix – table 1.

EU-27 - EDB - I		Starting a Business				Dealing with Construction Permits		Registering Property		Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business					
Year	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)	
																																		Economy
DB2006	8	28	5.7	61.5	13	194	81.8	3	32	4.5	7	6	1.2	45.4	3	5	4	4.0	22	170	60.2	4	8	858	5	9	913	27	397	12.7	73.3	1.1	18	
DB2007	8	28	5.6	59.6	13	194	79.2	3	32	4.5	7	6	1.2	39.9	3	5	4	4.0	22	170	54.6	4	8	858	5	9	913	26	397	12.7	73.7	1.1	18	
DB2008	8	28	5.4	55.5	13	194	73.7	3	32	4.5	7	6	1.3	40.6	3	5	4	4.0	22	170	54.6	4	8	898	5	8	913	26	397	12.7	72.4	1.1	18	
DB2009	8	28	5.1	52.8	13	194	70.4	3	32	4.5	7	6	1.3	40.9	3	5	4	4.0	22	170	54.5	4	7	1,18	5	8	1,2	25	397	18.0	71.5	1.1	18	
DB2010	8	28	5.1	52.0	14	194	71.4	3	32	4.5	7	6	1.4	39.2	3	5	4	4.0	22	170	55.5	4	7	1,18	5	8	1,2	25	397	18.0	71.5	1.1	18	
DB2011	8	28	5.2	53.1	14	194	72.9	3	21	4.5	7	6	1.4	40.6	3	5	4	4.0	22	170	55.5	4	7	1,18	5	8	1,2	25	397	18.0	73.1	1.1	18	
DB2006	4	34	11.1	22.6	14	169	71.5	7	132	12.8	7	4	55.3	0.0	8	6	7	7.0	11	60	60.2	4	8	1,6	5	9	1,6	28	505	16.6	86.6	0.9	4	
DB2007	4	27	5.8	21.8	14	169	69.0	7	132	12.7	7	4	56.2	0.0	8	6	7	7.0	11	60	60.0	4	8	1,6	5	9	1,6	28	505	16.6	86.4	0.9	4	
DB2008	3	4	5.3	20.1	14	169	63.7	7	132	12.7	7	4	57.2	0.0	8	6	7	7.0	11	156	58.0	4	8	1,6	5	9	1,6	28	505	16.6	85.5	0.9	4	
DB2009	3	4	5.2	19.9	14	169	65.2	7	132	12.7	7	4	57.7	0.0	8	6	7	7.0	11	156	58.1	4	8	1,62	5	9	1,6	26	505	16.6	86.3	0.9	4	
DB2010	3	4	5.3	19.4	14	169	63.5	7	79	12.7	7	4	56.5	0.0	8	6	7	7.0	11	156	57.3	4	8	1,62	5	9	1,6	26	505	16.6	86.3	0.9	4	
DB2011	3	4	5.4	19.6	14	169	64.1	8	79	12.7	7	4	57.2	0.0	8	6	7	7.0	11	156	57.0	4	8	1,62	5	9	1,6	26	505	16.6	87.6	0.9	4	
DB2006	11	32	9.6	73.0	20	127	480.4	9	19	2.3	8	4	13.6	0.0	10	1	7	6.0	31	616	46.0	7	26	1,23	10	25	1,2	40	564	23.8	33.5	3.3	9	
DB2007	9	32	7.9	63.9	20	127	421.0	8	19	2.3	8	5	20.7	..	10	1	7	6.0	31	616	42.5	7	26	1,23	10	25	1,2	40	564	23.8	34.4	3.3	9	
DB2008	9	32	8.4	56.3	22	131	499.9	8	19	2.3	8	6	25.4	3.0	10	1	7	6.0	17	616	36.7	5	23	1,33	7	21	1,38	40	564	23.8	32.4	3.3	9	
DB2009	4	49	2.0	47.8	24	139	493.6	8	19	2.3	8	6	30.7	5.0	10	1	7	6.0	17	616	34.9	5	23	1,63	7	21	1,78	39	564	23.8	32.1	3.3	9	
DB2010	4	18	1.7	20.7	24	139	436.5	8	15	2.3	8	6	34.8	6.2	10	1	7	6.0	17	616	31.4	5	23	1,55	7	21	1,67	39	564	23.8	32.1	3.3	9	
DB2011	4	18	1.6	0.0	24	139	442.3	8	15	3.0	8	6	37.0	13.1	10	1	7	6.0	17	616	29.0	5	23	1,55	7	21	1,67	39	564	23.8	31.0	3.3	9	
DB2006	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
DB2007	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
DB2008	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
DB2009	6	8	14.1	0.0	13	677	55.1	3	34	10.1	9	0	0.0	0.0	4	4	7	5.0	27	149	22.6	5	7	820	6	5	1,03	43	735	16.4	70.7	1.5	15	
DB2010	6	8	11.7	0.0	13	677	50.2	3	34	10.1	9	0	0.0	0.0	4	4	7	5.0	27	149	22.6	5	7	820	6	5	1,03	43	735	16.4	70.7	1.5	15	
DB2011	6	8	12.6	0.0	13	677	45.0	3	34	10.0	9	0	0.0	0.0	4	4	7	5.0	27	149	23.2	5	7	820	6	5	1,03	43	735	16.4	70.4	1.5	15	
DB2006	10	40	9.5	39.0	36	230	20.7	4	123	3.0	7	5	2.8	37.9	2	5	8	5.0	27	930	49.6	4	16	775	7	18	860	27	653	33.0	17.8	9.2	15	
DB2007	10	24	8.9	36.8	36	230	19.5	4	123	3.0	7	5	3.5	51.0	2	5	8	5.0	12	930	49.1	4	16	775	7	18	860	27	653	33.0	18.5	9.2	15	
DB2008	10	17	10.6	34.9	36	180	18.5	4	123	3.0	7	5	4.2	53.0	2	5	8	5.0	12	808	48.6	4	16	775	7	18	860	27	653	33.0	21.3	6.5	15	
DB2009	9	20	9.6	31.8	36	180	16.9	4	123	3.0	6	5	4.6	65.2	2	5	8	5.0	12	808	48.6	4	17	985	7	20	1,09	27	653	33.0	20.9	6.5	15	
DB2010	9	20	9.2	30.5	36	150	16.2	4	78	3.0	6	5	4.9	73.1	2	5	8	5.0	12	613	47.2	4	17	1,06	7	20	1,17	27	611	33.0	20.9	6.5	15	
DB2011	9	20	9.3	30.9	36	150	16.4	4	43	3.0	6	5	4.9	73.2	2	5	8	5.0	12	557	48.8	4	17	1,06	7	20	1,17	27	611	33.0	55.9	3.2	17	
DB2006	4	6	0.0	47.0	6	69	71.3	6	42	0.6	9	4	0.0	7.7	7	5	7	6.3	9	135	34.7	4	5	603	3	5	603	35	380	23.3	67.2	3.3	4	
DB2007	4	6	0.0	44.6	6	69	67.8	6	42	0.6	9	4	0.0	11.5	7	5	7	6.3	9	135	32.7	4	5	603	3	5	603	35	380	23.3	70.5	3.0	4	
DB2008	4	6	0.0	40.7	6	69	61.8	6	42	0.6	9	4	0.0	11.5	7	5	7	6.3	9	135	33.3	4	5	603	3	5	603	35	380	23.3	87.0	1.1	4	
DB2009	4	6	0.0	40.1	6	69	60.9	6	42	0.6	9	4	0.0	5.0	7	5	7	6.3	9	135	29.9	4	5	744	3	5	744	35	380	23.3	86.5	1.1	4	
DB2010	4	6	0.0	38.6	6	69	58.7	6	42	0.6	9	4	0.0	5.2	7	5	7	6.3	9	135	29.2	4	5	744	3	5	744	35	380	23.3	86.5	1.1	4	
DB2011	4	6	0.0	26.0	6	69	61.7	3	42	0.6	9	4	0.0	5.4	7	5	7	6.3	9	135	29.2	4	5	744	3	5	744	35	410	23.3	89.4	1.1	4	

EU-27 - EDB - II	Year	Starting a Business				Dealing with Construction Permits		Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business				
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Estonia	DB2006	6	35	6.2	41.4	12	116	41.4	3	51	0.7	6	5	0.0	12.5	8	3	6	5.7	7	81	51.1	3	5	675	4	5	675	36	425	18.9	39.0	3.0	9
	DB2007	6	35	5.1	34.3	13	117	34.3	3	51	0.7	6	5	0.0	18.2	8	3	6	5.7	7	81	49.9	3	5	675	4	5	675	36	425	18.9	39.9	3.0	9
	DB2008	5	7	2.0	28.1	13	117	28.1	3	51	0.5	6	5	0.0	19.7	8	3	6	5.7	7	81	49.2	3	5	675	4	5	675	36	425	18.9	39.1	3.0	9
	DB2009	5	7	1.7	23.7	14	118	27.5	3	51	0.5	6	5	0.0	20.6	8	3	6	5.7	7	81	48.6	3	5	730	4	5	740	36	425	18.9	37.5	3.0	9
	DB2010	5	7	1.7	23.2	14	118	26.9	3	18	0.5	6	5	0.0	20.6	8	3	6	5.7	7	81	49.1	3	5	730	4	5	740	36	425	26.3	37.5	3.0	9
	DB2011	5	7	1.9	25.7	14	134	29.9	3	18	0.5	7	5	0.0	22.4	8	3	6	5.7	7	81	49.6	3	5	725	4	5	725	36	425	26.3	35.5	3.0	9
Finland	DB2006	3	14	1.2	28.0	18	66	138.5	3	14	4.0	7	5	0.0	14.7	6	4	7	5.7	20	269	49.5	4	8	420	5	8	420	32	235	13.3	89.0	0.9	4
	DB2007	3	14	1.1	27.1	18	66	134.0	3	14	4.0	7	5	0.0	14.9	6	4	7	5.7	20	269	47.7	4	8	420	5	8	420	32	235	13.3	89.1	0.9	4
	DB2008	3	14	1.0	7.7	18	66	122.3	3	14	4.0	7	5	0.0	14.9	6	4	7	5.7	20	269	47.8	4	8	420	5	8	420	32	235	13.3	88.2	0.9	4
	DB2009	3	14	1.0	7.4	18	66	118.3	3	14	4.0	7	5	0.0	14.8	6	4	7	5.7	20	269	47.8	4	8	495	5	8	575	32	235	13.3	87.3	0.9	4
	DB2010	3	14	0.9	7.2	18	66	119.7	3	14	4.1	7	5	0.0	14.7	6	4	7	5.7	8	243	47.7	4	8	540	5	8	620	32	375	13.3	87.3	0.9	4
	DB2011	3	14	1.1	7.9	18	66	134.2	3	14	4.0	7	5	0.0	14.9	6	4	7	5.7	8	243	44.6	4	8	540	5	8	620	32	375	13.3	89.4	0.9	4
France	DB2006	5	7	1.2	0.0	13	167	27.6	9	183	5.9	4	4	1.8	0.0	10	1	5	5.3	19	132	66.0	7	22	886	13	23	886	30	331	17.4	47.6	1.9	9
	DB2007	5	7	1.1	0.0	13	137	26.4	9	183	6.0	6	4	..	0.0	10	1	5	5.3	19	132	65.8	4	11	1,03	5	12	1,15	30	331	17.4	48.0	1.9	9
	DB2008	5	7	1.1	0.0	13	137	24.9	9	123	6.1	7	4	24.8	0.0	10	1	5	5.3	19	132	65.9	4	11	1,03	5	12	1,15	29	331	17.4	47.4	1.9	9
	DB2009	5	7	1.0	0.0	13	137	23.8	9	113	6.3	7	4	28.3	0.0	10	1	5	5.3	7	132	65.4	2	9	1,08	2	11	1,25	29	331	17.4	44.7	1.9	9
	DB2010	5	7	0.9	0.0	13	137	22.9	8	98	6.1	7	4	32.5	0.0	10	1	5	5.3	7	132	65.8	2	9	1,08	2	11	1,25	29	331	17.4	44.7	1.9	9
	DB2011	5	7	0.9	0.0	13	137	23.6	8	59	6.1	7	4	33.3	0.0	10	1	5	5.3	7	132	65.8	2	9	1,08	2	11	1,25	29	331	17.4	45.2	1.9	9
Germany	DB2006	9	24	4.7	47.6	12	132	70.2	5	40	4.2	8	6	0.6	88.2	5	5	5	5.0	15	196	49.2	4	7	740	5	7	765	30	394	14.4	52.7	1.2	8
	DB2007	9	24	5.1	46.2	12	100	68.2	5	40	4.2	8	6	0.5	93.9	5	5	5	5.0	15	196	48.9	4	7	740	5	7	765	30	394	14.4	52.9	1.2	8
	DB2008	9	18	5.7	42.8	12	100	63.1	5	40	5.2	8	6	0.7	98.1	5	5	5	5.0	15	196	50.1	4	7	740	5	7	765	30	394	14.4	53.1	1.2	8
	DB2009	9	18	5.6	42.2	12	100	62.2	5	40	5.2	7	6	0.7	98.4	5	5	5	5.0	16	196	50.5	4	7	822	5	7	887	30	394	14.4	52.2	1.2	8
	DB2010	9	18	4.7	0.0	12	100	60.2	5	40	5.2	7	6	0.8	98.3	5	5	5	5.0	16	196	44.9	4	7	872	5	7	937	30	394	14.4	52.2	1.2	8
	DB2011	9	15	4.8	0.0	12	100	61.8	5	40	5.1	7	6	1.0	98.4	5	5	5	5.0	16	215	48.2	4	7	872	5	7	937	30	394	14.4	53.1	1.2	8
Greece	DB2006	15	38	22.0	121.4	15	169	71.9	11	22	14.0	3	4	0.0	17.7	1	3	5	3.0	21	264	54.6	5	20	998	6	25	1,25	39	819	14.4	45.9	2.0	9
	DB2007	15	38	21.7	116.0	15	169	68.8	11	22	4.0	3	4	0.0	37.5	1	3	5	3.0	21	264	50.1	5	20	998	6	25	1,25	39	819	14.4	46.3	2.0	9
	DB2008	15	38	21.1	104.1	15	169	61.7	11	22	4.0	3	4	0.0	38.7	1	3	5	3.0	21	264	49.6	5	20	998	6	25	1,25	39	819	14.4	44.8	2.0	9
	DB2009	15	19	22.5	19.6	15	169	46.4	11	22	3.8	3	4	0.0	39.0	1	4	5	3.3	10	224	47.4	5	20	1,15	6	25	1,27	39	819	14.4	44.2	2.0	9
	DB2010	15	19	20.2	21.4	15	169	50.7	11	22	4.0	3	5	0.0	46.9	1	4	5	3.3	10	224	47.4	5	20	1,15	6	25	1,27	39	819	14.4	44.2	2.0	9
	DB2011	15	19	20.7	22.3	15	169	52.9	11	22	12.7	3	5	0.0	61.5	1	4	5	3.3	10	224	47.2	5	20	1,15	6	25	1,27	39	819	14.4	43.2	2.0	9
Hungary	DB2006	6	38	22.4	79.6	31	217	13.3	4	78	11.0	7	5	0.0	4.0	2	4	7	4.3	13	340	56.6	5	18	975	7	17	975	35	335	15.0	35.7	2.0	15
	DB2007	6	38	20.9	74.2	31	217	12.4	4	78	11.0	7	5	0.0	5.9	2	4	7	4.3	13	340	55.7	5	18	975	7	17	975	35	335	15.0	39.7	2.0	15
	DB2008	6	16	17.7	65.1	31	211	10.4	4	63	11.0	7	5	0.0	6.9	2	4	7	4.3	14	340	56.2	5	18	975	7	17	975	35	335	15.0	38.4	2.0	15
	DB2009	4	5	8.4	10.8	31	204	10.3	4	17	11.0	7	5	0.0	10.0	2	4	7	4.3	14	330	57.5	5	18	1,3	7	17	1,29	35	335	15.0	38.4	2.0	15
	DB2010	4	4	8.0	10.2	31	204	9.8	4	17	11.0	7	5	0.0	10.3	2	4	7	4.3	14	330	57.5	5	18	1,23	7	17	1,22	35	395	15.0	38.4	2.0	15
	DB2011	4	4	8.2	10.2	31	189	9.8	4	17	5.0	7	5	0.0	11.4	2	4	7	4.3	14	277	53.3	5	18	1,23	7	17	1,22	35	395	15.0	37.9	2.0	15

EU-27 - EDB III	Year	Starting a Business				Dealing with Construction Permits		Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business				
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Economy	DB2006	4	18	5.3	0.0	10	209	53.6	5	38	10.3	8	5	0.0	100.0	10	6	9	8.3	9	76	26.4	4	7	1,09	4	12	1,14	21	515	26.9	88.0	0.4	9
	DB2007	4	13	0.3	0.0	10	209	50.6	5	38	10.3	8	5	0.0	100.0	10	6	9	8.3	9	76	26.4	4	7	1,09	4	12	1,14	20	515	26.9	87.9	0.4	9
	DB2008	4	13	0.3	0.0	10	209	44.9	5	38	10.2	8	5	0.0	100.0	10	6	9	8.3	9	76	26.4	4	7	1,09	4	12	1,14	20	515	26.9	87.1	0.4	9
	DB2009	4	13	0.3	0.0	10	209	44.4	5	38	9.6	8	5	0.0	100.0	10	6	9	8.3	9	76	26.3	4	7	1,11	4	12	1,12	20	515	26.9	86.6	0.4	9
	DB2010	4	13	0.3	0.0	10	209	44.8	5	38	6.7	8	5	0.0	100.0	10	6	9	8.3	9	76	26.5	4	7	1,11	4	12	1,12	20	515	26.9	86.6	0.4	9
	DB2011	4	13	0.4	0.0	11	192	57.8	5	38	6.3	8	5	0.0	100.0	10	6	9	8.3	9	76	26.5	4	7	1,11	4	12	1,12	20	515	26.9	87.4	0.4	9
Ireland	DB2006	9	13	20.7	10.8	14	257	152.4	8	27	0.6	3	6	6.1	59.9	7	4	6	5.7	15	340	77.5	4	20	1,22	4	18	1,22	41	1,39	29.9	63.3	1.8	22
	DB2007	9	13	20.0	10.4	14	257	147.3	8	27	0.6	3	5	9.9	67.8	7	4	6	5.7	15	340	76.2	4	20	1,22	4	18	1,22	41	1,21	29.9	62.5	1.8	22
	DB2008	9	13	18.7	9.8	14	257	138.2	8	27	4.6	3	5	11.0	71.5	7	4	6	5.7	15	340	76.2	4	20	1,22	4	18	1,22	41	1,21	29.9	61.8	1.8	22
	DB2009	6	10	18.5	9.7	14	257	136.4	8	27	4.6	3	5	11.8	74.9	7	4	6	5.7	15	314	73.3	4	20	1,23	4	18	1,23	41	1,21	29.9	56.6	1.8	22
	DB2010	6	10	17.9	9.7	14	257	137.2	8	27	4.6	3	5	12.2	77.5	7	4	6	5.7	15	314	68.4	4	20	1,23	4	18	1,23	41	1,21	29.9	56.6	1.8	22
	DB2011	6	6	18.5	10.1	14	257	142.3	8	27	4.5	3	5	16.6	80.5	7	4	6	5.7	15	285	68.6	4	20	1,25	4	18	1,25	41	1,21	29.9	58.0	1.8	22
Latvia	DB2006	5	16	4.2	31.8	26	216	44.2	10	55	2.0	9	3	1.1	0.0	5	4	8	5.7	29	320	37.3	5	11	665	5	12	916	27	279	16.0	33.9	3.0	13
	DB2007	5	16	3.5	26.1	26	188	36.3	8	54	2.0	9	4	1.9	0.0	5	4	8	5.7	7	320	36.2	5	11	665	5	12	916	27	279	16.0	34.8	3.0	13
	DB2008	5	16	3.0	22.0	26	188	27.5	8	54	2.0	9	4	2.6	0.0	5	4	8	5.7	7	279	37.3	5	13	500	6	12	751	27	279	16.0	34.6	3.0	13
	DB2009	5	16	2.3	16.9	25	187	20.6	7	50	2.0	9	4	3.5	0.0	5	4	8	5.7	7	279	37.6	5	13	600	6	12	801	27	279	16.0	29.0	3.0	13
	DB2010	5	16	2.1	14.2	25	187	17.3	6	45	2.0	9	5	46.5	0.0	5	4	8	5.7	7	279	38.5	5	13	600	6	12	801	27	309	23.1	29.0	3.0	13
	DB2011	5	16	1.5	15.9	24	186	19.3	6	42	2.0	9	5	57.2	0.0	5	4	8	5.7	7	293	38.5	5	10	600	6	11	801	27	309	23.1	31.9	3.0	13
Lithuania	DB2006	8	26	3.3	57.3	17	163	138.9	3	3	0.8	5	6	2.5	12.1	5	4	6	5.0	11	166	52.2	6	10	820	6	11	980	30	210	23.6	49.8	1.7	7
	DB2007	7	26	2.8	48.8	17	163	118.2	3	3	0.7	5	6	4.2	7.2	5	4	6	5.0	11	166	48.6	6	10	820	6	11	980	30	210	23.6	50.5	1.7	7
	DB2008	7	26	3.0	46.2	17	156	133.1	3	3	0.7	5	6	6.6	7.3	5	4	6	5.0	15	166	47.1	6	10	820	6	11	980	30	210	23.6	49.2	1.7	7
	DB2009	7	26	2.7	35.9	17	162	109.9	3	3	2.0	5	6	8.9	7.2	5	4	6	5.0	15	166	46.4	6	10	870	6	11	980	30	210	23.6	48.0	1.7	7
	DB2010	7	26	2.4	31.1	17	162	72.0	3	3	1.8	5	6	12.1	18.4	5	4	6	5.0	12	166	42.7	6	10	870	6	11	980	30	275	23.6	49.4	1.5	7
	DB2011	6	22	2.8	36.1	17	162	68.8	3	3	0.8	5	6	20.0	67.8	5	4	6	5.0	11	175	38.7	6	10	870	6	10	980	30	275	23.6	49.6	1.5	7
Luxemburg	DB2006	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	DB2007	6	26	11.9	22.7	13	217	21.3	8	29	10.2	7	0	..	..	6	4	3	4.3	22	58	21.7	5	6	1,25	4	6	1,25	26	321	8.8	41.6	2.0	15
	DB2008	6	26	10.8	20.5	13	217	19.4	8	29	10.2	7	0	0.0	0.0	6	4	3	4.3	22	58	21.3	5	6	1,25	4	6	1,25	26	321	8.8	41.6	2.0	15
	DB2009	6	26	6.5	21.3	13	217	20.0	8	29	10.3	7	0	0.0	0.0	6	4	3	4.3	22	59	21.0	5	6	1,42	4	6	1,42	26	321	8.8	41.7	2.0	15
	DB2010	6	24	1.8	19.9	13	217	19.9	8	29	10.3	7	0	0.0	0.0	6	4	3	4.3	22	59	20.9	5	6	1,42	4	6	1,42	26	321	9.7	41.7	2.0	15
	DB2011	6	19	2.1	23.8	13	217	23.8	8	29	10.2	7	0	0.0	0.0	6	4	3	4.3	22	59	21.1	5	6	1,42	4	6	1,42	26	321	9.7	43.7	2.0	15
Netherlands	DB2006	7	9	13.0	64.6	18	230	91.8	5	7	6.2	6	5	0.0	68.9	4	4	6	4.7	20	250	48.5	4	6	880	5	6	1,01	26	514	24.4	88.1	1.1	4
	DB2007	6	8	7.2	62.3	18	230	88.5	5	7	6.1	6	5	0.0	75.4	4	4	6	4.7	20	250	45.4	4	6	880	5	6	1,01	26	514	24.4	87.9	1.1	4
	DB2008	6	8	6.0	52.9	18	230	76.0	5	7	6.2	6	5	0.0	78.1	4	4	6	4.7	9	180	42.6	4	6	880	5	6	1,01	26	514	24.4	86.7	1.1	4
	DB2009	6	8	5.9	51.7	18	230	112.1	5	7	6.1	6	5	0.0	81.0	4	4	6	4.7	9	180	39.1	4	6	895	5	6	1,02	26	514	24.4	82.7	1.1	4
	DB2010	6	8	5.6	49.4	18	230	107.2	5	7	6.2	6	5	0.0	83.5	4	4	6	4.7	9	164	39.3	4	6	895	5	6	942	26	514	24.4	82.7	1.1	4
	DB2011	6	8	5.7	52.4	18	230	113.8	5	7	6.1	6	5	0.0	100.0	4	4	6	4.7	9	134	40.5	4	6	895	5	6	942	26	514	24.4	81.9	1.1	4



EU-27 - EDB IV	Year	Starting a Business				Dealing with Construction Permits		Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business				
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Poland	DB2006	10	31	22.2	220.1	32	311	179.0	6	197	1.6	8	4	0.0	38.1	7	2	8	5.7	40	418	40.9	5	17	834	5	25	834	38	980	12.0	26.5	3.0	22
	DB2007	10	31	21.4	204.4	32	311	166.3	6	197	1.6	8	4	0.0	38.1	7	2	9	6.0	40	418	40.9	5	17	834	5	25	834	38	980	12.0	27.9	3.0	22
	DB2008	10	31	21.2	196.8	32	311	160.0	6	197	0.5	8	4	0.0	51.5	7	2	9	6.0	40	418	41.0	5	17	834	5	25	834	38	830	12.0	27.8	3.0	22
	DB2009	10	31	18.8	168.8	32	311	137.2	6	197	0.5	8	4	0.0	50.0	7	2	9	6.0	40	418	44.1	5	17	884	5	25	884	38	830	12.0	29.8	3.0	20
	DB2010	6	32	17.9	15.3	32	308	124.2	6	197	0.5	9	4	0.0	68.3	7	2	9	6.0	40	395	42.5	5	17	884	5	25	884	38	830	12.0	29.8	3.0	20
	DB2011	6	32	17.5	14.7	32	311	121.8	6	152	0.4	9	4	0.0	91.7	7	2	9	6.0	29	325	42.3	5	17	884	5	25	884	38	830	12.0	31.3	3.0	20
Portugal	DB2006	11	54	13.4	39.4	20	327	61.3	5	83	7.5	3	5	64.3	9.8	6	5	7	6.0	8	328	45.2	4	18	495	5	18	994	35	577	14.2	74.7	2.0	9
	DB2007	8	8	7.9	38.7	20	327	60.3	5	81	7.4	3	5	72.0	9.1	6	5	7	6.0	8	328	45.2	4	16	580	5	16	994	35	577	14.2	75.0	2.0	9
	DB2008	7	7	7.0	34.7	20	327	54.0	5	42	7.4	3	5	67.1	11.3	6	5	7	6.0	8	328	44.8	4	16	580	5	16	994	35	577	14.2	74.0	2.0	9
	DB2009	6	6	6.5	34.3	21	328	53.5	5	42	7.4	3	5	76.4	11.3	6	5	7	6.0	8	328	43.6	4	16	685	5	16	999	34	577	14.2	69.4	2.0	9
	DB2010	6	6	6.4	33.5	19	287	52.9	5	12	7.4	3	5	81.3	16.4	6	5	7	6.0	8	328	42.9	4	16	685	5	15	999	31	547	13.0	69.4	2.0	9
	DB2011	6	6	6.5	34.1	19	272	53.9	1	1	7.4	3	5	67.1	16.3	6	5	7	6.0	8	298	43.3	4	16	685	5	15	999	31	547	13.0	72.6	2.0	9
Romania	DB2006	5	11	5.3	1.9	17	243	157.5	8	103	1.2	7	5	1.4	1.0	8	5	4	5.7	108	190	57.2	7	27	1,3	15	28	1,2	32	537	19.9	17.5	4.6	9
	DB2007	5	11	4.4	1.6	17	243	131.1	8	83	1.4	7	5	2.6	5.5	9	5	4	6.0	108	193	49.8	5	12	1,08	6	13	1,08	32	537	19.9	19.9	4.6	9
	DB2008	6	14	4.7	1.5	17	243	124.3	8	83	1.8	8	5	4.1	10.9	9	5	4	6.0	108	202	46.9	5	12	1,08	6	13	1,08	32	537	19.9	28.9	3.3	9
	DB2009	6	10	3.6	1.1	17	243	91.2	8	83	1.4	8	5	4.5	24.7	9	5	4	6.0	113	202	46.8	5	12	1,28	6	13	1,18	31	512	19.9	29.5	3.3	9
	DB2010	6	10	2.9	0.9	17	243	87.9	8	48	1.3	8	5	5.7	30.2	9	5	4	6.0	113	202	46.4	5	12	1,28	6	13	1,18	31	512	28.9	28.5	3.3	11
	DB2011	6	10	2.6	0.9	17	228	73.9	8	48	1.3	8	5	13.0	33.3	9	5	4	6.0	113	222	44.9	5	12	1,28	6	13	1,18	31	512	28.9	25.7	3.3	11
Slovak Republic	DB2006	9	25	5.1	41.0	13	287	18.0	3	17	0.1	9	3	0.5	18.1	3	4	7	4.7	32	325	49.7	6	22	1,02	8	25	1,05	31	565	25.7	38.6	4.8	18
	DB2007	9	25	4.8	39.1	13	287	17.1	3	17	0.1	9	3	1.0	45.3	3	4	7	4.7	31	325	48.4	6	22	1,02	8	25	1,05	31	565	25.7	48.1	4.0	18
	DB2008	9	25	4.2	34.1	13	287	14.9	3	17	0.1	9	4	1.2	40.3	3	4	7	4.7	31	325	48.4	6	22	1,02	8	25	1,05	31	565	25.7	45.2	4.0	18
	DB2009	6	16	3.3	30.4	13	287	13.1	3	17	0.1	9	4	1.4	39.9	3	4	7	4.7	31	325	47.4	6	22	1,45	8	25	1,45	31	565	25.7	45.9	4.0	18
	DB2010	6	16	2.0	23.8	13	287	13.6	3	17	0.1	9	4	1.4	44.0	3	4	7	4.7	31	257	48.6	6	20	1,45	8	25	1,45	31	565	30.0	45.9	4.0	18
	DB2011	6	16	1.9	22.2	13	287	12.7	3	17	0.0	9	4	2.2	44.5	3	4	7	4.7	31	257	48.7	6	17	1,53	8	19	1,51	31	565	30.0	55.3	4.0	18
Slovenia	DB2006	9	60	12.0	17.0	15	214	215.2	6	391	2.0	5	3	2.7	0.0	3	8	8	6.3	22	260	40.0	6	20	971	8	21	1,02	32	1,35	18.6	44.0	2.0	8
	DB2007	9	60	9.4	54.0	15	214	205.0	6	391	2.0	5	3	2.9	0.0	3	8	8	6.3	22	260	40.0	6	20	971	8	21	1,02	32	1,35	18.6	44.9	2.0	8
	DB2008	9	60	8.5	49.8	15	214	113.9	6	391	2.0	5	2	2.5	0.0	3	8	8	6.3	22	260	39.2	6	20	971	8	21	1,02	32	1,35	18.6	46.6	2.0	8
	DB2009	5	19	0.1	46.8	15	214	112.2	6	391	2.0	5	2	2.7	0.0	3	9	8	6.7	22	260	36.7	6	20	1,08	8	21	1,13	32	1,35	18.6	45.5	2.0	8
	DB2010	3	6	0.0	43.3	14	213	79.9	6	391	2.0	5	2	2.7	0.0	3	9	8	6.7	22	260	37.5	6	20	1,08	8	21	1,13	32	1,29	12.7	45.5	2.0	8
	DB2011	2	6	0.0	45.0	14	199	85.1	6	113	2.1	5	2	2.7	0.0	3	9	8	6.7	22	260	35.4	6	19	710	8	17	765	32	1,29	12.7	50.9	2.0	4
Spain	DB2006	10	47	16.5	15.7	11	233	55.1	4	25	7.2	6	5	42.1	6.5	5	6	4	5.0	7	298	61.8	6	9	1	8	10	1	40	515	17.2	77.8	1.0	15
	DB2007	10	47	16.2	14.6	11	233	51.2	4	19	7.1	6	5	44.9	7.4	5	6	4	5.0	7	298	61.8	6	9	1	8	10	1	40	515	17.2	77.6	1.0	15
	DB2008	10	47	15.1	13.7	11	233	48.0	4	18	7.1	6	5	44.9	8.3	5	6	4	5.0	8	298	62.0	6	9	1	8	10	1	39	515	17.2	76.9	1.0	15
	DB2009	10	47	14.9	13.1	11	233	46.1	4	18	7.2	6	5	45.8	8.1	5	6	4	5.0	8	234	60.2	6	9	1,12	8	10	1,12	39	515	17.2	73.2	1.0	15
	DB2010	10	47	15.0	12.8	11	233	45.1	4	18	7.2	6	5	45.3	7.6	5	6	4	5.0	8	213	56.9	6	9	1,22	8	10	1,22	39	515	17.2	73.2	1.0	15
	DB2011	10	47	15.1	13.5	11	233	47.4	4	18	7.1	6	5	54.6	10.7	5	6	4	5.0	8	197	56.5	6	9	1,22	7	10	1,22	39	515	17.2	76.3	1.0	11

EU-27 - EDB V	Year	Starting a Business				Dealing with Construction Permits			Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders						Enforcing Contracts			Closing a Business		
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Sweden	DB2006	3	15	0.7	35.0	8	116	119.6	2	15	3.0	5	4	0.0	100.0	2	4	7	4.3	2	122	54.9	3	8	561	3	6	619	30	508	31.3	74.9	2.0	9
	DB2007	3	15	0.7	33.7	8	116	115.4	2	15	3.0	5	4	0.0	100.0	6	4	7	5.7	2	122	54.9	3	8	561	3	6	619	30	508	31.3	75.7	2.0	9
	DB2008	3	15	0.6	31.1	8	116	106.6	2	15	3.0	5	4	0.0	100.0	6	4	7	5.7	2	122	54.5	3	8	561	3	6	619	30	508	31.3	74.7	2.0	9
	DB2009	3	15	0.6	30.3	8	116	103.5	2	15	3.0	5	4	0.0	100.0	6	4	7	5.7	2	122	54.5	3	8	697	3	6	735	30	508	31.3	75.1	2.0	9
	DB2010	3	15	0.6	28.5	8	116	103.3	2	15	3.0	5	4	0.0	100.0	6	4	7	5.7	2	122	54.6	3	8	697	3	6	735	30	508	31.2	75.1	2.0	9
	DB2011	3	15	0.6	14.7	8	116	106.5	1	7	3.0	5	4	0.0	100.0	8	4	7	6.3	2	122	54.6	3	8	697	3	6	735	30	508	31.2	77.3	2.0	9
United Kingdom	DB2006	6	13	0.7	0.0	19	144	70.2	2	21	4.1	9	6	0.0	76.2	10	7	7	8.0	8	105	35.8	5	12	676	4	11	756	30	404	23.4	85.3	1.0	6
	DB2007	6	13	0.7	0.0	19	144	68.9	2	21	4.1	9	6	0.0	86.1	10	7	7	8.0	8	105	35.8	4	9	940	4	8	1,27	30	404	23.4	85.2	1.0	6
	DB2008	6	13	0.8	0.0	19	144	64.6	2	21	4.1	9	6	0.0	84.6	10	7	7	8.0	8	105	35.7	4	9	940	4	8	1,27	30	404	23.4	84.6	1.0	6
	DB2009	6	13	0.8	0.0	19	144	64.2	2	21	4.1	9	6	0.0	100.0	10	7	7	8.0	8	105	35.3	4	9	1,03	4	8	1,35	30	404	23.4	84.2	1.0	6
	DB2010	6	13	0.7	0.0	11	95	69.1	2	8	4.1	9	6	0.0	100.0	10	7	7	8.0	8	110	35.9	4	9	1,03	4	8	1,16	30	399	23.4	84.2	1.0	6
	DB2011	6	13	0.7	0.0	11	95	70.9	2	8	4.1	9	6	0.0	100.0	10	7	7	8.0	8	110	37.3	4	7	950	4	6	1,05	28	399	23.4	88.6	1.0	6

Source: EDB reports 2006-2011 (WEF).

Appendix - Table 2.

Note: Lack of survey data is indicated with “..”.

BS-10 - EDB I	Year	Starting a Business				Dealing with Construction Permits			Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business			
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Economy	DB2006	10	19	6.1	4.0	22	184	544.9	4	6	0.5	5	3	2.6	0.0	5	2	8	5.0	50	580	38.7	6	34	1.6	6	37	1.88	50	285	19.0	40.7	1.9	4
	DB2007	9	18	5.1	3.3	20	149	563.1	3	4	0.4	6	3	1.5	0.0	5	2	8	5.0	50	580	38.7	6	34	1.6	6	37	1.88	50	285	19.0	41.7	1.9	4
	DB2008	9	18	4.8	3.1	20	149	152.0	3	4	0.4	6	5	2.8	13.5	5	2	8	5.0	50	581	40.7	6	30	1.2	8	24	1,465	50	285	19.0	41.7	1.9	4
	DB2009	9	18	3.6	2.3	20	149	113.0	3	4	0.3	6	5	2.6	24.4	5	2	8	5.0	50	581	40.7	6	30	1.7	8	24	2,111	49	285	19.0	41.8	1.9	4
	DB2010	6	15	2.6	0.0	20	137	104.9	3	4	0.3	6	5	4.4	34.5	5	2	8	5.0	50	581	40.7	5	17	1.7	7	20	2,096	49	285	19.0	41.8	1.9	4
	DB2011	6	15	3.1	0.0	20	137	122.7	3	7	0.3	6	5	16.9	38.3	5	2	8	5.0	50	581	40.7	3	13	1.7	6	18	2,045	49	285	19.0	40.6	1.9	4
Armenia	DB2006	13	113	12.3	0.0	31	207	1,362.	7	61	0.4	6	4	0.4	0.0	4	1	8	4.3	37	756	46.4	9	56	2.7	14	56	2,945	39	267	18.5	33.0	2.7	8
	DB2007	13	51	9.3	0.0	31	207	1,035.	7	61	0.0	6	4	1.1	0.0	4	1	8	4.3	37	1	42.2	9	48	2.7	14	56	2,945	39	267	18.5	32.5	2.7	8
	DB2008	12	36	6.9	0.0	31	207	773.8	7	61	0.2	6	4	1.4	0.0	4	1	8	4.3	37	952	40.9	9	48	2.7	14	56	2,945	39	267	18.5	31.5	2.7	8
	DB2009	6	10	3.2	0.0	31	207	522.6	4	11	0.3	6	5	3.1	0.0	7	5	8	6.7	22	376	40.9	9	48	3.1	14	56	3,42	39	237	18.5	30.1	2.7	8
	DB2010	6	10	2.9	0.0	31	207	369.0	4	11	0.2	6	5	6.9	0.0	7	5	8	6.7	22	376	40.9	9	46	3	14	50	3,48	39	237	18.5	30.1	2.7	8
	DB2011	6	8	3.1	0.0	31	207	388.9	4	11	0.2	6	5	7.0	0.0	7	5	8	6.7	18	306	40.9	9	43	3	14	46	3,48	39	237	18.5	28.8	2.7	8
Azerbaijan	DB2006	11	32	9.6	73.0	20	127	480.4	9	19	2.3	8	4	13.6	0.0	10	1	7	6.0	31	616	46.0	7	26	1.2	10	25	1,201	40	564	23.8	33.5	3.3	9
	DB2007	9	32	7.9	63.9	20	127	421.0	8	19	2.3	8	5	20.7	..	10	1	7	6.0	31	616	42.5	7	26	1.2	10	25	1,201	40	564	23.8	34.4	3.3	9
	DB2008	9	32	8.4	56.3	22	131	499.9	8	19	2.3	8	6	25.4	3.0	10	1	7	6.0	17	616	36.7	5	23	1.3	7	21	1,377	40	564	23.8	32.4	3.3	9
	DB2009	4	49	2.0	47.8	24	139	493.6	8	19	2.3	8	6	30.7	5.0	10	1	7	6.0	17	616	34.9	5	23	1.6	7	21	1,776	39	564	23.8	32.1	3.3	9
	DB2010	4	18	1.7	20.7	24	139	436.5	8	15	2.3	8	6	34.8	6.2	10	1	7	6.0	17	616	31.4	5	23	1.6	7	21	1,666	39	564	23.8	32.1	3.3	9
	DB2011	4	18	1.6	0.0	24	139	442.3	8	15	3.0	8	6	37.0	13.1	10	1	7	6.0	17	616	29.0	5	23	1.6	7	21	1,666	39	564	23.8	31.0	3.3	9
Bulgaria	DB2006	8	21	13.7	46.8	25	195	32.5	6	9	0.6	5	0	0.0	0.0	4	4	4	4.0	46	448	57.0	9	54	1.6	15	52	1,57	37	375	41.2	20.8	3.3	4
	DB2007	7	16	10.9	3.7	15	127	30.2	6	9	0.5	5	3	0.0	0.0	4	4	4	4.0	33	387	38.6	8	12	1.3	7	14	1,305	36	285	29.9	27.5	3.3	4
	DB2008	5	11	9.5	0.0	12	113	28.9	5	5	0.1	5	4	0.0	0.2	8	6	4	6.0	30	387	38.6	8	12	1.3	7	14	1,305	36	285	29.9	22.8	3.3	4
	DB2009	3	3	4.0	0.0	12	113	20.3	2	3	0.0	6	6	0.0	4.5	8	6	4	6.0	30	387	38.6	8	12	1.4	7	14	1,34	36	285	29.9	27.9	3.3	4
	DB2010	3	3	3.7	0.0	10	98	21.6	2	3	0.0	6	6	0.0	12.2	8	6	4	6.0	18	387	15.3	4	10	1.3	4	13	1,25	36	285	29.9	27.9	3.3	4
	DB2011	3	3	5.0	0.0	10	98	23.2	1	2	0.1	7	6	0.0	16.4	8	6	6	6.7	18	387	15.3	4	10	1.3	4	13	1,316	36	285	29.9	25.1	3.3	4
Georgia	DB2006	15	38	22.0	121.	15	169	71.9	11	22	14.0	3	4	0.0	17.7	1	3	5	3.0	21	264	54.6	5	20	998	6	25	1,245	39	819	14.4	45.9	2.0	9
	DB2007	15	38	21.7	116.	15	169	68.8	11	22	4.0	3	4	0.0	37.5	1	3	5	3.0	21	264	50.1	5	20	998	6	25	1,245	39	819	14.4	46.3	2.0	9
	DB2008	15	38	21.1	104.	15	169	61.7	11	22	4.0	3	4	0.0	38.7	1	3	5	3.0	21	264	49.6	5	20	998	6	25	1,245	39	819	14.4	44.8	2.0	9
	DB2009	15	19	22.5	19.6	15	169	46.4	11	22	3.8	3	4	0.0	39.0	1	4	5	3.3	10	224	47.4	5	20	1.2	6	25	1,265	39	819	14.4	44.2	2.0	9
	DB2010	15	19	20.2	21.4	15	169	50.7	11	22	4.0	3	5	0.0	46.9	1	4	5	3.3	10	224	47.4	5	20	1.2	6	25	1,265	39	819	14.4	44.2	2.0	9
	DB2011	15	19	20.7	22.3	15	169	52.9	11	22	12.7	3	5	0.0	61.5	1	4	5	3.3	10	224	47.2	5	20	1.2	6	25	1,265	39	819	14.4	43.2	2.0	9
Greece	DB2006	15	38	22.0	121.	15	169	71.9	11	22	14.0	3	4	0.0	17.7	1	3	5	3.0	21	264	54.6	5	20	998	6	25	1,245	39	819	14.4	45.9	2.0	9
	DB2007	15	38	21.7	116.	15	169	68.8	11	22	4.0	3	4	0.0	37.5	1	3	5	3.0	21	264	50.1	5	20	998	6	25	1,245	39	819	14.4	46.3	2.0	9
	DB2008	15	38	21.1	104.	15	169	61.7	11	22	4.0	3	4	0.0	38.7	1	3	5	3.0	21	264	49.6	5	20	998	6	25	1,245	39	819	14.4	44.8	2.0	9
	DB2009	15	19	22.5	19.6	15	169	46.4	11	22	3.8	3	4	0.0	39.0	1	4	5	3.3	10	224	47.4	5	20	1.2	6	25	1,265	39	819	14.4	44.2	2.0	9
	DB2010	15	19	20.2	21.4	15	169	50.7	11	22	4.0	3	5	0.0	46.9	1	4	5	3.3	10	224	47.4	5	20	1.2	6	25	1,265	39	819	14.4	44.2	2.0	9
	DB2011	15	19	20.7	22.3	15	169	52.9	11	22	12.7	3	5	0.0	61.5	1	4	5	3.3	10	224	47.2	5	20	1.2	6	25	1,265	39	819	14.4	43.2	2.0	9

BS-10 - EDB II	Year	Starting a Business				Dealing with Construction Permits			Registering Property			Getting Credit				Protecting Investors				Paying Taxes			Trading Across Borders					Enforcing Contracts			Closing a Business			
		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	Procedures (number)	Time (days)	Cost (% of income per capita)	Procedures (number)	Time (days)	Cost (% of property value)	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Procedures (number)	Time (days)	Cost (% of claim)	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Economy	DB2006	10	30	14.6	22.0	33	294	232.9	6	48	1.3	8	0	0.0	7	1	6	4.7	52	234	48.2	6	32	1.4	7	35	1.61	31	365	16.6	27.3	2.8	9	
	DB2007	10	30	13.3	18.8	33	294	200.3	6	48	1.1	8	0	0.0	7	1	6	4.7	52	232	46.1	6	32	1.4	7	35	1.61	31	365	16.6	29.4	2.8	9	
	DB2008	9	23	11.5	14.6	30	292	154.2	6	48	0.9	8	0	0.0	7	1	6	4.7	52	234	42.6	6	32	1.4	7	35	1.61	31	365	16.6	28.8	2.8	9	
	DB2009	9	15	8.9	13.4	30	292	142.2	6	48	0.8	8	0	0.0	7	1	6	4.7	52	234	42.1	6	32	1.8	7	35	1.96	31	365	16.6	28.6	2.8	9	
	DB2010	8	10	7.0	11.4	30	292	120.5	5	5	0.9	8	0	0.0	7	1	6	4.7	48	228	31.1	6	32	1.8	7	35	1.96	31	365	20.9	28.6	2.8	9	
DB2011	8	10	10.9	11.9	30	292	120.9	5	5	0.9	8	0	0.0	7	1	6	4.7	48	228	30.9	6	32	1.8	7	35	1.96	31	365	20.9	28.2	2.8	9		
Romania	DB2006	5	11	5.3	1.9	17	243	157.5	8	103	1.2	7	5	1.4	1.0	8	5	4	5.7	108	190	57.2	7	27	1.3	15	28	1.2	32	537	19.9	17.5	4.6	9
	DB2007	5	11	4.4	1.6	17	243	131.1	8	83	1.4	7	5	2.6	5.5	9	5	4	6.0	108	193	49.8	5	12	1.1	6	13	1,075	32	537	19.9	19.9	4.6	9
	DB2008	6	14	4.7	1.5	17	243	124.3	8	83	1.8	8	5	4.1	10.9	9	5	4	6.0	108	202	46.9	5	12	1.1	6	13	1,075	32	537	19.9	28.9	3.3	9
	DB2009	6	10	3.6	1.1	17	243	91.2	8	83	1.4	8	5	4.5	24.7	9	5	4	6.0	113	202	46.8	5	12	1.3	6	13	1,175	31	512	19.9	29.5	3.3	9
	DB2010	6	10	2.9	0.9	17	243	87.9	8	48	1.3	8	5	5.7	30.2	9	5	4	6.0	113	202	46.4	5	12	1.3	6	13	1,175	31	512	28.9	28.5	3.3	11
DB2011	6	10	2.6	0.9	17	228	73.9	8	48	1.3	8	5	13.0	33.3	9	5	4	6.0	113	222	44.9	5	12	1.3	6	13	1,175	31	512	28.9	25.7	3.3	11	
Russian Federation	DB2006	10	35	8.8	4.4	64	671	9,692.	6	52	0.4	3	0	0.0	0.0	6	2	7	5.0	15	448	51.2	8	36	1.8	13	36	1.75	37	281	13.4	27.6	3.8	9
	DB2007	9	30	5.1	3.4	64	671	7,546.	6	52	0.3	3	0	0.0	0.0	6	2	7	5.0	11	448	51.2	8	36	1.8	13	36	1.75	37	281	13.4	28.7	3.8	9
	DB2008	9	30	4.8	3.2	63	653	7,072.	6	52	0.3	3	4	0.0	4.4	6	2	7	5.0	11	448	48.3	8	36	1.8	13	36	1.75	37	281	13.4	29.0	3.8	9
	DB2009	9	30	3.3	2.2	63	653	4,877.	6	52	0.2	3	4	0.0	10.0	6	2	7	5.0	11	448	48.3	8	36	1.9	13	36	1.85	37	281	13.4	28.2	3.8	9
	DB2010	9	30	2.7	1.8	63	653	3,996.	6	43	0.1	3	5	0.0	14.3	6	2	7	5.0	11	320	48.3	8	36	1.9	13	36	1.85	37	281	13.4	28.2	3.8	9
DB2011	9	30	3.6	1.9	53	540	4,141.	6	43	0.1	3	5	0.0	14.4	6	2	7	5.0	11	320	46.5	8	36	1.9	13	36	1.85	37	281	13.4	25.3	3.8	9	
Turkey	DB2006	6	6	27.4	20.9	25	188	448.2	6	6	3.1	4	5	4.9	27.6	8	4	4	5.3	15	254	53.0	8	20	513	13	25	735	36	420	18.8	11.3	3.3	15
	DB2007	6	6	26.5	18.7	25	188	400.8	6	6	3.1	4	5	6.7	..	8	4	4	5.3	15	254	53.0	8	20	513	13	25	735	36	420	18.8	18.5	3.3	15
	DB2008	6	6	20.7	16.2	25	188	369.9	6	6	3.1	4	5	10.3	27.0	8	4	4	5.3	15	223	45.1	7	14	865	8	15	1,013	36	420	18.8	20.3	3.3	15
	DB2009	6	6	14.9	10.9	25	188	249.3	6	6	3.0	4	5	12.7	26.3	9	4	4	5.7	15	223	45.5	7	14	940	8	15	1,063	35	420	18.8	20.2	3.3	15
	DB2010	6	6	14.2	9.5	25	188	218.8	6	6	3.0	4	5	15.9	42.9	9	4	4	5.7	15	223	44.5	7	14	990	8	15	1,063	35	420	18.8	20.2	3.3	15
DB2011	6	6	17.2	9.9	25	188	231.4	6	6	3.0	4	5	18.3	42.2	9	4	4	5.7	15	223	44.5	7	14	990	8	15	1,063	35	420	18.8	21.1	3.3	15	
Ukraine	DB2006	15	34	10.6	183.	30	498	1,023.	10	93	5.6	9	0	0.0	1	3	7	3.7	147	2,09	57.3	6	31	1.4	8	39	1,495	30	354	41.5	8.4	2.9	42	
	DB2007	10	33	9.2	198.	30	498	843.5	10	93	4.7	9	0	0.0	0.0	1	3	7	3.7	147	2,09	57.0	6	31	1.4	8	39	1,495	30	354	41.5	8.7	2.9	42
	DB2008	10	27	7.8	203.	30	498	688.4	10	93	4.9	9	0	0.0	0.0	1	3	7	3.7	147	2,09	56.6	6	31	1.4	8	39	1,495	30	354	41.5	9.1	2.9	42
	DB2009	10	27	5.5	174.	31	535	1,823.	10	93	4.3	9	3	0.0	3.0	1	3	7	3.7	147	848	57.2	6	31	1.6	8	36	1.68	30	354	41.5	9.1	2.9	42
	DB2010	10	27	5.8	153.	31	535	1,540.	10	93	4.0	9	3	0.0	3.0	5	2	7	4.7	147	736	57.2	6	31	1.6	8	36	1.68	30	345	41.5	9.1	2.9	42
DB2011	10	27	6.1	2.2	22	374	1,737.	10	117	4.1	9	3	0.0	10.1	5	2	7	4.7	135	657	55.5	6	31	1.6	8	36	1.58	30	345	41.5	7.9	2.9	42	

Source: EDB reports 2006-2011 (WEF).

Appendix – Table 3.



## **7. EDB – Case study: Greece juxtaposed with the EU-27 and the BS-10**

As it has already been stressed the pillars in the EDB Index consist of certain branches. Apparently, a closer look to the branches of the pillars is essential, because relying only to the overall EDB rank or solely to the rank in the individual pillars could prove misleading, as it does not necessarily indicate changes in the state policy itself. In general it would not be wrong to claim that amelioration in any of the pillars could bring a country in a higher position, as long as there is no other country to perform better than it. Accordingly, even if a country does nothing to improve the subsectors comprising each pillar, it might maintain the same position or climb up the scale in case another country - which was ahead in the previous EDB evaluation- does not perform well.

Greece occupies the 109<sup>th</sup> position -that is it comes last in the EU-27 and 7<sup>th</sup> in the BS-10- in the overall DB rank in the EDB 2011. In the EU-27 twenty countries rank higher than the 50<sup>th</sup> position with the United Kingdom being first in the Union in the 4<sup>th</sup> position and Greece coming last. As for the BS-10 the situation varies from the exceptional performance of Georgia holding the 12<sup>th</sup> position and holding the BS-10 primacy in 6 out of 9 pillars in the last EDB report to the 145<sup>th</sup> one, where Ukraine stands. Below there is going to be an examination of performance in the DB pillars regarding Greece, EU-27 and BS-10.

### **7.1 Starting a business**

The “starting a business” section is actually the outcome of four already stated dimensions. In general, studies have shown that the less it costs to start a business, the more restricted the informal sector becomes, while the registration rate of the legally ran firms gets higher (EDB-GR, 2011, p6). Greece holds the 149<sup>th</sup> position in this pillar of EDB 2011. According to the latter, the EU-27 presents a wide variety in ranking extending from the position of Greece to that of Ireland in the 11<sup>th</sup>. In the same pillar, likewise the EU-27, the BS-10 ranks range from the amazing 8<sup>th</sup> position held by Georgia to that of Greece.

Greece -that has always been around the 150<sup>th</sup> position- lost nine positions in this sector compared to its DB 2007 performance, though it managed to reduce the cost and the paid-in minimum capital by 80% (EDB Reforms, 2011). The position it occupies makes it the last both in the EU-27 and the BS-10. It is of vital importance to become friendlier to investors in this very first step one has to take to set up a business; in the long run this would be beneficial to the Greek economy (which faces great competition with the

neighbouring countries like Bulgaria and Turkey) in multiple ways as it could offer employment opportunities, increase in state revenues etc. In this context, the 3853/2010 law dictates the simplification of the start up for certain enterprises. A Joint Ministerial Decision issued in 24<sup>th</sup> May 2011 introduces a one-stop service -incorporated in prescribed KEP departments- to register a new firm in order to combat bureaucracy combined with other legal obstacles, holding back potential entrepreneurs from investing; it is important to highlight that it would not burden the national budget. What is more, the utilization of e-government<sup>43</sup> would provide the necessary ICT tools to connect various public services databases, whose contribution is essential for the process. The Greek development Minister Michalis Chrisochoidis stated that this radical reform would practically mean one procedure at one point and only one day to start a business; it would also be a tool to fight corruption to a degree, due to the simplification of the process required (Ekathimerini, 2011).

The European countries that managed to improve their rank in this pillar used different ways for the same task exploiting the means at their disposal. For example, Denmark reduced the paid-in minimum capital requirement for limited liability companies<sup>44</sup>. Germany facilitated the communication between the notary and commercial registry and ceased to demand the announcement of the enactment in a newspaper. Italy ameliorated its online registration system for this purpose, Luxemburg decreased the time for the delivery of the license for a business to start-up and Slovenia managed to refine the starting a business process by supplementing its one-stop shop with more on-line services (EDB-EU, 2011, p43). Therefore, even if they did follow different routes to the same destination, the steps they took eventually proved to be on the right track. The European Association of Craft, Small and Medium-Sized Enterprises (UEAPME) official site makes a reference to the Stuttgart Conference held in April 2007 and titled “Challenges and Opportunities for Craft and Small Enterprises in the European Single Market” in cooperation with the Commission. Then it had been highlighted that there is urgency for re-orientation, so as to simplify start-up processes, support and encourage entrepreneurial activity, either in the form of providing incentives for new enterprises and to special

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<sup>43</sup> According to the European Commission, the e-Government refers to the utilization of ICTs to provide systems and tools in order to improve public services to citizens and businesses. The efficiency of e-Government is related to the reconsideration of the existent administration framework, organizations and processes, so that public services are delivered to those that need to use them -citizens, enterprises, organizations- more easily, much more quickly and at lower cost.

<sup>44</sup> From \$22,850 to \$14,620.

categories such as youth and women or in the form of offering information for business ventures through the agency called Ifex (Initiative for start-ups and transfers) (UEAPME, 2011).

In the BS-10 both Bulgaria and Ukraine reduced the minimum capital requirement substantially, in order to attract and facilitate new entrepreneurial activity<sup>45</sup>. Even though Ukraine is still far from its 101<sup>st</sup> position of DB 2007, it has made considerable progress by moving from the 136<sup>th</sup> position, where it was last year, to the 118<sup>th</sup>, where it is today. The figures are aggravating for more than half of the countries that constitute the BS-10. Under the BSEC authority, the Business Council contributes to reforming its member-states' business environment and unfolding the opportunities that the latter presents for entrepreneurs (BSEC Organization, 2011). It is of utmost importance for all BS-10 countries but especially for the transition economies to focus on this pillar in order to counter-balance to an extent obstacles that hinder business ventures in the region like "skills availability, corruption and tax administration" (Transition Report, 2010, p83). It is very difficult though for the BS-10 to act as one, since first of all, the BS-10 is a merger of very different economies and secondly, because some of the component states are already members in other unions, organizations, which means they bear the obligation to comply with other specific rules and regulations dictated by agreements and treaties. On the other hand, this is the only pillar, where a potential reconciliation and convergence could be realized -probably towards the EU-27 model- as in the rest pillars the individual legislative frameworks and the administrative systems could possibly block this process.

## **7.2 Dealing with construction permits**

The "dealing with construction permits" pillar is the result of estimations regarding the number of procedures, the time in days and the cost as percentage of the income per capita it requires. Consequently, any changes in these three branches affect the rank of a country in this pillar. Greece holds the 51<sup>st</sup> position among 183 evaluated economies in this pillar of the EDB 2011 report. In the EU-27, Denmark comes first in the 10<sup>th</sup> position, while Poland is the last among the EU states in the 164<sup>th</sup> position. In the BS-10 Georgia stands out in the 7<sup>th</sup> position, while Russia is far below in the 182<sup>nd</sup> one. So, both in the EU-27 and the BS-10 ranks vary dramatically, which indicates that individual economy

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<sup>45</sup> Bulgaria decreased the \$3250 requirement to \$1,30.



examination -though these economies are supposed to be part of an entity- presents a very interesting perspective.

Gaining four positions since 2006 (DB 2007) but presenting basically no progress during the last three years -on the contrary, from the 42<sup>nd</sup> position it occupied in DB2007 it fell to the 51<sup>st</sup> one- the situation in Greece is quite stable if not stagnant even in this pillar, where only a single regulation could be enough to ameliorate its performance. To make matters worse, the public service responsible for the construction permits, which are the Urban Planning Departments present great hints of corruption with bribery instances being a common practice and inspections being rare or non-existent -according to the 2011 report of the Inspectorate-Auditor of Public Administration (SEEDD) that refers to 2010 data (SEEDD, 2011)- not to mention the disorder in formal urban planning layout due to the incompliance to the urban code and the disobedience to safety regulations. A way out could possibly be an off-cost manoeuvre that would affect the bureaucratic procedure by stream-lining the process required and/or by lessening the time required to obtain the permit, for instance or by making immediate use of already existing public services such as the Civil Service Centres, namely KEP, as one-stop service; using the latter as mediator could decrease instances of bribery, since the citizen/enterprise that would cease to have direct contact with the service responsible for the permit issuance.

As for the EU-27, although Denmark lost four positions from 2006 until now, it still remains the first in rank concerning the EU-27. While there is now a time limit implemented for the issuance of building permits on the part of Hungary and reduction of fees and expenditure relating to construction permits on the part of Romania, so as to facilitate the process, the opposite happened in Estonia, where the procedures became complicated due to time increasing to obtain design criteria. The reforms in Hungary and Romania justify the fact that both climbed up the scale, gaining 57 and 32 positions respectively in comparison to four years before, whereas Estonia lost 11 (EDB, EU, 2011, p43). So, the requirements in terms of time, cost and procedures each EU member state sets to grant a construction permit differ<sup>46</sup>. A closer look to the EU-27, EDB detailed Table 2 in the Appendix though, specifically to the “dealing with construction permits” subdivisions, will reveal that in most cases it is basically the cost dimension that changes through time, rather than the number of procedures or the days required for that purpose.

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<sup>46</sup> What is common in the EU-27 is that even if such a permit is issued it does not pose an obligation to be used and “therefore the index for building permits might overestimate future actual building projects” (Eurostat, 2011).

In the BS-10 there is great divergence in ranking. The 2010 data show that Russia comes last among the ten, not far from the second last though, that is Ukraine in the 179<sup>th</sup> position. Despite their ranking, both made efforts to improve: Russia adopted a single window for every procedure that connects with land use and Ukraine oriented the national and local regulations to streamline procedures (EDB, ECA, 2011, p43-44). A retrospective look would show that Russia lost 19 positions since 2006 and Ukraine 72; certainly though Ukraine seems to be taking small steps forward, gaining two positions in 2011 by reducing the time and the number of procedures for the process. The examination of the changes in the branches of this pillar, which are recorded in the detailed BS-10 - EDB Appendix table 3, shows that the most affected aspect is definitely the “cost” one, whereas the section with the slightest changes is that of the “number of procedures”.

### **7.3 Registering property**

The “registering property” pillar derives from data relating to the number of procedures, time in days and cost as the percentage of the property value required for the registration. In the EDB 2011 report, Greece occupies the 153<sup>rd</sup> position. It is the second last in the BS-10, coming after Ukraine and the second last in the EU-27 after Belgium. The EU-27 presents a great range of ranks from the 7<sup>th</sup> of Lithuania to the 177<sup>th</sup> of Belgium. The BS-10 entity presents a variety in ranking, too. Georgia and Armenia are the two leading countries in the BS-10, obtaining the 2<sup>nd</sup> and the 5<sup>th</sup> position respectively among the 183 economies examined, whereas last comes Ukraine in the BS-10 occupying the 164<sup>th</sup> position.

Greece presents dramatic deterioration, losing 59 positions from 2006 (and 46 from 2009 to 2010). Practically this is explained by the rise in the transfer tax of the property value from 1% to 10% (EDB Reforms, 2011) at the same time when, according to the World Bank, the global trend -that has been established in the last six years in 52 economies- has been the lowering of transfer taxes and government fees (EDB-GR, 2011). Although the formation of the National Council for Competitiveness and Development was a first step to monitoring and fostering the implementation of the country’s strategy towards to being more competitive, there are only three references in its official site regarding the “registering property” pillar all dating back in 2008. Among them there is the statement about the introduction of the Property Registry, which would facilitate transactions with civil services either concerning citizens or enterprises, through using an electronic system,

due to which distance should no more constitute a problem and physical presence in a public service would stop being necessary. The National Allocation Plan with a 15-year perspective aims to promote competitiveness, by forming a “territorial model of development, which promotes competitiveness, the social and economic cohesion and the protection and projection of the natural and cultural environment of the country.” (Competitive Greece, 2011).

The EU-27 again presents different models of mechanisms to cope with the challenges in this pillar. Austria made use of the online submission of applications to register property transfers via its e-services in order to enable transferring property. Denmark reduced the number of procedures required for property registry by half through implementing computerization of land registry, a method used by Poland and Slovenia, as well; actually the latter reduced delays relating to registration by 75%. Hungary went on reducing the fee for the property registration by 6% of the property value; Portugal launched a one-stop shop for this purpose and Sweden abolished a procedure required until recently (EDB, EU, 2011, p43). One way or another, these countries managed to climb up the scale during the last two years, with the exception of Poland, which maintained the same position (86<sup>th</sup>) as in the DB 2007 evaluation; 13 out of the rest EU-27 recorded drop, while half of the latter moved down many positions compared to the previous DB evaluation.

As for the BS-10, Georgia and Armenia’s ranking in “registering property” -that rank better than they do in any other pillar- is not surprising; they both maintain efficient performance in every branch of this pillar throughout the period under evaluation in contrast with Greece that comes second last after Ukraine in the BS-10. The Greek “cost” value is at 12,7, whereas Ukraine requires 117 days for the property registration; in order to comprehend the divergence with the rest, mind that in the EDB 2011 the second worse value in the “cost” dimension among the BS-10 is 4.1 -in Ukraine- and the second worse value in the “days” section among the BS-10 is 48 -in Romania. The above could partly justify the fact that Greece has lost 59 positions and Ukraine 31 in this pillar since 2006, which is obviously an incredible loss.

#### **7.4 Getting credit**

It has already been stated that the “getting credit” dimension relates to the availability and the quality of credit information on borrowers and the access to such

information by candidate lenders always in relation to the type of the legislative framework; that could be provided either by private credit bureaus or public credit registry. Greece holds the 89<sup>th</sup> position in this pillar -likewise Italy, Moldova, Portugal and Russia- of the latest EDB report. In the EU-27, 10 out of the 27 component states (excluding Malta that does not take part in the evaluation) rank in the first 15 countries in the same report. Leaving out Bulgaria, Georgia and Romania -the first holding the 6<sup>th</sup> and the other two the 15<sup>th</sup> position- the BS-10 ranking in EDB 2011 definitely indicates weakness.

Greece has fallen slightly from the 83<sup>rd</sup> position it occupied in EDB 2007. Tiresias SA that was first established in September 1997, works as a non-profit private organization, which now specializes in presenting data on the credit profile of corporations and individual private companies; in addition, it “develops inter-banking information systems and provides information and communication services to the parties directly concerned” (Tiresias, 2011) to protect financial transactions. In 2010 Tiresias expanded the data it provides through its reports, which practically means more information available. However, the Hellenic Data Protection Authority (HDPa) spotted weakness in safeguarding the data secrecy and the security of their elaboration in the case of individual private entities and demanded immediate the compliance of Tiresias with the HDPa’s regulations within six months (Kathimerini, 2011). Even if that does not grant less to the significance of Tiresias, it surely sets limitations regarding its operation. There is also the Operational Programme “Competitiveness and Entrepreneurship” II of the Ministry of Development, funded by the EU; it started in 2007 and will expire in 2013. This programme aims at enhancing the competitiveness and extroversion of firms -and industry, as well- underscoring the role of innovation in that process (Competitiveness and Entrepreneurship, 2011). However, one could be subsidized, only if s/he has a bank’s financial support to begin with -something difficult to accomplish, since banks are very reluctant in funding at present- or if s/he has the appropriate capital to move on with his entrepreneurial plans until the bounty is provided. This might minimize and even extinguish the risk, but does not necessarily maximize the profit for an economy, since this way many potential investments are never realized as their subjects are excluded from the subvention.

The United Kingdom’s exceptional 2<sup>nd</sup> position comes in total contrast with the last in raw states of Luxembourg and Slovenia, which both fall into the 116<sup>th</sup> one. Estonia followed a two-folded methodology: through amendments in the Code of Enforcement Procedure and the enforcement of collateral without settlement via court, it managed to facilitate credit access (EDB, EU, 2011, p43); this was rewarding since Estonia came up in

the 32<sup>nd</sup> position, quite far from the 48<sup>th</sup> one it occupied in EDB 2007. Poland has a steady performance the last three years, bouncing between the 14<sup>th</sup> and the 15<sup>th</sup> position, and a remarkable overall progress, if one takes into account that 2006 data granted it the 65<sup>th</sup> position. Scott Shane<sup>47</sup> comments that economic recession is partly to blame for the cut off in small business credit by banks; another factor might be the long rooted trend of banks to avoid lending small businesses, which was aggravated by the contraction of many small corporations; all these constitute a blow to the credit-worthiness of the latter (Bloomberg Businessweek, 2011). Therefore, one could argue that greater availability of information at this level was beneficial for the soundness of the banks, which were better equipped to minimize the risk in the loans approved and provided, but worked to the detriment of small or medium-sized businesses that often relied on getting a bank loan to start up or keep on.

The BS-10 performance in this pillar presents an optimistic aspect that derives from a retrospective look in the historical rankings; there one could see that Armenia, Bulgaria, Georgia, Moldova, Romania, Russia and Ukraine have gained 19, 27, 33, 12, 33, 70 and 33 positions respectively from EDB 2007 to 2011. Specifically, Bulgaria and Romania seem to have started climbing up the scale since 2007, which is the year they became members of the EU-27. A closer look to the reforms conducted would show that both Azerbaijan with the public credit registry and Georgia with a central collateral registry launched an on-line system of electronic databases and information for those interested (EDB, ECA, 2011, p43-44). Recognizing the role of credit in relation to investments and the latter's immediate effect on economic growth and the dynamics of the region, the Parliamentary Assembly of BSEC, in the recommendation 101/2008, stresses the importance for its members to do whatever is essential in order to create a credit system "which is a complementary precondition for a favourable investment climate" (PABSEC, 2011).

## **7.5 Protecting investors**

In short, the "protecting investors" pillar is the outcome of three indices having to do with transaction disclosure, the liability of the director (or those in charge) and the settlement of disputes via court procedures in case of mismanagement. Greece holds the 154<sup>th</sup> position and comes last both in the EU-27 and the BS-10 and far behind most of the

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<sup>47</sup> Scott Shane is a professor of Entrepreneurial Studies at Case Western Reserve University. The extract is from a January, 2011, Bloomberg Businessweek article titled "The Big Problem in Small Business Bank Credit".

countries comprising both entities according to 2010 data; the latter show Ireland coming first among the EU-27 in the 5<sup>th</sup> position, while Azerbaijan and Georgia are the leaders of the BS-10 in the 20<sup>th</sup> one.

Greece gained two positions compared to EDB 2007, which by no means convey an honest effort to improve in this sector. The Greek Parliament passed four laws -3461/2006, 3556/2007, 3601/2007, 3606/2007- so as to align the Greek legislation for protecting investors with the European framework (Competitive Greece, 2011). Even if in 2009 it became easier to take to court cases dealing with suing “directors for damages caused by related-party transactions” (EDB Reforms, 2011), that did not make any substantial contribution to the Greek ranking. The following table provides a comparison of the latest EDB data of Greece and OECD (in the form of average scores, which are the result of the author’s calculations) in the indexes this pillar consists of.

<b>Economy/ Index</b>	Extent of Disclosure Index (min.0-max10)	Extent of director liability Index (min.0-max10)	Ease of shareholder suits (min.0-max10)	Strength of investor protection (min.0-max10)
<b>Greece</b>	1	4	5	3,3
<b>OECD average</b>	5,9	5,2	6,7	5,9

**EDB – table 6**

**Source:** EDB 2011 report.

Apparently, there is great divergence between the compared entities and a long way for Greece to catch up with the OECD average. Despite the fact that Greece experiences an economic recession, where investments would be crucial to the viability and recovery of its economy, the Greek state does not seem to invest much on protecting investors; in reality, reconsidering regulations and legislative barriers could prove to be an off-cost or of minimum cost method, yet a step of utmost importance to attract potential investments either from local subjects or from foreigners.

The setting in the EU-27 varies once more. In the last EDB evaluation Slovenia is the 20<sup>th</sup> country-economy in rank, gaining 26 positions compared to EDB 2007 achieving an amazing outcome contrary to its performance in the “getting credit” pillar. Sweden made progress in this sector by consolidating corporate disclosure and simultaneously requiring the consent for the transactions between the parties concerned (EDB, EU, 2011, p43). In the EU, 18 states show aggravating performance in comparison to EDB 2007.

Recognizing that investments are essential for the competitiveness of the EU and on the other side coping with the fragility of the global financial system, the EU-27 make an effort to act promptly for the protection of investors, thus offering a secure context for potential firm ventures. The Markets in Financial Instruments Directive (MiFID) aims exactly to it, while its consultation department seeks ways to update, reform, monitor and minimize the risk for the investment services and activities (European Commission, 2011); these are further consolidated with the July 2011 proposal of the European Parliament for faster investor compensation mechanisms, in order to reduce uncertainty on the part of enterprises and to confront to a degree any relative speculative trends (European Parliament, 2011). When these measures become implemented, they could counter-balance the fragility of the EU in this pillar.

The BS-10 presents a wide range in the EDB 2011, as well. Azerbaijan and Georgia hold the 20<sup>th</sup> position in rank in 2010 showing dramatic progress by gaining 98 and 115 positions respectively in comparison to EDB 2007. The other feature the two economies share is that they are both former Soviet Republics, which means former strictly state-controlled economies; the transition process to free-market economy seems to be very successful at some levels for both as they respond effectively to the contemporary demands through implementing new regulations or by elaborating the existing ones. Georgia, for instance, offered greater access to corporate information during the dispute settlement over court (EDB, ECA, 2011, p43-44) and therefore managed to maintain its economy high in rank in this sector. However, half of the BS-10 have moved down the scale since 2006, which shows that an effective regulatory framework -the weak point of many BS-10 component states- is among the competitiveness necessities and should by no means be disregarded.

## **7.6 Paying taxes**

In short the “paying taxes” pillar refers to everything relevant to taxes from the number of taxes, to the time one has to spend on preparing whatever is required for the process. The EDB 2011 data grant Greece the 74<sup>th</sup> position in this sector. According to it, the ranks of the EU-27 component economies extend from the Ireland’s 7<sup>th</sup> position to the 151<sup>st</sup> position of Romania. As for the BS-10, ranks vary from the 61<sup>st</sup> position of Georgia to the 181<sup>st</sup> one of Ukraine.

Greece has moved 34 positions higher in rank compared to EDB 2007 but still its position does not convey an efficient performance. Even if reforms have been conducted like that of 2009 -when an electronic system to pay the social security tax was launched- and the one of 2008 -with the reduction of the total tax rate due to changes in the profit tax scale- (EU Reforms, 2011), the 2011 data, which depict great instability in the Greek tax system (mentioned in the GCI section of this paper), are expected to grant Greece a position further below in the respective EDB report to be published. According to Yanis Varoufakis<sup>48</sup> survey in cooperation with the Athens Chamber of Commerce and Industry, the taxation system demands urgent revision; the uneven taxes throughout Europe make some economies with low corporate taxation like Bulgaria, Cyprus and Ireland impossible to compete. In the case of Bulgaria that borders Greece, the comparative advantage of the first, functions at the expense of the latter (ACCI, 2011). It is worth-mentioning that excessive bureaucracy along with excessive taxation, which is constantly subject to changes are very deterrent for potential investors, since they fail to offer security to them.

It has been stressed right above that the taxation system is no way symmetrical all over the EU-27. Many of the European states conducted reforms but not all reforms proved to be beneficial for the economy. Bulgaria along with the Czech Republic, that facilitated the process dealing with labour tax, as well, lowered the contribution rate for social security on the part of the employer, while Lithuania Portugal and Slovenia made a drastic reduction on the corporate tax rates; the latter also abrogated its payroll tax. Hungary streamlined the taxes and the tax bases in a simplified version. The Netherlands facilitated the process of estimating the corporate income tax and settled the attribution of the value added tax on a quarterly rather than a monthly basis that has been so far. On the other side, the unemployment insurance contribution rate was aggravated in Estonia and amendments on taxation in Romania increased the relevant corporate cost (EDB, EU, 2011, p43-44). The uneven taxation and its consequences seem to have raised the concern of the EU member-states to the formation of common taxation system; this would surely function at this expense of the so far privileged countries and to the benefit of the rest that could not compete them until now. Additionally, according to an August 2011 paper of the Open Europe Organization, there is the Commissions proposal about the introduction of an EU tax (a value added tax, along with a financial transactions tax) so as not to rely on national cash transfers to support the next EU budget 2014-2020; this is expected to lead to future

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<sup>48</sup> Yanis Varoufakis has been teaching political economics at the University of Athens since 2000 (Varoufakis blog, 2011).



economic and political arguments among Member States that could veto against it in the long run, as none of the ways suggested in the paper seems to be flawless (Open Europe, 2011).

The BS-10 ranking in this pillar indicates an issue that urgently needs to be confronted. The number of taxes being 113 in Romania and 135 in Ukraine is on its own a sample of bad performance. Notwithstanding, it does present bright aspects with Georgia and Greece moving higher in rank and gaining 43 and 34 positions respectively since 2006. Additionally, Azerbaijan decreased tax rates e.g. the profit tax rate etc. and implemented simplified formulas for payment of the corporate income tax, as well as the value added tax. Likewise Bulgaria, Moldova reduced the social security employer's contribution, whereas Ukraine implemented an electronic system for the value added tax filing (EDB, ECA, 2011, p43-44). Armenia performs worse in the "paying taxes" pillar than it does in any other and holds the 159<sup>th</sup> position, when its next worse performance, which is in the "protecting investors" pillar grants it the 93<sup>rd</sup> one. The situation in Armenia is blurred due to inconsistencies in the tax regulation and application, which aggravates the entrepreneurial environment and raises complaints especially by foreign businessmen (Armenia in Wiki Leaks, 2011). If the Armenian government manages to undertake the appropriate measures, it could elevate drastically the country not only in this pillar but in the overall EDB Index, as well.

## **7.7 Trading across borders**

The "trading across borders" pillar includes the documents for this process, as well as the cost and time it requires; all these in addition to imports and exports affect the rank an economy attains. Greece occupies the 84<sup>th</sup> position in the EDB 2011 evaluation, where among the EU-27 members Estonia comes first in the 4<sup>th</sup> position and Bulgaria last in the 108<sup>th</sup> one. In the BS-10, Georgia in the 35<sup>th</sup> position is the best performer in the entity, far beyond the 177<sup>th</sup> position of Azerbaijan, which comes last among the ten.

In the case of Greece one could claim that no substantial efforts have been made; it has recorded no signs of progress, as neither the documents nor the time and cost required were susceptible to any effective amendments. Even if a first glance at the table that leaves out the sub-pillars makes a good impression, as it shows Greece moving from the 124<sup>th</sup> position of 2006 to the 84<sup>th</sup> in 2010, the EDB detailed table in the Appendix depicts a different reality for the last three years: in exports and imports the values have remained the

same regarding the documents, the time and the cost required. Apparently, there had been worse performers than Greece, which seems to account for the latter's rank enhancement. So, further action is necessary, because new market entrants do not rely just on a classification of a country in an index; they look deeper in the potentials it offers to firms, so as to maximize their profit and minimize the risk. The Electronic Customs Initiative, which operates to this direction, is supposed to be fully implemented by 2013; by then it would offer speed -which equals to reduction of cost, when it comes to certain businesses- and better services to citizens and enterprises (Competitive Greece, 2011).

As far as the EU-27 are concerned, it is mostly the northern EU members that are high in rank. Using an electronic system for the custom declaration submission, both Latvia and Lithuania managed to reduce time -the first in exports and imports and the second in imports- while Spain facilitated documentation concerning imports (EDB, EU, 2011, p43-44). Despite the fact that the EU member-states have electronic customs, these are not yet fully inter-connected. By the time the project operates properly, the customs regulations would be simplified, the transactions would be facilitated even more and this positive impact would affect the European competitiveness and growth (European Commission, 2011).

In the EDB 2011, Armenia moved 20 positions higher in comparison to its previous evaluation; that was the result of several recently introduced mechanisms such as the self-declaration desks, being at customs houses and warehouses, along with enhancing border operations with new equipment and lastly by implementing a new system for risk management (EDB, ECA, 2011, p43-44). It must be acknowledged that the BS-10 differs radically from the EU-27, as it is not a Union in the sense of EU in political and economic terms; however, it has been recognized that working all together on the trading across borders sector, spotting and encountering its shortcomings -that greatly affect small or medium-sized enterprises- is the path to facilitate movement across the region and wider. According to Yankovsky Mykola, who composed a report on "Facilitating the movement of people and goods across borders" for PABSEC, outdated legislation, troublesome processes, excessive bureaucracy, high instances of corruption in public services, not sufficient infrastructure, inefficient banking systems, variety in trade and visa regimes dictated by different agreements or by the membership in different organizations etc. are only some of the obstacles one has to face in the BS-10 region (PABSEC, 2011). All these are challenging areas to work on, yet with very rewarding results in case they are properly dealt with.

## 7.8 Enforcing contracts

This sector is highly connected to the efficiency of the judicial system of the evaluated states concerning a commercial dispute. The OECD, where most European states bear membership, stresses the importance of an effective and without traces of discrimination practices judicial system, where “the costs of enforcement must not outweigh the gains achieved from increased contractual commitment” (OECD, 2011). Greece comes 88<sup>th</sup> in rank in this pillar of the EDB 2011. Luxemburg ranks 1<sup>st</sup>, whereas Italy comes last in the EU-27 in the 157<sup>th</sup> position. The BS-10 leading state is Russia in the 18<sup>th</sup> position, while Greece is the last in the entity.

Since the abrupt deterioration of 2007 that cost Greece 39 positions, no remarkable difference has occurred. Actually a closer look to its branches in the Appendix detailed EDB tables would show that throughout the period under examination the values are exactly the same with the procedures remaining 39, the time required steadily at 819 days and the cost being 14.4 (estimated as percentage of the claim). Therefore, the deterioration mentioned above is the outcome of the other states’ performance and the inclusion of more states in the last EDB Index rather than the result of any recently adopted practices.

In the EU-27, 15 component states are among the first 50 in rank. As the European Union comprises of highly institutionalized states, it is not surprising that their judicial system standards are high, as well. In the “Enforcing Contracts Across Regions” of the EDB 2011 report about the EU, the EU comes first when juxtaposed with East Asia and Pacific (EAP), Eastern Europe and Central Asia (ECA), Latin America and Middle East and North Africa (MENA), the European Union along with the Organization of Economic Cooperation and Development (OECD). Consequently, most of the European states have managed to build the appropriate institutional framework and occupy high positions in this pillar.

In the BS-10, 6 out of the 10 component states rank below the 50<sup>th</sup> position and appear to have moved down the scale. Amazingly, none of the BS-10 countries presents any change in the branches this pillar examines during the last two years, so the differences that emerged in ranking were due to other economies’ conducting reforms, amendments etc. Certainly self-enforcing contracts are essential for transition economies -and not only- to support entrepreneurial activity, particularly during the first stages of reforming (McMillan, Woodruff, 2002, p8). It would be useful at this point to make a brief reference to the World Governance Index and specifically to the Rule of Law pillar of the last

published report. The “rule of law” describes the degree to which agents trust their society rules and refers particularly to the “quality of contract enforcement” (that concerns this paper), “property rights”, the “police and courts”, as well as the “likelihood of crime and violence” (Kaufmann, Kraay, Mastruzzi, 2011, p3). The Rule of Law Index is composed of indicators that measure perceptions of the incidence of crime, judicial quality and honesty and the enforceability of contracts in a scale from 1 to 100, where high scores mark efficient performance. The average BS-10 score in the Rule of Law pillar is quite low<sup>49</sup>, which is evident, when juxtaposed with the other two entities’ score -as in the following table- and indicates that this is a problematic sector for the BS-10 to work on.

<b>Economy (2009 evaluation - World Governance Index)</b>	<b>Rule of law</b>
<b>Greece</b>	66,5
<b>EU-27 (average score)</b>	83,0
<b>BS-10 (average score)</b>	44,0

**EDB – table 7**

**Source:** World Bank.

## **7.9 Closing a business**

The “closing a business” section is a holistic view of the time in years, the cost as percentage of the estate and the recovery rate in cents of the dollar to which this closing a business relates. The EDB 2011 report ranks Greece in the 49<sup>th</sup> position. In the same report, Denmark comes first among the EU-27 evaluated states in the 5<sup>th</sup> position -right before other European states also included in the ten first, like Belgium, Finland, Ireland and the United Kingdom- while Romania is the last in the entity in the 102<sup>nd</sup> position. As far as the BS-10 are concerned, Greece ranks higher than the rest and Ukraine lower holding the 150<sup>th</sup> position.

While Greece ranks low in the 149<sup>th</sup> position of the “starting a business” pillar in EDB 2011, things seem to be better in the “closing a business” section, where it ranks 49<sup>th</sup>. According to the National Confederation of Hellenic Commerce (NCHC) survey that was

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<sup>49</sup> That is partly due to the low individual scores attained by former Soviet Republics, where rates of crime and violence are high, which shows that the transition process is not just a matter of changing the institutional framework; it has to do with conforming to it and gaining people’s trust towards the state, as well, something difficult to achieve especially in cases of frozen conflicts.

conducted from 25<sup>th</sup> July until 6<sup>th</sup> September, 2011 to record the market dynamics, one out of four commercial enterprises has shut down since August 2010 (NCHC, 2011). With no actual changes though in the detailed EDB boards of the Appendix from DB 2006 report until the latest one, the position of Greece -falling from the 34<sup>th</sup> position it occupied in EDB 2007 to the 49<sup>th</sup> in 2011- is once more the outcome of other economies' policies, which made them climb up or move down the scale. An introspective look though would show that thanks to a new law passed in 2008 concerning bankruptcy, the process was facilitated to the benefit of the companies interested in closing (EDB Reforms, 2011). This law was a merger of German, French, Spanish and local statutes and was later consolidated by the "Promotion of Institutions for Alternative Dispute Resolution between Enterprises" encouraging out-of-court dispute settlements; that was integrated in the "Competitiveness and Entrepreneurship" project that was initiated in 2007 and it is supposed to be fully implemented in 2013 (Competitive Greece, 2011).

Most of the EU-27 countries that conducted reforms in 2010 oriented their efforts towards an out-of-court settlement regarding the insolvency procedures; among them one could point Hungary, Latvia, Lithuania, Romania and Spain. Specifically, Hungary with its bankruptcy law encouraged this process between companies and creditors for increasing the possibility of bankruptcy to be avoided. Respectively, by doing so, Latvia managed to extenuate courts (as the cases to court reduced) and set stricter deadlines in certain procedures. The out-of-court mechanism was introduced also in Romania and in combination with amendments to other regulations, the state managed to facilitate the insolvency process. The same method was adopted by Spain, as well, which went further though by reducing both the time and the cost required for closing a business. It seems that Belgium and Estonia's operations in this pillar were mainly directed to alleviate businesses with financial issues and thus prolong their operation, while the Czech Republic suspended the filing for bankruptcy requirement for part of insolvent companies, providing the opportunity to them to handle otherwise their case, so as to avoid bankruptcy. Lithuania provided new rules that leave no space misconceptions on liability, where the law is violated. Lastly, the United Kingdom reorganized more effectively the bankruptcy procedures, promoted the sale of a company as a whole and made the estimation of administrator's fees easier (EDB, EU, 2011, p43-44). One way or another many EU states oriented their strategies in facilitating the closing a business process.

This pillar is the weakest dimension for the majority of the BS-10 according to the last EDB report. Half of the constituent states rank lower than the 100<sup>th</sup> position, whereas

only one ranks higher than the 50<sup>th</sup>, which is Greece in the 49<sup>th</sup> one. As for a retrospective look, apart from Romania and Turkey that managed to climb up from their EDB 2007 rank, the rest all lost several positions (from 11 in the case of Ukraine up to 22 in Russia). Though there have been amendments to the Bulgarian Commercial Code regarding the exit procedures, it seems that values in the sub-divisions of this pillar remain almost the same with those in its pre-accession to the EU stage.

## 8. Conclusions

This dissertation examined the competitiveness and the entrepreneurial environment of Greece in juxtaposition with that of the EU-27 and the BS-10. The EU-27 states appear to share a common vision, though the current economic situation in Europe seems to be raising issues challenging its cohesion and its prospects. Certainly the membership in the Union accounts for the great convergence in many sectors of the constituent states. After all, Europe is a key actor in supporting political and economic processes, especially at present, as long as these orient to democracy and market economy; based on the principles of “rule of law, private property and free entrepreneurship” (Baran, 2008, p92), it aims not only at homogeneity among the Member States, but at the integration of the rest -meaning states beyond the 27- to the EU model. This policy can be traced in the way it approaches Black Sea countries and anchors them to the West, that is either via bilateral or multilateral agreements directly with the BS-10 countries or through the EU states that are members of the same organizations<sup>50</sup> with the Black Sea states. As for the BS-10, it is a merger of states with various traditions, some of them formed after the disintegration of the Soviet Union. In one of his statements, Ambassador Leonidas Chrysanthopoulos<sup>51</sup> claimed that “reforms in the BSEC Member States unfold their true economic potential. As a result, the BSEC region is one of the most dynamic in the global economy and the most attractive in terms of trade and investments” (ICBSS, 2011). The common denominator of Greece, EU-27 and the BS-10 is the will and the goal to host more investments and increase their growth and competitiveness; that would be the result of amendments, reforms and development in several sectors.

Greece, likewise most of the states evaluated by the GCI and the EDB Index, presents both positive aspects and shortcomings. It has to be acknowledged that the years after the beginning of the global financial crisis, marked a turning point for the Greek economy, which is loudly expressed in the data of the tables and graphs presented throughout this paper. Until then the Greek standards were definitely much better in most pillars (though seemingly indicating a forthcoming jeopardy) and granted Greece an exceptional ranking in the BS-10. In terms of state competitiveness, the severity of the current financial crisis has led to unprecedented fiscal consequences devastating for its

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<sup>50</sup> Like the BSEC Organization, where the EU has observer status.

<sup>51</sup> As the Secretary General of the Permanent International Secretariat (PERMIS) of BSEC at the ICBSS Annual Conference “The Black Sea Region: Quo vadis?” (Rhodes , 7-8 July 2006).

macroeconomic environment; the latter is indicative of the unstable conditions and relates to an equally sensitive microeconomic environment reflecting the market behaviour of the consumers and firms. In such a context, the private sector -including SMEs- keeps contracting, resulting in a record number of shutting down companies, with significant impact on employment and state revenue. Despite the fact that Greece ranks quite well in certain sectors of the GCI, like in “infrastructure”, “health and primary education”, “higher education and training”, “technological readiness” and “market size”, the examination of these and the rest pillars proved that there is still much room for improvement. As for the EDB Index, it seems that no substantial efforts were made in order to encourage and support entrepreneurial ventures. On the contrary, the unsuccessful battle with the long-standing obstacles, such as bureaucracy, red tape practices, corruption, difficulty in financing, policy instability with constantly changing regulations and excessive taxation inhibits new business activity and makes it tough for operating firms to hold on.



## 9. Recommendations

One could start enumerating recommendations for increasing a state's competitiveness and attracting investments and entrepreneurial activity. However, if these are not case-centred, they would be nothing but some sort of wishful thinking. The debt-restructuring alone could not make any difference, unless it is combined with the necessary action; otherwise, it would be a failure in the first place. First of all, capitalizing on accumulated experience would be a first step closely connected with the right diagnosis of the situation and a realistic outlook regarding the Greek economy. This means that Greeks are familiarized with the weaknesses of their system and also aware that the macroeconomic conditions need extensive effort and much time to improve; in that sense, not all measures that could prove efficient in the context of a strong economy, would be enough or proper for the Greek economy. It has to be taken into account that the solution lies on choosing the least costly way and the most profitable one in the shortest term.

One of the most efficient ways would be through an extensive e-practices application. Using ICTs not only to inform, but also to facilitate processes, both citizens, businessmen and the state itself could benefit. The cost and the time needed for the public services to respond would be minimized, because of the automatization of procedures, wherever that is possible and the access to availability of information would be greater. Limiting the physical presence requirement to that which is essential, could reduce instances of corruption, bribery etc. So, the e-Government could be focused on providing information on vital sectors and exploiting e-applications' potentials -even by supporting the complete processing of an issue electronically, whenever this is possible. There are some bright examples of that<sup>52</sup> but there is still room for further e-practices' application. Above all though, it is essential that the e-Government is not segmental; that means not only connecting data-bases of different public services -which has not been extensively realized yet- but also applying the principles both vertically and horizontally, so that interaction among the Government, citizens and businesses becomes facilitated, too. Another instance of e-practices is the e-Learning. The use of e-Learning platforms could practically support educational and training experience, involving teaching and learning via ICTs (Tavangarian, Leypold, Nölting, Röser, 2004); that will possibly save time, reduce of

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<sup>52</sup> These are the following sites: [www.ermis.gov.gr](http://www.ermis.gov.gr), [www.kep.gov.gr](http://www.kep.gov.gr), [www.taxisnet.gr](http://www.taxisnet.gr), [www.et.gr](http://www.et.gr), [www.opengov.gr](http://www.opengov.gr), [diavgeia.gov.gr](http://diavgeia.gov.gr), [labs.opengov.gr](http://labs.opengov.gr).

relevant expenses, make distance no more constitute a barrier for training and invite more people to take part in the process. Certainly these people must be acquainted with ICTs, which means properly skilled in order to participate; the combination of the above would contribute to a better equipped and trained workforce.

Another way to support the entrepreneurial activity is by amending the tax system to render it not only fair but also devoid of instability. This has to be focused on the fact that firms are already affected by the financial crisis, either directly or indirectly and they have the burdens of corporate taxes along with the social-security contributions to deal with. Thus, the current taxation system of urgent taxes, often one-off payments and ad hoc levies should be reconsidered (Economist Intelligence Unit, 2011). Anyone interested in starting a business should be aware before hand of the taxation in the forthcoming years; the most stable or rather predictable the tax system is, the better for entrepreneurs and for the competitiveness of the state in the long run. What is more, extra tax incentives could be offered for the first few years of a business operation, so that investments -through new entrepreneurial activity- are encouraged.

The economy competitiveness could be also assisted by increasing the flexibility of certain public services, which contribute to the state revenue and to enhance their role as the tool of the Government to intervene in the financial and credit system to the benefit of investors. Some of them could be the National Bank of Greece, or the Hellenic Post Bank etc. Offering terms that are competitive to those of the private banks and being flexible enough to support businesses activities, could result in more investments; this by no means imply overlooking the risk in any case. Greater assistance to firms applying for OPCE II funding through public banking system for instance, equals to supporting the programme's objectives, which will be served by activities supporting:

“The acceleration of the transition to the knowledge-based economy,  
the development of healthy, sustainable and extrovert entrepreneurship,  
the goal of making Greece a more attractive place for developing  
business activities, with respect for the environment”  
(Competitiveness and Entrepreneurship, 2011).

Thus, investments through entrepreneurship could assert a bigger share in the state economy competitiveness.

Last but not least, since excessive bureaucracy seems to be haunting many sectors, which would otherwise contribute positively to the Greek competitiveness, it is crucial to work on it. Indeed, bureaucracy is welcomed to the extent it safeguards basic rights of the state/ citizen/ firm and security over procedures. Whenever it is not used as the means to achieve the desirable goal, but as an end in itself, it only perplexes an already complicated administrative system. Therefore, it is important to clarify, which bureaucratic procedures block the way to state growth and inhibit potential investment plans. If these are not possible to abolish entirely, it would be prudent to consider making them simpler, less time-consuming and less-costly. This is a principle to be enforced in every branch of the public administration, so that communication between public services is better off to serve the citizens/ businessmen.

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**Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) I**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Austria	DB2006/155	32	-	-	-	-	-	-	-	-	-
	DB2007/175	30	74	50	28	21	142	102	15	14	19
	DB2008/178	25	83	40	30	26	122	80	12	6	21
	DB2009/181	27	104	46	36	12	126	93	19	13	20
	DB2010/183	28	122	54	39	15	132	102	24	11	20
	DB2011/183	32	125	57	33	15	132	104	25	9	20
	2011- 2006*	0	-51	-7	-5	6	10	-2	-10	5	-1
Belgium	DB2006/155	18	-	-	-	-	-	-	-	-	-
	DB2007/175	20	37	48	158	48	12	60	36	21	8
	DB2008/178	19	19	37	161	48	12	65	48	22	9
	DB2009/181	19	20	44	168	43	15	64	43	22	8
	DB2010/183	22	31	46	167	43	16	73	43	21	8
	DB2011/183	25	31	41	177	46	16	70	44	21	8
	2011- 2006*	-7	6	7	-19	2	-4	-10	-8	0	0
Bulgaria	DB2006/155	62	-	-	-	-	-	-	-	-	-
	DB2007/175	54	85	140	65	33	33	107	104	52	64
	DB2008/178	46	100	103	62	13	33	88	89	90	72
	DB2009/181	45	81	117	59	5	38	94	102	86	75
	DB2010/183	44	50	119	56	4	41	95	106	87	78
	DB2011/183	51	43	119	62	6	44	85	108	87	83
	2011- 2006*	11	42	21	3	27	-11	22	-4	-35	-19

Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) II											
Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Cyprus	DB2006/155	-	-	-	-	-	-	-	-	-	-
	DB2007/175	-	-	-	-	-	-	-	-	-	-
	DB2008/178	-	-	-	-	-	-	-	-	-	-
	DB2009/181	40	25	77	64	71	93	37	15	107	21
	DB2010/183	35	22	76	64	69	92	31	16	105	21
	DB2011/183	37	26	75	66	72	93	32	19	104	22
	2011- 2006*	3	-1	2	-2	-1	0	5	-4	3	-1
Czech Republic	DB2006/155	41	-	-	-	-	-	-	-	-	-
	DB2007/175	52	74	110	58	21	83	110	41	57	113
	DB2008/178	56	91	83	54	26	83	113	30	97	108
	DB2009/181	75	86	86	65	43	88	118	49	95	113
	DB2010/183	74	113	76	62	43	93	121	53	82	116
	DB2011/183	63	130	76	47	46	93	128	62	78	32
	2011- 2006*	-22	-56	34	11	-25	-10	-18	-21	-21	81
Denmark	DB2006/155	8	-	-	-	-	-	-	-	-	-
	DB2007/175	7	14	6	36	13	19	15	3	1	20
	DB2008/178	5	18	6	39	13	19	13	2	30	7
	DB2009/181	5	16	7	43	12	24	13	3	29	7
	DB2010/183	6	28	10	47	15	27	13	6	28	7
	DB2011/183	6	27	10	30	15	28	13	5	30	5
	2011- 2006*	2	-13	-4	6	-2	-9	2	-2	-29	15

Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) III											
Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Estonia	DB2006/155	16	-	-	-	-	-	-	-	-	-
	DB2007/175	17	51	13	23	48	33	29	6	20	47
	DB2008/178	17	20	14	21	48	33	31	7	29	50
	DB2009/181	22	23	19	24	43	53	34	5	30	58
	DB2010/183	24	37	20	13	43	57	38	3	49	61
	DB2011/183	17	37	24	13	32	59	30	4	50	70
	2011- 2006*	-1	14	-11	10	16	-26	-1	2	-30	-23
Finland	DB2006/155	13	-	-	-	-	-	-	-	-	-
	DB2007/175	14	18	35	15	21	46	75	2	13	6
	DB2008/178	13	16	39	17	26	51	83	5	7	5
	DB2009/181	14	18	43	21	28	53	97	4	5	5
	DB2010/183	16	30	47	27	30	57	71	4	8	5
	DB2011/183	13	32	55	26	32	59	65	6	11	6
	2011- 2006*	0	-14	-20	-11	-11	-13	10	-4	2	0
France	DB2006/155	44	-	-	-	-	-	-	-	-	-
	DB2007/175	35	12	26	160	48	60	92	26	19	32
	DB2008/178	31	12	17	159	36	64	82	25	14	32
	DB2009/181	31	14	18	166	43	70	66	22	10	40
	DB2010/183	31	22	17	159	43	73	59	25	6	42
	DB2011/183	26	21	19	142	46	74	55	26	7	44
	2011- 2006*	18	-9	7	18	2	-14	37	0	12	-12

**Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) IV**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Germany	DB2006/155	19	-	-	-	-	-	-	-	-	-
	DB2007/175	21	66	21	42	3	83	73	7	29	28
	DB2008/178	20	71	16	47	3	83	67	10	15	29
	DB2009/181	25	102	15	52	12	88	80	11	9	33
	DB2010/183	25	84	18	57	15	93	71	14	7	35
	DB2011/183	22	88	18	67	15	93	88	14	6	35
	2011- 2006*	-3	-22	3	-25	-12	-10	-15	-7	23	-7
Greece	DB2006/155	80	-	-	-	-	-	-	-	-	-
	DB2007/175	109	140	55	94	83	156	108	123	48	34
	DB2008/178	100	152	42	93	84	158	86	65	87	38
	DB2009/181	96	133	45	101	109	150	62	70	85	41
	DB2010/183	109	140	50	107	87	154	76	80	89	43
	DB2011/183	109	149	51	153	89	154	74	84	88	49
	2011- 2006*	-29	-9	4	-59	-6	2	34	39	-40	-15
Hungary	DB2006/155	52	-	-	-	-	-	-	-	-	-
	DB2007/175	66	87	143	103	21	118	118	76	12	48
	DB2008/178	45	67	87	96	26	107	127	45	12	53
	DB2009/181	41	27	89	57	28	113	111	68	12	55
	DB2010/183	47	39	88	61	30	119	122	70	14	58
	DB2011/183	46	35	86	41	32	120	109	73	22	62
	2011- 2006*	6	52	57	62	-11	-2	9	3	-10	-14

Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) V											
Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Ireland	DB2006/155	11	-	-	-	-	-	-	-	-	-
	DB2007/175	10	6	20	80	7	5	2	30	24	7
	DB2008/178	8	5	20	79	7	5	6	20	39	6
	DB2009/181	7	5	30	82	12	5	6	18	39	6
	DB2010/183	7	9	30	79	15	5	6	21	37	6
	DB2011/183	9	11	38	78	15	5	7	23	37	9
	2011- 2006*	2	-5	-18	2	-8	0	-5	7	-13	-2
Italy	DB2006/155	70	-	-	-	-	-	-	-	-	-
	DB2007/175	82	52	104	53	65	83	117	110	141	49
	DB2008/178	53	65	78	49	68	51	122	62	155	25
	DB2009/181	65	53	83	58	84	53	128	60	156	27
	DB2010/183	78	75	85	98	87	57	135	50	156	29
	DB2011/183	80	68	92	95	89	59	128	59	157	30
	2011- 2006*	-10	-16	12	-42	-24	24	-11	51	-16	19
Latvia	DB2006/155	26	-	-	-	-	-	-	-	-	-
	DB2007/175	24	25	65	82	13	46	52	28	11	62
	DB2008/178	22	30	82	85	13	51	20	19	3	64
	DB2009/181	29	35	78	77	12	53	36	25	4	86
	DB2010/183	27	51	78	58	4	57	45	22	15	88
	DB2011/183	24	53	79	57	6	59	59	16	14	80
	2011- 2006*	2	-28	-14	25	7	-13	-7	12	-3	-18

**Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) VI**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Lithuania	DB2006/155	15	-	-	-	-	-	-	-	-	-
	DB2007/175	16	48	23	3	33	60	40	32	4	30
	DB2008/178	26	57	57	4	36	83	71	23	18	31
	DB2009/181	28	74	63	4	43	88	57	26	16	34
	DB2010/183	26	99	64	4	43	93	51	28	17	36
	DB2011/183	23	87	59	7	46	93	44	31	17	39
	2011- 2006*	-8	-39	-36	-4	-13	-33	-4	1	-13	-9
Luxemburg	DB2006/155	-	-	-	-	-	-	-	-	-	-
	DB2007/175	44	-	-	-	-	-	-	-	-	-
	DB2008/178	42	41	36	116	97	107	17	32	2	46
	DB2009/181	50	69	40	118	109	113	14	31	2	48
	DB2010/183	64	72	43	131	113	119	15	31	1	50
	DB2011/183	45	77	42	129	116	120	15	32	1	45
	2011- 2006*	-1	-36	-6	-13	-19	-13	2	0	1	1
Netherlands	DB2006/155	24	-	-	-	-	-	-	-	-	-
	DB2007/175	22	38	80	20	13	99	82	16	31	9
	DB2008/178	21	41	84	22	13	98	76	14	36	8
	DB2009/181	26	51	94	23	43	104	30	13	34	10
	DB2010/183	30	70	104	29	43	109	33	13	30	10
	DB2011/183	30	71	105	46	46	109	27	13	29	11
	2011- 2006*	-6	-33	-25	-26	-33	-10	-55	3	2	-2



**Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) VII**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Poland	DB2006/155	54	-	-	-	-	-	-	-	-	-
	DB2007/175	75	114	146	86	65	33	71	102	112	85
	DB2008/178	47	129	156	81	68	33	125	40	68	88
	DB2009/181	76	145	158	84	28	38	142	41	68	82
	DB2010/183	72	117	164	88	15	41	151	42	75	85
	DB2011/183	70	113	164	86	15	44	121	49	77	81
	2011- 2006*	-16	1	-18	0	50	-11	-50	53	35	4
Portugal	DB2006/155	42	-	-	-	-	-	-	-	-	-
	DB2007/175	40	33	115	98	65	33	61	27	35	18
	DB2008/178	37	38	112	65	68	33	66	31	49	20
	DB2009/181	48	34	128	79	109	38	73	33	34	21
	DB2010/183	48	60	111	52	87	41	80	19	25	22
	DB2011/183	31	59	111	31	89	44	73	27	24	21
	2011- 2006*	9	-26	4	67	-24	-11	-12	0	11	-3
Romania	DB2006/155	78	-	-	-	-	-	-	-	-	-
	DB2007/175	49	7	116	114	48	33	131	35	45	108
	DB2008/178	48	26	90	123	13	33	134	38	37	81
	DB2009/181	47	26	88	114	12	38	146	40	31	85
	DB2010/183	55	42	91	92	15	41	149	46	55	91
	DB2011/183	56	44	84	92	15	44	151	47	54	102
	2011- 2006*	22	-37	32	22	33	-11	-20	-12	-9	6

**Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) VIII**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Slovak Republic	DB2006/155	37	-	-	-	-	-	-	-	-	-
	DB2007/175	36	63	47	5	13	118	113	88	59	31
	DB2008/178	32	72	50	5	7	98	122	90	50	36
	DB2009/181	36	48	53	7	12	104	126	116	47	37
	DB2010/183	42	66	56	11	15	109	120	113	61	39
	DB2011/183	41	68	56	9	15	109	122	102	71	33
	2011- 2006*	-4	-5	-9	-4	-2	9	-9	-14	-12	-2
Slovenia	DB2006/155	63	-	-	-	-	-	-	-	-	-
	DB2007/175	61	98	63	97	48	46	84	108	84	35
	DB2008/178	55	120	62	99	68	19	63	69	79	34
	DB2009/181	54	41	69	104	84	18	78	78	79	38
	DB2010/183	53	26	59	108	87	20	84	84	60	40
	DB2011/183	42	28	63	97	116	20	80	56	60	38
	2011- 2006*	21	70	0	0	-68	26	4	52	24	-3
Spain	DB2006/155	30	-	-	-	-	-	-	-	-	-
	DB2007/175	39	102	53	33	21	83	112	25	42	15
	DB2008/178	38	118	46	42	13	83	93	47	55	17
	DB2009/181	49	140	51	46	43	88	84	52	54	19
	DB2010/183	62	146	53	48	43	93	78	59	52	19
	DB2011/183	49	147	49	54	46	93	71	54	52	19
	2011- 2006*	-19	-45	4	-21	-25	-10	41	-29	-10	-4

Ease of Doing Business in EU-27 - 2006-2011 (rank per year and pillar) IX											
Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Sweden	DB2006/155	14	-	-	-	-	-	-	-	-	-
	DB2007/175	13	20	17	7	33	46	39	9	2	17
	DB2008/178	14	22	17	7	36	51	42	6	53	19
	DB2009/181	17	30	17	10	68	53	42	6	55	18
	DB2010/183	18	43	19	20	71	57	42	7	51	18
	DB2011/183	14	39	20	15	72	28	39	7	52	18
	2011- 2006*	0	-19	-3	-8	-39	18	0	2	-50	-1
United Kingdom	DB2006/155	9	-	-	-	-	-	-	-	-	-
	DB2007/175	6	9	46	19	1	9	12	14	22	10
	DB2008/178	6	6	54	19	1	9	12	27	24	10
	DB2009/181	6	8	61	22	2	9	16	28	24	9
	DB2010/183	5	16	16	23	2	10	16	16	23	9
	DB2011/183	4	17	16	22	2	10	16	15	23	7
	2011- 2006*	5	-8	30	-3	-1	-1	-4	-1	-1	3

Source: EDB 2006-2011 reports

EDB – table 2

\* 2011-2006 stands for the positions either gained (green colour) or lost (red colour) taking into account the first and the last year of the evaluated period for each pillar and each economy

**Note 1:** DB 2006 provides only the overall EDB rank and not the ranking of economies in each pillar.

**Note 2:** Number of countries-economies evaluated for each year: DB2006-155, DB2007-175, DB2008-178, DB2009-181, DB2010-183, DB2011-183.

**Ease of Doing Business in BS-10 - 2006-2011 (rank per year and pillar) I**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Armenia	DB2006/155	46	-	-	-	-	-	-	-	-	-
	DB2007/175	34	46	36	2	65	83	148	119	18	40
	DB2008/178	39	47	73	2	36	83	143	118	64	42
	DB2009/181	44	66	42	5	28	88	150	143	61	47
	DB2010/183	43	21	72	5	43	93	153	102	62	49
	DB2011/183	48	22	78	5	46	93	159	82	63	54
	<b>2011-2006*</b>	<b>-2</b>	<b>24</b>	<b>-42</b>	<b>-3</b>	<b>19</b>	<b>-10</b>	<b>-11</b>	<b>37</b>	<b>-45</b>	<b>-14</b>
Azerbaijan	DB2006/155	98	-	-	-	-	-	-	-	-	-
	DB2007/175	99	96	162	59	21	118	136	158	34	70
	DB2008/178	96	64	159	56	26	107	141	173	30	75
	DB2009/181	55	45	92	143	68	104	39	51	120	29
	DB2010/183	38	17	158	9	15	20	108	177	26	84
	DB2011/183	54	15	160	10	46	20	103	177	27	88
	<b>2011-2006*</b>	<b>44</b>	<b>81</b>	<b>2</b>	<b>49</b>	<b>-25</b>	<b>98</b>	<b>33</b>	<b>-19</b>	<b>7</b>	<b>-18</b>
Bulgaria	DB2006/155	62	-	-	-	-	-	-	-	-	-
	DB2007/175	54	85	140	65	33	33	107	104	52	64
	DB2008/178	46	100	103	62	13	33	88	89	90	72
	DB2009/181	45	81	117	59	5	38	94	102	86	75
	DB2010/183	44	50	119	56	4	41	95	106	87	78
	DB2011/183	51	43	119	62	6	44	85	108	87	83
	<b>2011-2006*</b>	<b>3</b>	<b>42</b>	<b>21</b>	<b>3</b>	<b>27</b>	<b>-11</b>	<b>22</b>	<b>-4</b>	<b>-35</b>	<b>-19</b>

**Ease of Doing Business in BS-10 - 2006-2011 (rank per year and pillar) II**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Georgia	DB2006/155	100	-	-	-	-	-	-	-	-	-
	DB2007/175	37	36	42	16	48	135	104	95	32	86
	DB2008/178	18	10	11	11	48	33	102	64	42	105
	DB2009/181	15	4	10	2	28	38	110	81	43	92
	DB2010/183	11	5	7	2	30	41	64	30	41	95
	DB2011/183	12	8	7	2	15	20	61	35	41	105
	<b>2011-2006*</b>	<b>88</b>	<b>28</b>	<b>35</b>	<b>14</b>	<b>33</b>	<b>115</b>	<b>43</b>	<b>60</b>	<b>-9</b>	<b>-19</b>
Greece	DB2006/155	80	-	-	-	-	-	-	-	-	-
	DB2007/175	109	140	55	94	83	156	108	123	48	34
	DB2008/178	100	152	42	93	84	158	86	65	87	38
	DB2009/181	96	133	45	101	109	150	62	70	85	41
	DB2010/183	109	140	50	107	87	154	76	80	89	43
	DB2011/183	109	149	51	153	89	154	74	84	88	49
	<b>2011-2006*</b>	<b>-29</b>	<b>-9</b>	<b>4</b>	<b>-59</b>	<b>-6</b>	<b>2</b>	<b>34</b>	<b>39</b>	<b>-40</b>	<b>-15</b>
Moldova	DB2006/155	83	-	-	-	-	-	-	-	-	-
	DB2007/175	103	84	119	47	101	99	119	105	55	78
	DB2008/178	92	81	153	46	97	98	111	122	17	82
	DB2009/181	103	89	158	50	84	104	123	135	17	88
	DB2010/183	94	77	161	17	87	109	101	140	22	90
	DB2011/183	90	94	159	18	89	109	106	141	20	92
	<b>2011-2006*</b>	<b>-7</b>	<b>-10</b>	<b>-40</b>	<b>29</b>	<b>12</b>	<b>-10</b>	<b>13</b>	<b>-36</b>	<b>35</b>	<b>-14</b>

**Ease of Doing Business in BS-10 - 2006-2011 (rank per year and pillar) III**

Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Romania	DB2006/155	78	-	-	-	-	-	-	-	-	-
	DB2007/175	49	7	116	114	48	33	131	35	45	108
	DB2008/178	48	26	90	123	13	33	134	38	37	81
	DB2009/181	47	26	88	114	12	38	146	40	31	85
	DB2010/183	55	42	91	92	15	41	149	46	55	91
	DB2011/183	56	44	84	92	15	44	151	47	54	102
	2011- 2006*	22	-37	32	22	33	-11	-20	-12	-9	6
Russian Federation	DB2006/155	79	-	-	-	-	-	-	-	-	-
	DB2007/175	96	33	163	44	159	60	98	143	25	81
	DB2008/178	106	50	177	45	84	83	130	155	19	80
	DB2009/181	120	65	180	49	109	88	134	161	18	89
	DB2010/183	120	106	182	45	87	93	103	162	19	92
	DB2011/183	123	108	182	51	89	93	105	162	18	103
	2011- 2006*	-44	-75	-19	-7	70	-33	-7	-19	7	-22
Turkey	DB2006/155	93	-	-	-	-	-	-	-	-	-
	DB2007/175	91	53	148	54	65	60	65	79	70	138
	DB2008/178	57	43	128	31	68	64	54	56	34	112
	DB2009/181	59	43	131	34	68	53	68	59	27	118
	DB2010/183	73	56	133	36	71	57	75	67	27	121
	DB2011/183	65	63	137	38	72	59	75	76	26	115
	2011- 2006*	28	-10	11	16	-7	1	-10	3	44	23

Ease of Doing Business in BS-10 - 2006-2011 (rank per year and pillar) IV											
Economy	Year/ Evaluated economies	EDB overall rank	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Ukraine	DB2006/155	124	-	-	-	-	-	-	-	-	-
	DB2007/175	128	101	107	133	65	142	174	106	26	139
	DB2008/178	139	109	174	138	68	141	177	120	46	140
	DB2009/181	145	128	179	140	28	142	180	131	49	143
	DB2010/183	142	134	181	141	30	109	181	139	43	145
	DB2011/183	145	118	179	164	32	109	181	139	43	150
	<b>2011- 2006*</b>	<b>-21</b>	<b>-17</b>	<b>-72</b>	<b>-31</b>	<b>33</b>	<b>33</b>	<b>-7</b>	<b>-33</b>	<b>-17</b>	<b>-11</b>

Source: EDB 2006-2011 reports

EDB – table 3

\* **2011-2006** stands for the positions either gained (**green colour**) or lost (**red colour**) taking into account the first and the last year of the evaluated period for each economy.

**Note 1:** Number of countries-economies evaluated for each year: DB2006-155, DB2007-175, DB2008-178, DB2009-181, DB2010-183, DB2011-183.

**Note 2:** DB 2006 provides only the overall EDB rank and not the ranking of economies in each pillar.

Ease of Doing Business 2011 EU-27										
Economy	Ease of Doing Business	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Austria	32	125	57	33	15	132	104	25	9	20
Belgium	25	31	41	177	46	16	70	44	21	8
Bulgaria	51	43	119	62	6	44	85	108	87	83
Cyprus	37	26	75	66	72	93	32	19	104	22
Czech Republic	63	130	76	47	46	93	128	62	78	32
Denmark	6	27	10	30	15	28	13	5	30	5
Estonia	17	37	24	13	32	59	30	4	50	70
Finland	13	32	55	26	32	59	65	6	11	6
France	26	21	19	142	46	74	55	26	7	44
Germany	22	88	18	67	15	93	88	14	6	35
Greece	109	149	51	153	89	154	74	84	88	49
Hungary	46	35	86	41	32	120	109	73	22	62
Ireland	9	11	38	78	15	5	7	23	37	9
Italy	80	68	92	95	89	59	128	59	157	30
Latvia	24	53	79	57	6	59	59	16	14	80
Lithuania	23	87	59	7	46	93	44	31	17	39
Luxembourg	45	77	42	129	116	120	15	32	1	45
Netherlands	30	71	105	46	46	109	27	13	29	11
Poland	70	113	164	86	15	44	121	49	77	81
Portugal	31	59	111	31	89	44	73	27	24	21
Romania	56	44	84	92	15	44	151	47	54	102
Slovak Republic	41	68	56	9	15	109	122	102	71	33
Slovenia	42	28	63	97	116	20	80	56	60	38
Spain	49	147	49	54	46	93	71	54	52	19
Sweden	14	39	20	15	72	28	39	7	52	18
United Kingdom	4	17	16	22	2	10	16	15	23	7

Source: EDB 2011 report

EDB – table 4

note 1: Green colour indicates the best performer/s; yellow colour indicates the worst performer/s.

note2: Malta is not included, since its government has not requested so to the Ease of Doing Business Project Team.



<b>Ease of Doing Business 2011 BS-10</b>										
<b>Economy</b>	<b>Ease of Doing Business</b>	<b>Starting a Business</b>	<b>Dealing with Construction Permits</b>	<b>Registering Property</b>	<b>Getting Credit</b>	<b>Protecting Investors</b>	<b>Paying Taxes</b>	<b>Trading Across Borders</b>	<b>Enforcing Contracts</b>	<b>Closing a Business</b>
Armenia	48	22	78	5	46	93	159	82	63	54
Azerbaijan	54	15	160	10	46	20	103	177	27	88
Bulgaria	51	43	119	62	6	44	85	108	87	83
Georgia	12	8	7	2	15	20	61	35	41	105
Greece	109	149	51	153	89	154	74	84	88	49
Moldova	90	94	159	18	89	109	106	141	20	92
Romania	56	44	84	92	15	44	151	47	54	102
Russian Federation	123	108	182	51	89	93	105	162	18	103
Turkey	65	63	137	38	72	59	75	76	26	115
Ukraine	145	118	179	164	32	109	181	139	43	150

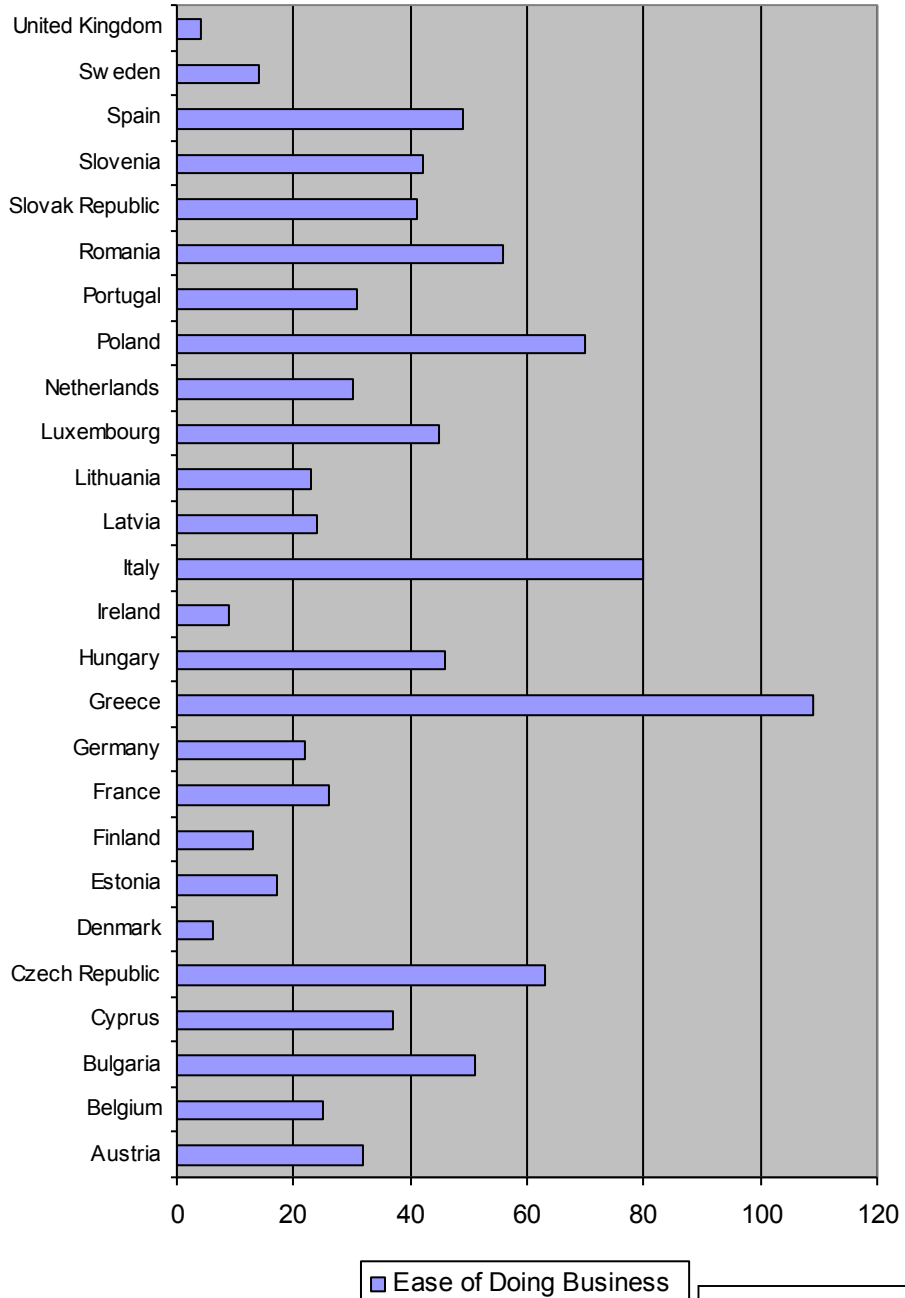
Source: EDB 2011 report

EDB – table 5

note 1: Green colour indicates the best performer/s; yellow colour indicates the worst performer/s.

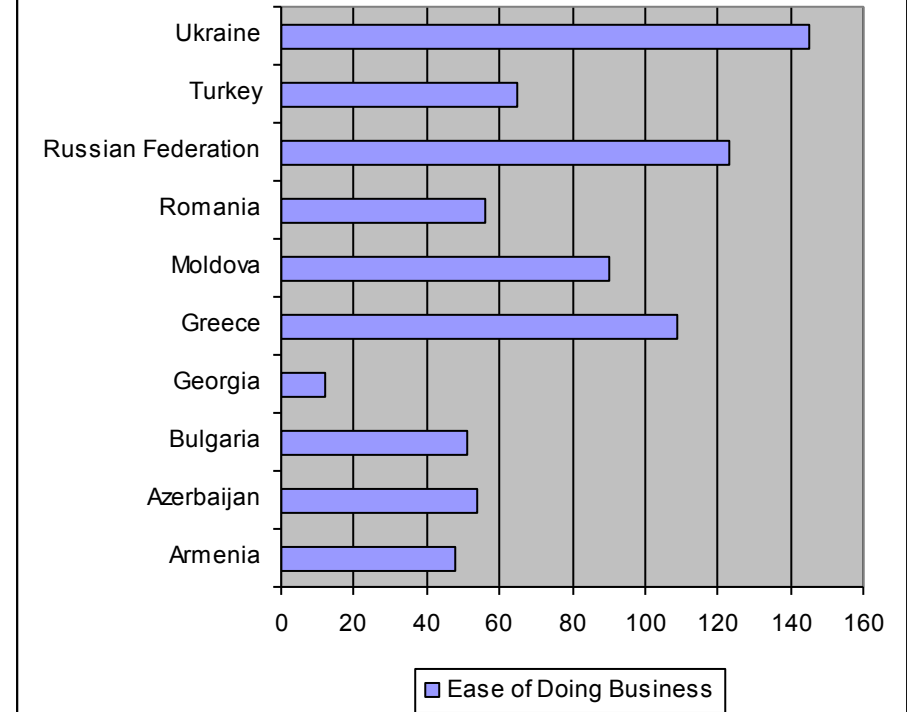
NOTE FOR TABLES 3 and 4: The evaluated economies are 183 in total in DB2011 both in the first (EU-27) and the second (BS-10) board.

**Ease of Doing Business 2011 - EU-27**



**EDB Graph 1.**

**Ease of Doing Business 2011 - BS-10**



**EDB Graph 2.**

Source for both EDB graphs: DB 2011 report that evaluates 183 states.

EU-27 Growth Competitiveness Index (GCI), 2005 - 2006								
Economy /out of 117	GCI Score	(Rank)	Public Institutions Index		Macroeconomic Environment Index		Technology Index	
			Score	Rank	Score	Rank	Score	Rank
Austria	5,0	(21)	6,0	(11)	5,1	(22)	4,4	(21)
Belgium	4,6	(31)	5,4	(28)	4,8	(29)	4,2	(28)
Bulgaria	3,8	(58)	4,2	(62)	4,0	(62)	3,3	(61)
Cyprus	4,5	(34)	5,4	(27)	4,3	(45)	3,9	(36)
Czech Republic	4,4	(38)	4,6	(48)	4,3	(46)	4,3	(22)
Denmark	5,7	(4)	6,4	(2)	5,6	(3)	5,3	(5)
Estonia	5,0	(20)	5,5	(25)	4,7	(30)	4,6	(18)
Finland	5,9	(1)	6,2	(5)	5,5	(4)	6,0	(2)
France	4,8	(30)	5,7	(20)	4,9	(27)	4,3	(24)
Germany	5,1	(15)	6,0	(8)	4,8	(28)	4,8	(16)
Greece	4,3	(46)	4,8	(43)	4,2	(51)	3,9	(37)
Hungary	4,4	(39)	5,2	(34)	3,9	(63)	4,1	(30)
Ireland	4,9	(26)	5,9	(13)	5,4	(7)	4,1	(31)
Italy	4,2	(47)	4,7	(46)	4,3	(47)	3,7	(44)
Latvia	4,3	(44)	4,6	(50)	4,5	(38)	3,8	(38)
Lithuania	4,3	(43)	4,7	(44)	4,5	(39)	3,7	(42)
Luxembourg	4,9	(25)	6,1	(7)	5,3	(9)	4,1	(29)
Malta	4,5	(35)	5,2	(32)	4,1	(54)	4,3	(23)
Netherlands	5,2	(11)	5,8	(16)	5,3	(10)	4,9	(11)
Poland	4,0	(51)	4,1	(64)	4,1	(53)	3,8	(39)
Portugal	4,9	(22)	5,8	(15)	4,5	(37)	4,4	(20)
Romania	3,7	(67)	3,8	(78)	3,7	(73)	3,5	(49)
Slovak Republic	4,3	(41)	4,7	(44)	4,2	(49)	4,0	(34)
Slovenia	4,6	(32)	5,1	(35)	4,6	(35)	4,1	(32)
Spain	4,8	(29)	5,1	(36)	5,1	(24)	4,2	(27)
Sweden	5,7	(3)	5,8	(17)	5,2	(12)	5,8	(4)
United Kingdom	5,1	(13)	6,0	(12)	5,1	(18)	4,7	(17)
EU-27	4,7		5,3		4,7		4,3	

Source: Growth Competitiveness Report 2005-2006 (World Bank)

GCI – table 15

BS-10 Growth Competitiveness Index (GCI), 2005 - 2006								
Economy /out of 117	GCI Score	(Rank)	Public Institutions Index		Macroeconomic Environment Index		Technology Index	
			Score	Rank	Score	Rank	Score	Rank
Armenia	3,4	(79)	4,1	(66)	3,5	(77)	2,7	(94)
Azerbaijan	3,6	(69)	4,1	(67)	4,1	(56)	2,8	(87)
Bulgaria	3,8	(58)	4,2	(62)	4,0	(62)	3,3	(61)
Georgia	3,3	(86)	3,7	(87)	3,3	(90)	2,8	(84)
Greece	4,3	(46)	4,8	(43)	4,2	(51)	3,9	(37)
Moldova	3,4	(82)	4,2	(63)	3,1	(96)	2,8	(89)
Romania	3,7	(67)	3,8	(78)	3,7	(73)	3,5	(49)
Russian Federation	3,5	(75)	3,6	(91)	4,0	(58)	3,0	(73)
Turkey	3,7	(66)	4,3	(61)	3,3	(87)	3,5	(53)
Ukraine	3,3	(84)	3,6	(90)	3,5	(78)	2,8	(85)
BS-10	3,7		4,1		3,6		3,3	

Source: Growth Competitiveness Report 2005-2006 (World Bank)

GCI – table 16

EU-27 Growth Competitiveness Index (GCI), 2004 - 2005								
Economy /out of 104	GCI Score	(Rank)	Public Institutions Index		Macroeconomic Environment Index		Technology Index	
			Score	Rank	Score	Rank	Score	Rank
Austria	5,2	(17)	6,0	(15)	5,1	(10)	4,9	(22)
Belgium	5,0	(25)	5,7	(22)	4,9	(19)	4,6	(31)
Bulgaria	4,0	(59)	4,4	(56)	3,8	(60)	3,8	(59)
Cyprus	4,6	(38)	5,2	(33)	4,1	(45)	4,4	(39)
Czech Republic	4,6	(40)	4,6	(51)	4,2	(41)	4,9	(19)
Denmark	5,7	(5)	<b>6,6</b>	<b>(1)</b>	5,4	<b>(4)</b>	5,3	(6)
Estonia	5,1	(20)	5,6	(26)	4,7	(30)	5,0	(15)
Finland	<b>6,0</b>	<b>(1)</b>	6,5	(3)	5,5	(3)	5,9	(3)
France	4,9	(27)	5,6	(25)	4,8	(25)	4,7	(30)
Germany	5,3	(13)	6,2	(11)	4,8	(26)	5,1	(12)
Greece	4,6	(37)	4,7	(44)	4,5	(31)	4,4	(38)
Hungary	4,6	(39)	5,1	(37)	4,0	(55)	4,7	(29)
Ireland	4,9	(30)	5,9	(17)	4,9	(21)	4,4	(37)
Italy	4,3	(47)	4,6	(48)	4,3	(38)	4,1	(50)
Latvia	4,4	(44)	4,6	(52)	4,3	(37)	4,5	(36)
Lithuania	4,6	(36)	4,8	(43)	4,5	(33)	4,5	(33)
Luxembourg	5,0	(26)	6,0	(14)	5,2	(6)	4,3	(41)
Malta	4,8	(32)	5,4	(30)	4,1	(47)	4,9	(21)
Netherlands	5,3	(12)	6,1	(13)	5,1	(7)	5,0	(16)
Poland	4,0	(60)	3,7	(80)	4,1	(51)	4,2	(45)
Portugal	5,0	(24)	5,7	(23)	4,4	(34)	4,8	(23)
Romania	3,9	<b>(63)</b>	3,9	<b>(74)</b>	3,5	<b>(71)</b>	4,1	(47)
Slovak Republic	4,4	(43)	4,6	(49)	4,0	(54)	4,7	(28)
Slovenia	4,8	(33)	5,3	(31)	4,3	(39)	4,7	(26)
Spain	5,0	(23)	5,2	(34)	5,0	(16)	4,9	(20)
Sweden	5,7	<b>(3)</b>	6,3	(6)	5,0	(17)	5,8	<b>(4)</b>
United Kingdom	5,3	(11)	6,2	(7)	5,1	(8)	4,9	(18)
EU-27	4,8		5,3		4,6		4,7	

Source: Growth Competitiveness Report 2004-2005 (World Bank)

GCI – table 17

BS-10 Growth Competitiveness Index (GCI), 2004 - 2005								
Economy /out of 104	GCI Score	(Rank)	Public Institutions Index		Macroeconomic Environment Index		Technology Index	
			Score	Rank	Score	Rank	Score	Rank
Azerbaijan	-	-	-		-		-	
Bulgaria	4,0	(59)	4,4	(56)	3,8	(60)	3,8	(59)
Georgia	3,1	(94)	3,2	(101)	3,1	(92)	3,2	(80)
Greece	4,6	(37)	4,7	(44)	4,5	(31)	4,4	(38)
Moldova	-	-	-		-		-	
Romania	3,9	(63)	3,9	(74)	3,5	(71)	4,1	(47)
Russian Federation	3,7	(70)	3,5	(89)	3,9	(56)	3,7	(67)
Turkey	3,8	(66)	4,2	(62)	3,2	(84)	4,0	(52)
Ukraine	3,3	(86)	3,3	(97)	3,4	(76)	3,2	(83)
BS-10	3,8		3,9		3,6		3,8	

Source: Growth Competitiveness Report 2004-2005 (World Bank)

GCI – table 18

Note: The lack of survey data in the tables is indicated with “-”.

#### 4. GCI - Case study: Greece juxtaposed with the EU-27 and the BS-10

Since competitiveness is measured in relation to the twelve pillars analyzed above, the score and the rank attained in each one will provide a better comprehension of the situation. The scores and the ranks derive from surveys<sup>4</sup> either conducted by the WEF itself or by partners worldwide that collaborate with it. Acknowledging the fact that in this case numbers are more than plain figures on a piece of paper, it becomes obvious that they indicate the exact field on which an economy has to focus and take the appropriate action to counter conditions that function at its expense. Before proceeding with the analysis and comparison of the Greek, EU-27 and BS-10 performance in the GCI constituent pillars, a first view of the latest data about their overall score and rank regarding economy competitiveness will be presented. Unless specified otherwise, from this point on all references to the GCI data would concern the latest report, that is the 2011-2012 evaluation, while the average scores of the EU-27 and the BS-10 are the outcome of the author's calculations based on the GCI data.

In the GCI Greece ranks 90<sup>th</sup>, which is lower than any other state of the EU-27; the most efficient EU performer is Sweden in the 3<sup>rd</sup> position of the Index. In the BS-10 there is not so much divergence between most of the component states; Greece comes right next to Georgia (88<sup>th</sup>), Armenia (92<sup>nd</sup>) and Moldova (93<sup>rd</sup>) that is the last in the BS-10; none of the BS-10 states is classified among the first 50 of the GCI. The following table presents the overall GCI scores of the three entities.

GCI 2011-2012	
Economy	Score
Greece	3,91
EU-27 (average scores)	4,69
BS-10 (average scores)	4,06

GCI – table 19

Source: GCI 2011-2012, WEF.

Greece is below the average scores of the EU-27 and the BS-10, as well. A look into the previous GCI data would show that actually Greece never managed to reach the EU-27

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<sup>4</sup> The WEF indicates data of other sources with an asterisk in the GCI reports. So, whenever there is an asterisk in the references to the indicators these twelve pillars consist of -mainly in the footnotes- this would instantly mean that they are the product of sources other than the WEF.

average score from 2004 until today, while it has always been above the BS-10 average score, except for the last two GCI evaluations. As far as the loss or gain of positions from the first year of evaluation of the countries examined in this dissertation are concerned, a retrospective look indicates that the most remarkable loss is traced in Greece, which went down 53 positions in rank comparatively to the 2004-2005 report, while Poland (gaining 19 positions) comes first in the EU-27 and Azerbaijan (gaining 14 positions) in the BS-10 regarding the same period.

#### **4.1 Basic requirements**

In the basic requirements pillar, Greece scores 4.4, and occupies the 80<sup>th</sup> position; in other words, it is quite below the EU-27 average, whereas its score identifies with the average BS-10 one. The average score of the EU-27 is 5.2, with Sweden coming first among the Member States in the 4<sup>th</sup> position (score: 6.1) and Romania last in the 89<sup>th</sup> position (score: 4.3). The BS-10 average score is 4.4 and the ranks vary from the 59<sup>th</sup> of Azerbaijan (score: 4.7) to the 102<sup>nd</sup> of Moldova (score:4.1). For a deeper comprehension regarding the evaluated entities, a detailed examination of the constituent sectors is provided.

##### **4.1.1 Institutions**

It has already been stressed that “institutions”<sup>5</sup> constitute a determinant factor to the competitiveness of economy and its capacity to provide a healthy and solid framework for investments. The existence of a sound institutional framework offers a sense of security a priori and encourages business plans and ventures. In the “institutions” sector Greece ranks 96<sup>th</sup>. Sweden is the leading state of the EU-27 in the 2<sup>nd</sup> position and Bulgaria is the last one in the 110<sup>th</sup> position. In contrast with the EU that has a long tradition in this field, the BS-10 is quite weak in this dimension; Georgia, the first in the entity, comes 64<sup>th</sup> and

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<sup>5</sup> The score and the rank of a state in this pillar is the outcome of surveys on the following: “property rights, intellectual property protection, diversion of public funds, public trust of politicians, irregular payments and bribes, judicial independence, favouritism in decisions of government officials, wastefulness of government spending, burden of government regulation, efficiency of legal framework in settling disputes, efficiency of legal framework in challenging regulations, transparency of government policymaking, business costs of terrorism, business costs of crime and violence, organized crime, reliability of police services, ethical behaviour of firms, strength of auditing and reporting standards, efficacy of corporate boards, protection of minority shareholders’ interests, strength of investor protection<sup>5</sup>” (Schwab, 2011, p47).



Ukraine is the last in the 131<sup>st</sup> position. Certainly this is justified to an extent due to the background of the transition economies it includes, which indicates that restructuring the institutional framework is not only a matter of issuing regulations but of successfully implementing them, as well. The following table depicts the average scores of the three entities under consideration.

<b>Institutions - GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,5
<b>EU-27 average score</b>	4,6
<b>BS-10 average score</b>	3,5

**GCI – table 20**

**Source:** GCI 2011-2012, WEF.

The Greek score identifies with that of the BS-10, while it is far behind the EU-27 average one.

Greece seems to be aggravating as its 4,36 score of 2006-2007 gradually falls to that of 3,5 in 2011-2012. This could be explained by a number of issues it has to deal with: the lack of credibility concerning politicians, which brought the loss of public trust, the non-implementation or the selective implementation of government regulation and the governing policymaking, conveying favouritism on the part of governing officials (Schwab, 2011, p189), are all reflected as areas to work on in the scores of Greece in the last World Governance Index (WGI) report (see Appendix table 1) In addition, Greece comes last in the EU-27 and the BS-10 in the “protecting investors” pillar of the EDB 2011 report. According to Transparency International Organization’s 2010 report about the Corruption Perception Index (CPI), which measures corruption of the public sector, Greece is assessed with 3,5. If one takes into account that the scale used in CPI ranges from 0,0 indicating absolute corruption to 10 reflecting absolute transparency (CPI, 2011), the Greek performance is rather discouraging. It should be acknowledged though that aiming to deal with this issue, a programme namely Cl@rity was initiated in October 2010 by the Ministry of the Interior, Decentralization and e-Government; according to it all Ministries have to upload their decisions on the site: [www.diavgeia.gov.gr](http://www.diavgeia.gov.gr). Uploading of the digitally signed decisions of public entities -these are attached automatically with a unique number by the electronic system- is a prerequisite for their implementation (Cl@rity Program, 2011). The poor performance of Greece in the Intellectual Property Rights Protection

(International Property Rights Index, 2011), scoring 6,1 in a scale 1-10best, is another issue that functions at the expense of technology transfer through FDIs. So, a thorough examination of the sub-divisions of the “institutions” section shows that the long Greek institutional tradition-background alone could not counterbalance the shortcomings of the legal and the administrative framework, the loss of public trust to politicians, the corruption, the bribery instances and the precarious transparency when it comes to government policy making in dealings with the private sector, e.g. the bribery and corruption scandal of the 2008, in deals between governing officials and the SIEMENS AG. All these are matters to be confronted in order to create a sound institutional context for the entrepreneurial activity and investments to take place.

As for the EU-27, being highly institutionalized functions to the benefit of its constituent economies and to entrepreneurship in particular, as 15 out of the 27 EU states rank in the first 50 of the GCI. As a Union it operates based on seven institutions, which are: the European Parliament, the European Council, the Council of the European Union, the European Commission, the Court of Justice of the European Union, the European Central Bank and the Court of Auditors; these consist of sub-sectors, so that administration is better focused depending on the case and interest and setting a first frame for the interaction among governments, firms and citizens to take place. The European Investment Fund (EIF) provides financial support especially to new firms and technology-oriented business” (Europa.EU, 2011). What is more it offers the sense of security required by the potential investors. According to the latest WGI, the EU-27 average scores vary from 72,7 to 86,2 (see Appendix - table 1) in the pillars it covers; if it had not been for the rather low performance of the recently accessed states of Bulgaria and Romania in many cases, the average scores would be much higher. The overall institutional EU framework operating on an administrative model with political, legislative, financial and monitoring mechanisms functions supplementary or side-by-side to the individual component-states’ framework, in order to create an investor-friendly environment in the Union and increase its competitiveness.

In general, the BS-10 presents low scores in this pillar. Partly this accounts for the low rates regarding entrepreneurship in the transition economies of the BS-10. This could be attributed to the communist legacy with central planning that is supposed to be substituted with formal market-supporting institutions aiming at its wider integration. While reforms have been recorded, the lack of institutional memory has not been

accompanied by the generalized trust (Estrin<sup>6</sup>, Mickiewicz<sup>7</sup>, 2010, p.1). Seemingly, the BS-10 (along with Albania) acknowledged this issue and various others and founded certain “family institutions” like the Black Sea Economic Cooperation in 1992 (BSEC), aiming mainly to the sustainable growth and development of the national economies; also in 1998 they established the Black Sea Trade and Development Bank (BSTDB) as a financial branch for supporting regional development; the legislative framework is supported by the Parliamentary Assembly of the BSEC (PABSEC), which was founded in 1993 right after the BSEC initiation; it exercises consultative role when required. Concerning the business circles, there is the BSEC Business Council -comprising of representatives from the member states’ business circles- offering opportunities for interaction and encouraging joint entrepreneurial activity or other business-connected initiatives thus contributing to the acceleration of developments in transition economies and the communication between the public and private sector. The International Centre for Black Sea Studies is another institution, the first scientific initiative in the region, dealing at this level with various issues e.g. economic etc. (BSEC, 2011). All the above are a clear statement of the region to declare its presence and not only encourage but also support entrepreneurial activity through creating an institutional framework that would be efficient enough to deal with the shortcomings in the problematic areas the “institutions” pillar refers to. In the 2009 WGI report, the BS-10 as an entity scores from 36,3 to 56,4 (see Appendix-table 1), which explains to a degree the low performance of the BS-10 in this pillar of the GCI. Of course, there are other matters for the BS-10 to consider like the organized crime and terrorism, which seem to have become territorialized in the region and thus more complex for the BS-10 to deal with.

#### **4.1.2 Infrastructure**

Efficient infrastructure, in terms of transport, diversity of modes, speed, logistics and fine quality utility services that forward telecommunications, is a crucial factor for economic activity to take place; without this competitiveness is difficult or rather

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<sup>6</sup> Saul Estrin: London School of Economics & Political Science (LSE); Centre for Economic Policy Research (CEPR); Institute for the Study of Labor (IZA).

<sup>7</sup> Tomasz Mickiewicz: University College London.

impossible to achieve. The level of “infrastructure”<sup>8</sup> efficiency could possibly compensate for any drawbacks deriving from the geographic location of a country. Greece ranks 45<sup>th</sup> in the “infrastructure” section; there, the first EU-27 state is Germany (2<sup>nd</sup>) and the last one is Romania (95<sup>th</sup>). The BS-10 leading state in this dimension is Greece, while Moldova comes last in the 96<sup>th</sup> position. The following table presents the scores of Greece, EU-27 and BS-10 in the infrastructure pillar.

<b>Infrastructure GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	4,5
<b>EU-27 average score</b>	5,1
<b>BS-10 average score</b>	4,0

**GCI – table 21**

**Source:** GCI 2011-2012, WEF.

The Greek score is below the EU-27 and above the BS-10 average score.

Greece presents comparative advantages in terms of infrastructure. This is the reason why Chinese and Arabs -seeking for foothold into the EU market -are discussing the possibility of contracting agreements with the Greek government mainly for port and other infrastructure exploitation (Economist Intelligence Unit, 2011). Although there have been substantial public investments, Greek scores in this pillar are steadily around 4,5 in the last four years -which could possibly be higher- maybe due to the inefficient management of the resources at its disposal in some cases (Παπαπανάγος, Λασπά, 2010, p110). With 40 airports, 15 of them being international and more than 140 sea ports, among which 12 are international, Greece counterbalances the challenges deriving from its relief variation and becomes highly connected to other countries. What is more, the funding of the European Union has assisted a series of projects regarding infrastructure. For instance, Egnatia Highway facilitated movement, thus saving time for passengers and the transfer of products from the port of Igoumenitsa in the West -where ships to Italy depart and arrive- to Alexandroupolis in the West part of Greece that borders Turkey. Even though there have been exceptional improvements in certain parts of the main road network, many of the peripheral and secondary roads require further improvement. As for the transferring of

<sup>8</sup> Specifically a more detailed analysis of infrastructure would lead the target reader to the GCI examination of: quality of “overall infrastructure, quality of roads, quality of railroad infrastructure, quality of port infrastructure, quality of air transport infrastructure, available airline seat kilometres\*, quality of electricity supply, fixed telephone lines\*, mobile telephone subscriptions\*” (Schwab, 2011, p47).

passengers and goods' transportation, there is OSE (Organization of Greek Railways) a state-controlled organization, which due to recent reforms in the overall railway system - referring also to administrative changes- managed to present an operating surplus of 3.000.000 € for the first time in its history, according to Bourdaras Aristidis, the General Secretary of the Ministry of Infrastructure, Transport and Networks (Naftemporiki, 2011). Last but not least, since the state-monopoly ceased to exist in telecommunications, many private telecom supplier companies and the one in which the state is among the principal shareholders (OTE) have been competing with each other in terms of quality standards -not only in landlines but regarding the internet services and the effort for provision of cellular lines, as well- and prices (Invest in Greece, 2011) to the benefit of their customers.

In the EU-27 there is a variety of scores regarding infrastructure. That is mainly due to the so far poor -in comparison to the rest European states- performance and slow development of the Central or Eastern European countries, which though seem to be taking steps forward according to Praveen Ojha, who is a Senior Logistics Analyst of the Datamonitor<sup>9</sup>. Specifically he claims that

“The lenient tax policies and moves for privatisation have also helped attract a good amount of foreign direct investment funds into the region. With rising private consumption and fast-growing external and internal trade, the CEE region has displayed high-potential for the sustained growth of the transportation and logistics market.” (EU Infrastructure, 2011).

So, the railways could potentially play an important role, in case they become upgraded with the contribution of private companies; the state-monopoly existing until recently in many of these countries does not seem to have managed the situation properly, so as to adopt more convenient, economical and efficient mechanisms in order to replace to a large extent the use of the road networks. As for the EU-27 as a whole, the European Commission's data present an optimistic aspect about the transport infrastructure section. The EU-27 comprises of “5.000.000 km of paved roads, out of which 65.100 km are motorways, 212.80 km of rail lines, out of which 110.458 km electrified, and 42.709 km of navigable inland waterways”. (European Commission, 2011). The European 2020 strategy

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<sup>9</sup> According to the official site of datamonitor “The Datamonitor Group is a world-leading provider of premium global business information, delivering independent data, analysis and opinion across the Automotive, Consumer Packaged Goods, Energy & Sustainability, Financial Services, Logistics & Express, Pharmaceutical & Healthcare and Retail industries.” According to it the CEE economy's average growth rate for the period 2007-2012 is estimated at 5% (Datamonitor, 2011).

relies to great degree on a trans-European transport network (TEN-T), which would cover the demands deriving from the EU growth in traffic -the latter is supposed to have doubled by 2020; the coordination of the component states' during the planning, the construction stage and after the completion of the plan is essential for the modernization of the already existent land, sea and air transport networks. The so far EU-27 performance has been very successful. The total cost of the relative investment of the 2006-2012 programme is estimated at € 859 billion. These programmes offer better integration of the individual networks -and of the national markets- to the European one, thus more cohesion in the Union and additionally facilitate movement of people and goods, hence save time and reduce cost, which is of vital importance when it comes to the entrepreneurial sector and the economy competitiveness.

With no component state scoring more than 4,5 in the last GCI, it is obvious that the BS-10, with most of its constituent states located in the BS littoral, which is an international navigation corridor linking countries, have a long way to fulfil their infrastructure potential. On this ground, the Black Sea Basin Joint Operational Programme 2007-2013<sup>10</sup> financially supported by the European Neighbourhood & Partnership Instrument (ENPI) of the EU set specific targets in order to enhance the Black Sea region both in economic and social level. The programme grades certain priorities and suggests specific measures for the attainment of its goals. For instance, it focuses on the enhancement of intra-regional communication and transport, which would have immediate positive impact to the trade links, as they want to foster the economic development through cross-border partnerships (BS JOP, 2011). Russia suffers in the transportation infrastructure, since this seems to be basically Moscow-centred, while the commercial transportation restricts mostly to rail; the waterways are an efficient way for transportation and the port of Novorossiysk connects it with the Black Sea basin countries and to Europe, as well. In his article titled "ANALYSIS-Infrastructure left to rot may cripple Russia" Shuster Simon comments that poor infrastructure can be spotted "in the perpetual traffic jams, the weeks without hot water every summer, and the bumpy landings in many regional airports, where about half of the runways are unpaved" (UK-Reuters, 2011). Lastly, Azerbaijan presents poor conditions, when it comes to its road and rail networks; regarding the airplane transportation, there is only a limited number of states connected to it with direct flights; also it is connected to Europe only through a waterway passing from Russia (Volga-Don canal) and to make matters worse, the war in Chechnya

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<sup>10</sup> The BS-10 -apart from Azerbaijan and the Russian Federation- participate in this programme.

often cuts it off from Russia and thus transportation -which is vital to entrepreneurship for the circulation of goods- is interrupted. In May 2011, Francis Delaey, who is the Head of EBRD's Baku Resident Office stated: "in the transport sector we have had preliminary discussions to support road rehabilitation, the railway investment programme and the construction of the ship yard" (News-Az, 2011); these, in combination with other programmes, are expected to contribute to the convergence of the Azeri economy to the European standards and their beneficial role would be practically acknowledged through attracting more investments in an investor-friendly environment, including infrastructure. An updated transport network across the Black Sea Region could make the region excel to an area without internal borders and with steady and continuous mobility of people, goods and services, which would strengthen social cohesion, security and upgrade the economic conditions of the region (Λεοντή, Μαυρή, 2011, p24).

#### **4.1.3 Macroeconomic environment**

The efficiency and stability of the macroeconomic environment<sup>11</sup> is fundamental, when it comes to competitiveness. The macroeconomic environment records the financial performance of a state/Union etc. An unstable macroeconomic environment might be the main cause for unexpected changes and reforms affecting all sectors including the entrepreneurial activity in many ways e.g. excessive taxation etc. In this pillar Greece is classified in the 140<sup>th</sup> position, that is Greece performs worse than any other EU-27 and BS-10 state. Sweden in the 13<sup>th</sup> position and Azerbaijan in the 16<sup>th</sup> one are the best performers in the corresponding entities. The following table provides the scores of Greece, EU-27 and BS-10 in this pillar.

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<sup>11</sup> Likewise the previous sections, this one too has to do with a study of: "government budget balance\*, national savings rate\*, inflation\*, interest rate spread\*, government debt\*, country credit rating\*" (Schwab, 2011, p48).

<b>Macroeconomic environment GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,3
<b>EU-27 average score</b>	4,9
<b>BS-10 average score</b>	4,5

**GCI – table 22**

**Source:** GCI 2011-2012, WEF.

Greece is far below the average score of the EU-27 and the BS-10, as well.

In the case of Greece the previous years' deficit spending and the growth that was mostly debt-financed led to a vicious circle after the adoption of the Euro, which offered Greece the opportunity to borrow cheaply (Global Property Guide, 2011). That is a comment found in a site for potential investors around the world, which along with the Greek financial crisis and the fragility of the Greek economy being "advertised" in the international media functions as deterrent, especially for foreign investors, who rely on the information they are exposed to mainly through media. With the fear of state bankruptcy emerging and the rumours that are constantly spread about Greece returning to its previous currency, the investment risk is very high. As for the rest dimensions the "macroeconomic environment" pillar takes into account, Greece performs rather low. The general government gross debt is at 165,5 % of the GDP (Index Mundi, 2011). The preceding years' state-policy made the Greek economy fragile and vulnerable to speculator trends. Under such tight financing conditions, where companies have to face the declining domestic tendency in consumption, they are also requested to pay even higher taxation. To make matters worse, SMEs that have transactions with the public sector face great delay in terms of payments; at the same moment though they are obliged to attribute what they are charged by the state in time, otherwise they face the consequences, e.g. fines etc. Even if imbalances start being corrected through reforms and drastic measures immediately, it would take a long time for the country to restore its credibility and longer time for its positive effect to expand to SMEs and investments in general.

In the last GCI evaluation none of the EU-27 states scores lower than 4 with the exception of Greece scoring only 3.3. To some extent this verifies the fact that even though these 27 states constitute a union, each one has its own economy and special distinct features; however, they seem to interact directly or indirectly in the sense of affecting each



other's economy. For instance, the escalation of crisis in the EU now challenges the prospects of the euro-zone. That in its turn affects every sector and even if the situation seems to start ameliorating, the change would not necessarily be accompanied by an immediate shift in the consumer and business outlook. Under these circumstances, businessmen and consumers turn to safe choices with the first meaning to stop or "slow hiring and consumers to choose saving and debt-repayment over spending. This begins a vicious circle that leads to reduced demand and even less hiring and investment" (Economist Intelligence Unit, 2011), along with less revenues for the state. In cases of states with unstable macroeconomic environment, segmental practices are often chosen under the pressure of time, instead of practices in the context of a well-studied strategic plan. Hence, neither the overall state competitiveness nor the benefit of enterprises is served. The European Commission along with the member states try to provide greater support to SMEs -since these constitute the backbone of state economies- and consolidate its policy with programmes like the Small Business Act for Europe (SBA) that focuses on the creation of the best possible administrative and legislative framework throughout the EU.

For most of the BS-10 the macroeconomic environment is an area to work on intensively according to the last GCI evaluation report. Partly this is justified by the currency variation across the region, the current account deficits and the lack of independence of Central Banks that are often asked to finance fiscal deficits. All these make it difficult to face inflation, decrease foreign exchange reserves and make the area vulnerable to exchange crises and speculators (Καραγιάννη,2001, p8). Both Bulgaria and Romania score a little lower compared to 2007, which is the year they accessed the EU. This is a mixture of the way they choose to deal with their internal affairs and their integration to the Union. Whatever the case, they are the 3<sup>rd</sup> and the 4<sup>th</sup> respectively in a BS-10 scale. Russia presents moderate growth in this sector; the shift though to services did not affect radically its economic structure, which is not dominated by the SMEs' contribution but by "large corporations with concentration in natural resources and low value added industries" (World Bank, 2011). Armenia also did not manage to exploit to their full potential programmes dictated by bilateral agreements with the EU in the context of the European Neighbourhood Policy; these aimed at upgrading the Armenian economy and so the country remains fighting with high interest rate spread and inflation, which makes it one of the last among the BS-10 in this sector. On the other side, in spite of being classified in the 112<sup>th</sup> position in this pillar, the progress of Ukraine in the macroeconomics

cannot be overlooked. With the previous evaluation score of 3.2 increasing to 4.2 it managed to climb up 20 positions in a year. The Ukrainian Premier Azarov felt confident to state that the policy aiming at the budget deficit reduction, along with the modernization of the Ukrainian economy and the fight against corruption are the main tools to attract foreign investments in the country (Ukrainian macroeconomics, 2011). As for the Greek macroeconomic environment, its condition has already been discussed above in this pillar.

#### 4.1.4 Health and primary education

The importance of “health and primary education”<sup>12</sup> and the need for governments to look after both is highlighted, when viewed in relation to the effort to increase competitiveness. The Greek performance that grants the country the 37<sup>th</sup> position in this pillar is its best (in terms of rank) throughout the evaluated sections and the best in the BS-10 entity, where Azerbaijan is the worst in the 105<sup>th</sup> position. Finland is the 1<sup>st</sup> not only among the EU-27 but globally in this dimension, while Romania in the 66<sup>th</sup> position comes last in the Union. The scores of Greece, EU-27 and BS-10 are presented in the following table.

<b>Health and primary education GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	6,1
<b>EU-27 average score</b>	6,2
<b>BS-10 average score</b>	5,6

GCI – table 23

Source: GCI 2011-2012, WEF.

The Greek score almost identifies with the EU-27 average score, while it is above the BS-10 one.

Greece scores 6,1 in this sector; mainly this is the result of the Greek performance in the health sector and not so much in the primary education one, since indeed there has been a high enrolment rate -which is expected, because primary education is compulsory- but the

<sup>12</sup> The health and primary education scores and ranks derive from surveys on the following: “business impact of malaria, malaria incidence\*, business impact of tuberculosis, tuberculosis incidence\*, business impact of HIV/AIDS, HIV prevalence\*, infant mortality\*, life expectancy\*, quality of primary education, primary education enrolment rate\*” (Schwab, 2011, p48).

quality and the standards in the primary education sector bring Greece to the 75<sup>th</sup> position among 142 economies. In contrast with the primary education branch, the health branch does not refer to the quality of the healthcare system -that suffers from many defects, not to mention the cuts in the healthcare and pharmaceutical that aggravate an already sensitive sector- but mainly to instances of specific viruses and diseases along with life expectancy in years. The latter for Greece is estimated in 80,2 years and thus grants Greece the 18<sup>th</sup> position among the 142 states of the GCI 2011-2012 -it comes 18<sup>th</sup> in the world list about life expectancy 2005-2010 provided by the United Nations Regional Information Centre for Western Europe (UNRIC, 2011). A healthy and educated workforce even if this applies to an elementary level of education is significant when it comes to competitiveness for reasons already explained in the brief pillar description provided.

In the EU-27 states there is high convergence, which results in the 23 of them being classified in the first 50 in this pillar. The average EU-27 life expectancy most probably indicates that the Union is competent enough in the health sector.

<b>EU-27 Life expectancy in years</b>			
<b>Austria</b>	80,1	<b>Latvia</b>	73,1
<b>Belgium</b>	80,6	<b>Lithuania</b>	72,9
<b>Bulgaria</b>	73,4	<b>Luxembourg</b>	80,1
<b>Cyprus</b>	79,8	<b>Malta</b>	79,9
<b>Czech Republic</b>	77,1	<b>Netherlands</b>	80,5
<b>Denmark</b>	78,6	<b>Poland</b>	75,7
<b>Estonia</b>	74,8	<b>Portugal</b>	78,7
<b>Finland</b>	79,7	<b>Romania</b>	73,3
<b>France</b>	81,1	<b>Slovak Republic</b>	74,9
<b>Germany</b>	79,9	<b>Slovenia</b>	79,0
<b>Greece</b>	80,2	<b>Spain</b>	81,5
<b>Hungary</b>	73,9	<b>Sweden</b>	81,4
<b>Ireland</b>	79,5	<b>United Kingdom</b>	80,1
<b>Italy</b>	81,4	<b>EU-27 average score</b>	78,6

**GCI – table 24**

Source: GCI 2011-2012, WEF.

The World Health Organization Regional Office for Europe serves the European Region's public health in multiple ways, such as monitoring, targeting defaults, errors etc. in order to provide a better healthcare system, with more informed and healthy citizens, disease prevention, mechanism to deal with emergencies and less communicable diseases (WHO, 2011). Healthier people extends to healthier workforce, which is a crucial factor for investments. The European Regional Office of the WHO includes many more than the 27 states of the EU<sup>13</sup>; however, the level of its impact relies on individual national mobilization, participation in activities and implementation of suggested programmes. As for the primary education sector, enrolment is high in most of the states, whereas the quality depends on the each state's efforts. For instance, the Czech Republic investment on primary education is lower proportionately to any other EU state, while the EU average is two times higher; some Scandinavian countries invest even three times more, which make the Czech primary education sector the most under-financed in the Union (Eurostat, 2011). In general, since primary education is the foundation stone of the educational system and the initial step towards an educated workforce and whatever this implies, most of the EU-27 invest on it, that is to their future competitiveness.

According to the latest GCI evaluation report, all BS-10 states, except Greece, lag behind both in the health and the education branch of this dimension. Even if one's performance is relatively better to another BS-10 constituent state, none is essentially good, when examined apart. The Article 28 of the Convention on the Rights of the Child states that all governments should make primary education "compulsory and available free to all"; in practice there is still great disparity regarding the enrolment and the quality of primary education. Enrolment rates in most of the BS-10 states are not the expected ones and as for the quality in the primary education sector it does not substantially comply with the minimum quality standards set by the General Directorate for Primary Education that are displayed in the United Nations Children's Fund (UNICEF, 2011). Low primary education standards, either in quality or in the enrolment work to the detriment of economy, as they hold it back from developing and limit the potentials of the BS-10 workforce. As for the health branch of this pillar, life expectancy data about the BS-10 states and the divergence between the EU-27 and BS-10 life expectancy average are indicative of the situation.

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<sup>13</sup> Albania, Andorra, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Israel, Kazakhstan, Kyrgyzstan, Monaco, Montenegro, Norway, Republic of Moldova, Russian Federation, San Marino, Serbia, Switzerland, Tajikistan, The Former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, Uzbekistan are the rest of the European countries the WHO works in.

<b>BS-10 Life expectancy in years</b>			
<b>Armenia</b>	73,7	<b>Moldova</b>	68,6
<b>Azerbaijan</b>	70,4	<b>Romania</b>	73,3
<b>Bulgaria</b>	73,4	<b>Russian Federation</b>	68,9
<b>Georgia</b>	71,7	<b>Turkey</b>	72,1
<b>Greece</b>	80,2	<b>Ukraine</b>	69,2
<b>BS-10 average score</b>	73,9		

GCI – table 25

Source: GCI 2011-2012, WEF.

In its 122/2011 Recommendation, BSEC addresses issues connecting with healthcare and makes certain suggestions in order to deal with the shortcomings of the sector. So, on this basis BSEC Member States have to comply with the World Health Organization's international sanitation standards and revise, update and eventually upgrade their healthcare systems. For this reason, a rational state budget allocation is a prerequisite. National sanitation policies and action plans, which do also aim at raising the public concern on health and sanitation rules have to be developed to fulfil this purpose. Of course, in this context collaboration and multilateral agreements between governments, non-governmental organizations and corporations is more than welcome to assist the effort. Lastly, all BSEC members are asked to support the BSEC Working Group on Healthcare and Pharmaceuticals to attain high levels of epidemiological surveillance and sanitary protection of the region (PABSEC, 2011). After all, educated workforce means flexible workforce, not restricted to simple manual tasks; in combination with the latter the healthy workforce translates into an advantage regarding competitiveness.

#### 4.2 Efficiency enhancers

Greece scores 4.1 in the “efficiency enhancers” dimension and ranks 65<sup>th</sup>, which makes it the last among the EU-27 states. The EU-27 average score is 4.7 and the leader among the EU-27 is the United Kingdom in the 7<sup>th</sup> position (score: 5.4). As for the BS-10, the average score is 4, while the first in the entity is Turkey in the 52<sup>nd</sup> position (score: 4.2) and the last is Moldova in the 103<sup>rd</sup> position (score: 3.6). The results would be further elaborated in the analysis of the efficiency enhancers' pillars.

#### 4.2.1 Higher education and training

The role of higher education, branching into the secondary and tertiary one, along with the continuous staff training<sup>14</sup> are usually associated with states either already developed or developing, that evolve beyond the process of just producing goods. As for the staff training, it is surely essential since “graduation from some level of schooling does not signify the completion of a training process” (Mincer, 1962, p50). The demands of employer companies vary and often require special skills and knowledge, which had not been acquired during the compulsory and non-compulsory educational stages.

<b>Higher education and training GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	4,7
<b>EU-27 average score</b>	5,1
<b>BS-10 average score</b>	4,2

GCI – table 26

Source: GCI 2011-2012, WEF.

Greece presents values around 4.5 throughout the period under examination and occupies the 46<sup>th</sup> position. Likewise in the “primary education” pillar, the enrolment rate both in secondary and tertiary education is very high, granting Greece the 17<sup>th</sup> position and the 3<sup>rd</sup> respectively among 142 economies. The Greek educational system though, with the exception of the maths and science education, does not present high quality standards - being at the 118<sup>th</sup> position- whereas the staff training is of limited extent and the lifelong learning state policy almost non-existent, thus bringing Greece to the 105<sup>th</sup> position out of 139 countries taking part. The obviously great admittance in tertiary education -with minimum grade requirements for several faculties- delays for some years the young people’s entry into the actual market and thus affects the unemployment rate, since only a limited number of the students register in the state official unemployment list; besides that, it gives an opportunity for refined education to more people. Of course, education of this level must be more than just specialization in specific fields; it has to be more about the

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<sup>14</sup> A further analysis of this pillar would lead to its subdivisions, which are: “secondary education enrolment rate\*, tertiary education enrolment rate\*, quality of the educational system, quality of math and science education, quality of management schools, internet access in schools, local availability of research and training services, extent of staff training” (Schwab, 2011, p48).

internationalization of knowledge, which means responding to the demands of the global environment in academics, including advanced training. Investing on this practically means “the rise of the service sector and the dependence of many societies on knowledge products and highly educated personnel for economic growth” (Altbach, Knight, 2007, p290). Due to the Greek Universities ranking in a global scale that examines 19.403 Universities worldwide, it becomes obvious that Greece has a long way to gaining these comparative advantages and to becoming more competitive. According to "Webometrics Ranking of World Universities"<sup>15</sup> the first in national scale University, which is the National Technical University of Athens, ranks 344<sup>th</sup> in the global ranking, while along with the Aristotle University of Thessaloniki in the 379<sup>th</sup> position and the National Kapodistrian University of Athens in the 409<sup>th</sup> global rank are the only three Greek universities that are classified among the 500 top universities of the world (University Ranking, 2011).

The EU-27 states rank very well in this dimension. Their individual accomplishments are in high connection to the EU's institutional framework. The role of the European Commission at this level is to support national governments via various routes. First of all, the EU policy consists of bringing experts together with national policy-makers and national experts to co-operate, exchange views and experience and build on it, so as to modernize and refine the educational agenda concerning the offered courses and the way these are realized in practice across the EU. As for the EU-27 assessment in this sub-pillar, the European Commission's official site reports that there are 4.000 higher education institutions operating across Europe, which is further analyzed to over 19 million students and 1.5 million staff. Even if many European universities rank high in the global ranking list, radical amendments could fulfil the EU's actual potential. In short, this means dealing with the following: “curricula are not always up to date, not enough young people go to university, and not enough adults have ever attended university. European universities often lack the management tools and funding to match their ambitions” (European Commission, 2011). As for the lifelong learning policy, there are a series of programmes financially supported by the EU to assist it: Erasmus for higher education, Leonardo da Vinci for vocational training, Comenius for school education, Grundtvig for adult education and Jean Monnet for European integration. These programmes range so that they include everyone taking part in the education and training processes e.g. students, teachers etc. So, better standards of higher education mean that a state is equipped with the proper labour

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<sup>15</sup> An initiative of a research group, titled Cybermetrics Lab; the latter is a sector of the Consejo Superior de Investigaciones Científicas (CSIC), the largest public research Spanish department .

force to respond to the market demands. All these underscore the role of higher education and lifelong training including the research, analysis, development and innovation, which in their turn eventually promote the state competitiveness.

In this section, the BS-10 states present the least divergence in ranking compared to other pillars (occupying positions from 46 to 88). One could argue that harmonization across the Black Sea region is being realized partly because of the Bologna Process, which is a commitment by 44 European countries to conduct certain reforms in order to attain “greater consistency and portability across higher education systems” (Black Sea Universities Network, 2011). The Black Sea Universities Network set priorities for the 2010-2012 period, which are: the implementation of the Bologna Process, other regional programmes, projects about research and innovation jointly undertaken, intercultural exchange and consolidation of social cohesion. It seems that such policies affect other sectors of competitiveness, too e.g. innovation. As far as the world’s growing demands are concerned, lifelong learning has become an essential tool in order to develop and respond to them. The high numbers of school drop-outs and the high levels of youth unemployment made the European Training Foundation (ETF) respond by promoting reforms in education, training and also by developing lifelong strategies that are shaped to fit to the different socio-economic, the labour market and the demographic contexts of the partner countries. Regarding employability in the sector of SMEs, which remains of top priority, it is vital to match lifelong learning to skills acquisition and make it sufficient to respond to the labour markets dynamics. So, the ETF as part of the EU’s external relations policy, supports countries that are in transition process and the developing ones to fully exploit their human capital (ETF, 2011).

#### **4.2.2 Goods market efficiency**

The ability of an economy to correspond to its market’s demands effectively offers the potential of higher competitiveness and triggers innovation in line with customers’ needs. The state role in this pillar is critical, since it should try to lift barriers, offer incentives for entrepreneurial activity to take place, avoid excessive taxation and measures blocking FDIs connecting with entrepreneurship (Παπαπανάγος, Λασπά, 2010, p107),



otherwise it would function as counter factor. The “goods market efficiency”<sup>16</sup> sector of the GCI report brings Greece to the 107<sup>th</sup> position, which is the last in the EU-27, where Luxemburg comes first in the 2<sup>nd</sup> position. In the BS-10 Turkey stands 47<sup>th</sup> in rank, thus first in the entity, where Ukraine in the 129<sup>th</sup> position comes last. The Greek score is presented in the following table together with the average score of the EU-27 and the BS-10.

<b>Goods market efficiency GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,9
<b>EU-27 average score</b>	4,6
<b>BS-10 average score</b>	4,0

**GCI – table 27**

**Source:** GCI 2011-2012, WEF.

The Greek score is below the EU-27 and almost identical -but again below- the BS-10 average score.

The Greek low ranking in this dimension is the outcome of its performance in the constituent branches of the “goods market efficiency”. Ranking 149<sup>th</sup> out of 183 evaluated countries in the Starting a Business pillar of the 2011 EDB Index is definitely an aggravating factor, which neither promotes nor supports entrepreneurial ventures. Additionally, Greece presents monopolistic tendencies in some sectors, like in the production of lignite, where despite the urge of the EU to comply with competition rules, the dominant producer is still the Public Power Corporation S.A. Greece has been asked to open-up 40% of the lignite market, which is actually required by the country's EU/IMF bailout; in September 2011, the Greek Energy Minister George Papaconstantinou stated that the negotiations about selling two of the coal-fired power stations are expected to finish soon (Reuters, 2011). PPC also owns the national electricity transmission system and the distribution networks (PPC, 2011). As for the taxation system, it is adequate on its own to deter the most daring investor from making an investment in Greece, since it constantly

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<sup>16</sup> Specifically, the goods market efficiency consists of: “intensity of local competition, extent of market dominance, effectiveness of anti-monopoly policy, extent and effect of taxation, total tax rate\*, number of procedures required to start a business\*, time required to start a business\*, agricultural policy costs, prevalence of trade barriers, trade tariffs\*, prevalence of foreign ownership, business impact of rules on FDI, burden of customs procedures, degree of customer orientation, buyer sophistication” (Scwab, 2011, p48).

changes; the new tax measures are often horizontal, backdated and thus both citizens and businessmen are taken by surprise, whereas a budget in advance is impossible to form. Concerning the extent and effect of taxation, despite the initial commitment to create a new efficient tax system to cease injustice and to make tax evaders the ones to pay, the Ministry of Finance, goes on imposing further taxation burdens on citizens and companies and turns public companies like the PPC to tax -and fees- collective mechanisms, on the pretext of compensating for the state loss of revenues and the tax evasion. Such policies could prove rather distortionary, since they make consumers reluctant and less willing to spend on commodities, when their income shrinks. To make matters worse, lowering incentives and the level of untaxed income only worsens the situation in a private sector that has been continually contracting also because of the unstable environment in which it operates; in fact, an unprecedented number of enterprises is shutting down. As taxation in Greece is used as the fastest way to increase the state revenue, despite the proclaimed sustainable development as the means to the latter, predictability in the tax system is out of question; divergence in the initial budget is always followed by new tax measures, while the measures that constantly pop up only add to the government credibility deficit and far less to the fulfillment of the austerity measures estimated potential.

Apart from Bulgaria, Romania and Greece, the rest EU-27 seem to have worked hard in this sector as 17 out of the 27 rank in the first 50 worldwide. Examining the branches of this dimension one could point out that the European Union functions as a single market with free movement of capital and orientates its operation to job creation and to creating equal terms across the Union -so that none is benefited at the expense of the other; this practically means that it is not responsible for individual national government setting tax charges; it only monitors the taxation to prevent policies that are inconsistent with its principle aims. Company taxation though receives great attention in fear of blocking free movement across the Union -either of goods, services or capital- and investment decisions from being realized. As for the Value-Added Tax, it is the only type of tax receiving special treatment -in the form of establishing minimum charge limits and common rules- as the EU intervenes in the national policies. The EU-27 goods market efficiency is also promoted with the custom union and the abolishment of internal borders duties, while maintaining its external borders, as they had been and introducing a common system about imports taxation; this system is still a useful tool to eliminate or restrict both counterfeiting and piracy (Europa.EU, 2011). Moreover, many EU Member States made amendments in

the “start a business” section<sup>17</sup> in order to facilitate entrepreneurial ventures and thus become more attractive to investors; this would possibly increase their economic growth and competitiveness in the long run and serve the EU’s aim to create new jobs, which will derive from investments and preserve the ones that already exist.

In the BS-10, the situation varies considerably. Regarding the number of procedures and time required to start a business<sup>18</sup>, Russia and Ukraine could reconsider their policy in order to catch up with the rest; possibly they could imitate successful models implemented by other states. Recognizing the shortcomings of the BS-10 “goods market efficiency” dimension and aiming at cooperation and harmonization among BSEC Member States and broader, which would create openness to foreign investors, the PABSEC -in its 24<sup>th</sup> Plenary Session- stressed the urgency to focus on simplification of custom procedures, elimination of border requirements, in case they are not really essential and transparency in rules about charges and fees. The introduction of new technologies, where human intervention would restrict to data insert e.g. electronic data processing etc. could serve as a way to perform quick and effective controls; thus obstacles created by bureaucracy, red tape procedures and instances of corruption would reduce. All these would have to comply with the International Standards Organization (ISO), so that the area becomes more accessible and investor-friendly, due to its integration to a broader system-market. One way to achieve this goal might be the easier border-crossing in the BS-10 region, with an issuance of visa based on the Schengen system model, even for the states that are not members of the EU. Another suggestion could be to lift the barriers in the entrepreneurial sector through reconsidering regulations on entry, residence and exit of businessmen that activate in the BSEC region. This could be accompanied by minimizing or abolishing fees to grant visa for special categories of people like local businessmen, people residing in border regions, professional drivers that use the regional road transport network (PABSEC, 2011). Even if some BS-10 members did better than the rest in this pillar, it is important that all fully incorporate the suggestions of the PABSEC, because eventually these would manage to increase the regional competitiveness even more and make the BS-10 states host more investments. The visa facilitation suggestion was embraced by the EU, too, but there are still obstacles to overcome to achieve a visa-free Europe. While the EU-27 citizens need no visa to travel to BS-10 (except to Russia) this does not apply the other way round. The

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<sup>17</sup> There would be a detailed description in the Ease of Doing Business section of the dissertation and specifically in the “start a business” pillar analysis.

<sup>18</sup> This dimension is further analyzed in the Ease of Doing Business section of the dissertation and specifically in the “start a business” dimension.

(non-EU members) BS-10 front-runner states in this visa liberalization scheme -which recently received relative Action Plans to this purpose- are Ukraine and Moldova (Visa-free Europe, 2011).

### 4.2.3 Labour market efficiency

This pillar refers to the flexibility and the degree to which efficiency of the labour market serves the competitiveness of a state<sup>19</sup>. Kokkinou Aikaterini<sup>20</sup> claims that differentiation among others comes along with the increase in demand for more skilled and specialized workers and the decrease for less-skilled labour force (European Institute, 2011). The “labour market efficiency” of the last GCI classifies Greece in the 126<sup>th</sup> position; that is the last one in the EU-27, where Denmark comes first in the 6<sup>th</sup> position. As for the BS-10, there is great divergence between the best and the worst performer, occupying the 14<sup>th</sup> (Azerbaijan) and the 133<sup>rd</sup> (Turkey) position respectively. The scores of Greece, EU-27 and the BS-10 are presented in the table that follows.

<b>Labour market efficiency GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,6
<b>EU-27 average score</b>	4,5
<b>BS-10 average score</b>	4,3

GCI – table 28

Source: GCI 2011-2012, WEF.

The Greek score is once again below the EU-27 and the BS-10 average scores.

The Greek government -via a Letter of Intent<sup>21</sup>- announced to the IMF its will to implement reforms in the labour market sector; according to that letter potentially these

<sup>19</sup> It is based on surveys concerning the following: “cooperation in labour-employer relations, flexibility of wage determination, rigidity of employment\*, hiring and firing practices, redundancy costs\*, pay and productivity, reliance on professional management, brain drain, female participation in labour force\*\*” (Schwab, 2011, p48).

<sup>20</sup> Kokkinou Aikaterini is in the Department of Geography, University of the Aegean, Greece, and Coordinator of Administration Office, Public Debt Management Agency, Ministry of Finance and National Economy, Greece. Her claim is from her paper titled “INNOVATION POLICY, COMPETITIVENESS, AND GROWTH: A STRATEGY TOWARDS CONVERGENCE OF EUROPEAN REGIONS” uploaded in the European Institute’s website.

<sup>21</sup> The Letter of Intent of the 4<sup>th</sup> of July 2011; the letter is titled: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding.

changes would foster investments, facilitate employment and promote market efficiency, since the aim to establish “an appropriate employment and bargaining framework and on cutting the labour tax wedge” (IMF, 2011). The reforms concern the minimum wages or sub-minimum wages on special occasions e.g. for youth when searching for gaining work-experience, the cost in firing and hiring employees and the greater utilization of the already existing firm-level collective agreements along with the rest including the part-time, the irregular and the individual contracts, so that firms are facilitated to manage their labour costs better. Other measures aiming at offering wage flexibility and lowering the costs are those regarding working-time management, that gives the opportunity to the employer to have his/her employees work longer hours for longer time, without overtime pay; that extends to cheaper labour and mobility of labour, which permits working in different sections and departments of the same firm. Another measure is the reduction of the severance pay in fixed-term contracts, which would enable the employer to fire at low cost, while s/he is constrained by the fact that times of that contract renewal are limited. The extent of those measures contribution to the Greek economy’s competitiveness in this sector would be assessed in the next GCI evaluation but earlier it would be reflected on the statistics that would estimate their impact. As far as the brain drain is concerned, it seems that neither the living conditions offering scarce opportunities for employment nor the political instability and the economic recession Greece undergoes, attract migration from abroad; on the contrary, Greeks -to large extent they are very qualified or looking forward to become so- emigrate to other states in search for jobs, better educational institutions, stability and better living standards. According to the General Confederation of Greek Workers<sup>22</sup> the current unemployment level has reached the 1960’s mass migration numbers (GCGW, 2011). So, the state had invested on its future competitiveness by educating its citizens, but it did not managed to offer the best possible circumstances to keep this educated force in the country and work for it.

The President of the European Central Bank (ECB), Jean-Claude Trichet, underscored the value of price stability as a “precondition for growth”<sup>23</sup> (ECB, 2011) with all the implications regarding the labour market. The efficiency of the latter is highly connected with flexibility and thus favours new types of contracts like the fixed-term ones instead of the life-time jobs, that are to the benefit of the employer-firm. Hence, the labour

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<sup>22</sup> In Greek: Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ).

<sup>23</sup> Extract from an interview with BILD; Interview by Jean-Claude Trichet, President of the European Central Bank (ECB), conducted by Oliver Santen, published 15 January 2011.

costs decrease, the labour-intensive production becomes facilitated, rationalization relieves from pressure and the employer-intensive growth creates more jobs (Schömann, Rogowski, Kruppe, 2003,p2), which as had been stressed above is one of the goals the EU sets. This business friendly measures would attract investments, host new entrepreneurial activity and prolong the life of the companies that found it difficult so far to hang on, due to the constrains of the legislative framework regarding contracts. As for the brain drain, in the Eurodysey Annual Forum held in September 2011 -it had been organized by the Assembly of European Regions (AER)- the importance of the inclusion of young people in the European labour market was underlined towards the fact that one out of five young Europeans is unemployed. One of the suggestions was to request the financial assistance of the European Social Fund (ESF) in order to increase the number of internships and the provision of perennial jobs after the completion of it (AER, 2011). Obviously, the problem of unemployment leads to internal migration, that is from one EU state to another or external, which means beyond the EU borders, like in Australia that seeks for specialized workforce; investing on this group, means investing on innovation. Another issue concerning internal migration in the EU is that these people have to integrate into a wider labour market, which is better off served, in case they had been educated according to the European standards. Taking action regarding the above is critical to the EU's growth and competitiveness.

Apart from Greece, all BS-10 states managed to climb up the scale in the “labour market efficiency” sector. That might the impact of observations and suggestions of the Black Sea Conference on Regional Integration and Inclusive Growth in February 2009. The Moldovan delegation had stressed the importance of increasing the flexibility of the labour markets, while the Romanian delegation commented that BSEC is rather fragmented in structure and that the issue of brain drain and other aspects of human capital have to be addressed explicitly. Gordon Betcherman<sup>24</sup> remarked on the low employment response, despite the great economic growth the Black Sea Region states record. He added that the strategy towards that should be “protecting workers” and not “protecting jobs”, which means focusing on the labour regulations and institutions, so as to respond to the demands of the market -especially modern firms- for skilled and better-educated workforce, through education and training. That along with providing unemployment benefits and other mechanisms would add to economic dynamism of the states involved. This conference

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<sup>24</sup> Sector Manager of the World Bank.

contributed to the realization first that they BS-10 share a common labour market partly due to migration and secondly that trade opportunities should be further increased always in connection with the special traits of the BS-10, in order to increase employment, investments and competitiveness (World Bank, 2011). Therefore, the 2009-2010 GCI scores on labour market efficiency in the BS-10 increased in the next two evaluations, underscoring the value of identifying weak points as areas to target as the initial stage of development and progress. Of course, there is still room for improvements, since the scores might be higher compared to the ones attained previously, but they are not sufficient enough to compete dynamically with neighbouring markets. As for the brain drain processes, emigrants sending remittances from abroad to BS-10 states helps the domestic economy; however, in case these people are well-educated and decide to stay in the diaspora for good, that is an issue for a government that invested on educating this population but that did not pay off the country itself. Specifically in Bulgaria around 600.000 young and educated people left to work abroad with serious implications on the country's economic and political development, since the absence of these citizens that constitute the future middle class is expected to affect the electoral results (Altman, Deimel, Schmidt, 2010, p39).

#### **4.2.4 Financial market development**

It would not be entirely wrong to claim that “financial market development”<sup>25</sup> approaches partly microeconomics; that is because it focuses on individuals and firms and how they make decisions and interact with the financial market. In the “financial market development” pillar of the latest GCI, Greece occupies the 110<sup>th</sup> position. The ranking in the EU-27 is ranging from Luxemburg coming 8<sup>th</sup> to Ireland coming 115<sup>th</sup>. In the BS-10 divergence is also observed with Turkey ranking 55<sup>th</sup> and Russia 127<sup>th</sup>. The following table shows the scores of Greece, EU-27 and the BS-10.

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<sup>25</sup> It is the outcome of assessments about: “availability of financial services, affordability of financial services, financing through local equity market, ease of access to loans, venture capital availability, restriction on capital flows, soundness of banks, regulation of securities exchanges, legal rights index\*” (Schwab, 2011, p48).

<b>Financial market development GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,5
<b>EU-27 average score</b>	4,4
<b>BS-10 average score</b>	3,7

**GCI – table 29**

**Source:** GCI 2011-2012, WEF.

Greece is a little below the BS-10 average score, while it remains quite far behind the EU-27 average score.

Greece continues its downward trend during its deficit-battling in this part of the GCI 2011-2012, too, slipping 5 places in the 142 country ranking, compared to last year's report. The financial market is a compound of the banking sector and the stock market developments (Schröder, 2011, pp127-158). The soundness of the banking sector has been challenged due to various causes, which are summarized to: the liquidity issue of the banking system deriving from the reduction of funding -even if they do manage to have access to the wholesale funding markets, this is at high cost; second, the increased sovereign exposures before the crisis and last but not least the difficulty to maintain adequate levels of capital -partly because of not taken up loans that bring profits down- which make it hard for Greek banks to keep high in banks' valuations (IMF, 2011). What is more, on 23<sup>rd</sup> September 2011, Moody's downgraded by two notches the ratings of eight Greek Banks<sup>26</sup> (Moody's, 2011). Under such circumstances and in the context of a non-promising macroeconomic environment, it is very difficult for entrepreneurial ventures to get financial support through banking credit; also it is rather impossible for enterprises, which count on loans in order to survive, to have access to credit.

It seems that the EU-27 average score in this pillar shows a downward trend, which had already begun before the global recession first signs, as a retrospective look at the GCI tables indicates. These first signs were perceived by the G-20<sup>27</sup>, where the EU participates, at a very early stage. In their meeting in Washington in November 2008, they pointed to

<sup>26</sup> “National Bank of Greece SA (NBG), EFG Eurobank Ergasias SA (Eurobank), Alpha Bank AE (Alpha), Piraeus Bank SA (Piraeus), Agricultural Bank of Greece (ATE) and Attica Bank SA downgraded to Caa2 from B3. Emporiki Bank of Greece (Emporiki) and General Bank of Greece (Geniki) downgraded to B3 from B1. All of the banks' long-term deposit and debt ratings carry a negative outlook” (Moody's, 2011).

<sup>27</sup> The G-20 consists of 19 countries -some of them bear membership to the EU- and the European Union. These countries are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States of America.



challenges both for the global economy and the financial markets and underscored the urgency to cooperate, conduct reforms in the global financial systems and finally restore global growth (G-20, 2011). Albeit the G-20 alert, the average EU score in this pillar continued downwards, while the “markets give up the morning's gains, as investors remain sceptical of the G20's pledge to step in and stop the European debt crisis undermining the region's banks and causing a further financial crisis” (The Telegraph, 2011). Seemingly, some of the EU-27 national economies like Greece, Ireland, Italy, Slovenia etc. failed to respond properly and timely to the circumstances and their financial market declined even more. Ireland, the last of the EU-27 in this pillar, experienced a severe blow to the soundness of its banks. The Central Bank of Ireland in its 2011 update banking supervision strategy approach, identified certain priority areas and actions for each one of them. In the Supervisory and Regulatory Environment, Ireland turns to a revision of the Code of Conduct for Business Lending to SMEs; also, the Central Bank of Ireland makes proposals like the provision of greater supply and support of credit information at the disposal of banks to consolidate risk management decisions and thus minimize risk (Central Bank of Ireland, 2011). As for Slovenia, in June 2011, three of its banks were downgraded<sup>28</sup> by Moody's (Moody's, 2011). On the other side, there is Luxembourg in the 8<sup>th</sup> position (1<sup>st</sup> of the EU-27); its efficiency in this sector meets the demands of potential investors worldwide, a fact that is reflected in the presence of 143 credit institutions, which are from 25 different states, according to a July 2011 estimation (Societe Generale, 2011). Luxemburg manages to guarantee security of investors and meet the increased client expectations by performing sufficiently in all pillars of the GCI evaluation; thus it occupies the 23<sup>rd</sup> position in the GCI, which is the result of efficient performance in most of the Index branches. Notwithstanding, the efficient in this pillar EU-27 states also become affected by the overall EU conditions.

The “financial market development” pillar is not the BS-10 strong aspect either, since 8 out of 10 constituent countries score below 4. Moscow, which comes last in the BS-10 in this sector presents uneven levels concerning financial services availability; these are basically situated at the capital, while the regions' financial services availability is 8-12% of the respective one in Moscow. Further more, there is great difficulty for SMEs to secure loans for start-up reasons or later for further business growth (Citibank, 2011). Ukraine's 14<sup>th</sup> position (among 200 evaluated states) in the latest Strength of Legal Rights

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<sup>28</sup> These banks are: Nova Ljubljanska Banka d.d. (NLB), to Baa3 from A3, Nova Kreditna Banka, Maribor d.d. (NKBM), to Baa3 from Baa1, Abanka Vipava d.d. (Abanka), to Baa3 from Baa1 (Moody's, 2011).

Index<sup>29</sup> proved by no means adequate to upgrade substantially its position in the “financial sector development” dimension. Its ranking from 114 to 128 in the rest of its “financial market development” constituent branches makes it the second last in the BS-10 entity with a weak financial sector. So, the “financial sector development” accomplishments from a microeconomic perspective show that it is difficult to attract investments and encourage entrepreneurial ventures in markets, where the financial sector’s shortcomings not only do not promote but in a way deter potential business-related activity.

#### 4.2.5 Technological readiness

Technology is of key importance since it grants economies the tool to elevate. The “technological readiness” pillar<sup>30</sup> tests if businesses have access to new technology and the degree to which this is utilized to increase productivity and competitiveness. The GCI last report grants Greece the 47<sup>th</sup> position in this pillar. In the same report Sweden occupies the 2<sup>nd</sup> position (the best of the EU-27), and Romania the 60<sup>th</sup> one (the last in the Union); the 100<sup>th</sup> position of Georgia grants it the last position in the BS-10, where the best performer is Greece. The following table presents the scores of Greece, EU-27 and the BS-10.

<b>Technological readiness GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	4,2
<b>EU-27 average score</b>	5,1
<b>BS-10 average score</b>	3,7

GCI – table 30

Source: GCI 2011-2012, WEF.

Greece is in the middle, which means below the EU-27 but above the BS-10 average score.

Greece might be the best performer of the BS-10 in this pillar but it is one of the last in the EU. In reality, the technology transfer through FDI’s is nothing but wishful thinking, because as Bob Traa<sup>31</sup> commented at the recent Economist Conference in Athens, the FDIs

<sup>29</sup> This is one of the 8 components of this pillar.

<sup>30</sup> Specifically it focuses on “availability of latest technologies, firm-level technology absorption, FDI and technology transfer, internet users\*, broadband internet subscription\*, internet bandwidth\*” (Schwab, 2011, p48).

<sup>31</sup> He is the IMF’s senior resident representative in Athens.

in Greece resembles the electrocardiogram of a dead man (E-Kathimerini, 2011). Obviously technology transfer through FDIs is impossible, when the FDIs are “flat-lined”, something that pulls Greece to the 108<sup>th</sup> position in this branch of the pillar examined. According to a survey on new technologies conducted by the Greek Observatory for SMEs only 61% believe that new technologies could significantly help their business grow, while 27% do not have that great expectation and 11% think they would not help at all (2.10.2011 results). A two-folded activity might bring technology transfer through FDIs; that would be focusing on consolidating intellectual property rights -where Greece scores 6,1 in a scale 1-10best in the Intellectual Property Rights of the International Property Rights Index 2011- combined with fighting corruption -where Greece scores 3,5 in the Corruption Perception Index 2010 in a scale 1-10very clean. Maskus Keith<sup>32</sup> identifies the two fields, in which Greece is rather weak -the intellectual rights’ protection and level of corruption- as major determinants in the FDI flows along with technology transfer (World Bank, 2011). As for the internet users, 44,4% of the Greek population has access to it and 4 out of 10 households are connected to an internet service provider. However, Greeks are reluctant when it comes to economic transactions either buying and selling products and services or e-banking. This consumer behaviour derives from a series of facts: Greeks feel that firms do not respect their rights; secondly, they do not usually state their complaints formally to public services, because they neither trust them nor the existing regulatory framework, so the situation remains the same and problems are not dealt with and lastly, they are suspicious of the Independent Authorities’ role, as monitoring mechanisms (Observatory for Digital Greece, 2011). On the other side, there are the entrepreneurs that find it difficult, mainly for bureaucratic reasons to start up business in the e-commerce sector, which recently began to develop in Greece, while it has already evolved in many other states.

Apart from Romania that ranks 60<sup>th</sup>, the rest of the EU-27 are classified in the first fifty. The Enterprise European Network functions as a one-stop shop and provides assistance through a database on cutting-edge technologies regarding technology transfer to businesses. Therefore, anyone interested could contact an associate partner of their local Network branch and be informed about the Joint Technology Initiatives Projects, as well (EEN, 2011). As for the internet users, according to a current survey of the Eurobarometer, the European ones represent 24,2% of the users worldwide, but still 43% of the EU

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<sup>32</sup> Keith E. Maskus is a professor of Economics in the University of Colorado, Boulder.

households have no access to the internet -one out of three attributed that fact to the high cost of connecting and maintaining the connection. Moreover, 38% of the European citizens ordered goods via internet, instead of ordering goods through post (23%) or telephone (14%). The survey showed that over half of the internet users of the EU have to use a language other than their own, which means that they often find it difficult to understand the on-line content (Eurobarometer, 2011). In this context, the e-commerce has spread greatly but there are still barriers to overcome. So, even if there are translation tools provided, the translation is often insufficient and makes the user unable to fully comprehend what s/he is reading; that deters consumers from shopping on-line and affects negatively the e-commerce. Matt Train, the Director of Operations at Translate Media Agency<sup>33</sup> stresses the importance of aesthetic localization in the sense of adjusting the on-line layout to the profile of the user and offering a friendly environment; this in combination with a refined translation could gain the user's trust (Business Insider, 2011) and encourage the on-line shopping to the benefit of e-firms.

The BS-10 average score in this pillar is not so much the outcome of the branches dealing with internet but of those dealing with technology and FDI's that affect it negatively. The FDI's and technology transfer through them require a specific environment in order to take place. Even if OECD claims that "there has been a strong upturn in FDI flows in the BSEC region" (Balafoutas, Fukasaku, 2008, p1) this does not seem to be accompanied by an equally intense technology transfer. With corruption being an issue for all states comprising the BS-10 and a poor performance in the "intellectual property rights" protection, it is obvious that there are no ideal conditions for technology transfer to take place. It has already been stated in the Greek case that the mixture of the two, corruption and inefficient IPR protection do not encourage or better deter technology transfer via FDI's and often FDI's alone

#### **4.2.6 Market size**

The "market size"<sup>34</sup> pillar is very important, since it takes into account the "internationalization" of an economy or better the degree of its accession to the overall market share. Actually, it refers both to the gross domestic product and the imports

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<sup>33</sup> It is an award-winning agency situated in London.

<sup>34</sup> The market size is actually the combination of two indices: "domestic market size index\*", foreign market size index\*" (Schwab, 2011, p48).

including goods and services in addition to the exports -again including goods and services (World Bank, 2011). Therefore, even if a state does not have a substantial domestic market size like China, it still maintains the prospects and the challenge to expand to a wider market abroad; at the same time though, this grants it a starting point with a comparative disadvantage due to its considerably small domestic market size. In the “market size” section of the last GCI Greece is classified in the 42<sup>nd</sup> position. According to it, Germany ranking 5<sup>th</sup> and Malta 127<sup>th</sup> are respectively the best and the worst performer in the EU-27 entity. The BS-10 best performer is Russia coming 8<sup>th</sup>, whereas the least efficient one is Moldova in the 122<sup>nd</sup> position. Both the EU-27 and the BS-10 variation in scores and ranks is justified to an extent due to the uneven allocation in the numbers of population each country has -which is a factor hard to disregard. The scores of Greece, EU-27 and the BS-10 in this pillar are recorded in the following table.

<b>Market size GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	4,4
<b>EU-27 average score</b>	4,3
<b>BS-10 average score</b>	3,9

GCI – table 31

Source: GCI 2011-2012, WEF.

For the first time, Greece is above the average scores of the EU-27 and the BS-10, as well.

According to the Greek Market Size Indices, Greece comes 34<sup>th</sup> and 60<sup>th</sup> in the Domestic and Foreign Market Size Index respectively. In the second index it scores better than the first. The Greek performance in the two indices is presented in the table below.

<b>Greek Market size Indices (Values: 1-7 best)</b>			
<b>Domestic Market Size Index</b>		<b>Foreign Market Size Index</b>	
34 <sup>th</sup> / out of 142 countries	4,4	60 <sup>th</sup> / out of 142 countries	4,6

GCI – table 32

Source: GCI 2011-2012, WEF.

It is necessary at this point to refer to the Greek trade deficit, which was assessed at 2.561mn € in July 2011. Albeit Greece exports goods like “fruit, vegetables, olive oil,

textiles, steel, aluminum, cement and various manufactured items... it remains a net importer of industrial and capital goods, foodstuffs and petroleum” (Trading Economics, 2011). Moreover, 65% of the Greek trade concerns trade with Germany, Italy and the United Kingdom. Since exports could counter-weigh the not so high domestic demand, it is very important for Greece to increase its exports; they key-word in this case might be “innovation” through which firms try to address both the domestic and the foreign market. Stefanidis Andreas -General Secretariat of the Young Entrepreneurs’ Greek Boards Confederation, framed by the European Confederation of Young Entrepreneurs- proposed a few basic guidelines regarding entrepreneurship in order to achieve greater results. He proposed a shift towards goods that are innovative and can be exported; as for the Greek domestic market, entrepreneurial ventures must be viable on limited turnover and tight overheads with little dependency on credits and constant diversification from the rest to remain competitive. Their product would ideally cover an important need or solve a problem (Ethnos newspaper, 2011). Therefore, reducing the imports and increasing the exports could possibly boost the Greek performance in the Market Size Index. Of course, the reaction of the market to the existing conditions has to be considered, too. The National Bank of Greece in its Monthly Macroeconomic Outlook in March 2011 states:

“private consumption contracted by about 4.6 per cent in real terms in 2010 compared with an 11 per cent reduction in real disposable income suggesting a significant use of household saving accounts to smooth deteriorating income trends. Similarly, firms made intensive use of their cash accounts against a backdrop of increasing debt - management pressures, tighter credit criteria, limited cash flows and stricter conditions for inter-firm transactions (e.g. the use of post-dated checks declined rapidly)” (NBG 2011).

Since the Greek macroeconomics keep deteriorating, it is expected that its implications on the domestic and foreign market size will keep on.

As for the EU-27 performance in this pillar, 13 out of the 27 states rank in the first 50. The table in the next page presents the performance of all EU-27 states, as recorded in the Domestic and the Foreign Market Index.

Economies/ out of 142	EU-27 Market size Indices (Values: 1-7 best)			
	Domestic Market Size Index		Foreign Market Size Index	
	Rank	Value	Rank	Value
Austria	36	4,3	30	5,3
Belgium	29	4,4	17	5,8
Bulgaria	67	3,6	62	4,5
Cyprus	105	2,6	99	3,5
Czech Republic	46	4,2	27	5,4
Denmark	52	4,0	43	4,9
Estonia	108	2,5	78	3,9
Finland	53	4,0	54	4,7
France	7	5,7	13	6,0
Germany	5	5,8	3	6,5
Greece	34	4,4	60	4,6
Hungary	54	3,9	35	5,2
Ireland	57	3,7	31	5,3
Italy	10	5,5	15	5,9
Latvia	97	2,8	86	3,8
Lithuania	81	3,2	69	4,3
Luxembourg	111	2,5	58	4,7
Malta	129	2,0	106	3,3
Netherlands	21	4,8	12	6,0
Poland	20	4,9	22	5,6
Portugal	44	4,2	52	4,8
Romania	42	4,2	46	4,9
Slovak Republic	59	3,7	45	4,9
Slovenia	82	3,1	68	4,4
Spain	13	5,4	20	5,7
Sweden	33	4,4	33	5,2
United Kingdom	6	5,7	9	6,0
EU-27 average		4,1		5,0

GCI – table 33

Source: GCI 2011-2012, WEF.

Certainly though the GDP in PPP of almost all of the EU-27 is quite high and justifies to an extent what the two indexes present, since market size is highly connected with consumption. The following table proves the case and in comparison to the respective one referring to the BS-10 GDP in PPP points to the great disparity between the two entities.

Economies/ out of 142	EU-27 GDP in PPP in bn \$	
	Rank	Value
Austria	35	332,0
Belgium	30	394,3
Bulgaria	67	96,8
Cyprus	106	23,2
Czech Republic	43	261,3
Denmark	52	201,7
Estonia	102	24,7
Finland	55	196,0
France	9	2145,5
Germany	5	2940,4
Greece	38	318,1
Hungary	54	187,6
Ireland	56	172,2
Italy	10	1773,5
Latvia	96	32,5
Lithuania	81	56,6
Luxembourg	90	41,1
Malta	129	10,4
Netherlands	21	676,9
Poland	20	721,3
Portugal	49	247,0
Romania	47	254,2
Slovak Republic	60	120,2
Slovenia	82	56,6
Spain	13	1368,6
Sweden	32	354,7
United Kingdom	7	2172,8
EU-27 average		562,2

GCI – table 34

Source: GCI 2011-2012, WEF.

Focusing on the EU-27 market size, it has to be stated the April 2011 estimation showed that the EU-27 present a deficit of 15,9bn €, higher than the one of April 2010, estimated at 12bn € (Eurostat, 2011). The harmonization of the trade legislation across the EU, the EU support to entrepreneurial activity and trade ventures and lastly the fact that the EU is a



Single Market<sup>35</sup> with a customs union, all seem to work to the benefit of the individual component states. Thus, all EU-27 states have access to a vast internal market, with a population of 502.486.499 and with a GDP per capita at 30,455\$ according to the IMF 2011 estimate. The European Commission has developed an online helpdesk service -the Export Helpdesk- to approach developing countries to export to the Union, so as to increase its openness in a way no other economy has succeed so far concerning these specific states (Export Helpdesk, 2011). So, one way or another the Union forms a holistic policy, enables internal trade as well as imports and exports and offers greater prospects to its domestic and foreign market performance that referring to the EU as an entity or to its component states individually. Apart from the measures adopted, it bears a privileged geographic position. Neighboring and connecting in multiple ways with regions that are highly populated Turkey, Russian Federation etc. means that vivid activity between the two comes as a natural outcome. That is also facilitated in the form of bilateral agreements, which along with membership in the same organizations like the Eastern Partnership, the Black Sea Synergy, the World Trade Organization etc. increase the level of the EU internationalization and competitiveness and at the same time they stimulate the integration of these economies to the Union with their convergence to the market economy standards. Last but not least, the EU intention is to support SMEs that expand their commercial activity in markets that are fast-growing like these of the BRICK countries (Brazil, Russia, India, China, South Korea) (Euractiv, 2011) and thus widen the markets it addresses.

There is a wide range of ranks in the two indices comprising the “market size” pillar of the BS-10. The first of the two following tables presents the BS-10 performance in the Market Size Indices, while the second, likewise in the EU-27 case above, presents the GDP in PPP of the BS-10.

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<sup>35</sup> The Single Market also includes Iceland, Norway, Liechtenstein and Switzerland.

Economies/ out of 142	BS-10 Market Size Indices (Values: 1-7 best)			
	Domestic Market Size Index		Foreign Market Size Index	
	Rank	Value	Rank	Value
Armenia	110	2,5	127	2,8
Azerbaijan	80	3,2	64	4,5
Bulgaria	67	3,6	62	4,5
Georgia	102	2,7	114	3,2
Greece	34	4,4	60	4,6
Moldova	123	2,3	120	3,0
Romania	42	4,2	46	4,9
Russian Federation	9	5,6	8	6,1
Turkey	15	5,1	28	5,3
Ukraine	37	4,3	36	5,2
BS-10 average		3,8		4,4

GCI – table 35

Source: GCI 2011-2012, WEF.

Economies/ out of 142	BS-10 GDP in PPP in bn \$	
	Rank	Value
Armenia	117	16,9
Azerbaijan	68	90,8
Bulgaria	67	96,8
Georgia	107	22,4
Greece	38	318,1
Moldova	128	11,0
Romania	47	254,2
Russian Federation	6	2223,0
Turkey	16	960,5
Ukraine	39	305,2
BS-10 average		429,9

GCI – table 36

Source: GCI 2011-2012, WEF.

The uneven population allocation and the great divergence in the GDP in PPP across the region account to an extent for that, since they offer advantage or disadvantage depending on the case. For instance, Russia's population is estimated at 140,4 millions, which is almost half of the BS-10 states population of 321,2 millions according to the United Nations Population Fund 2010 (UNPF, 2011); this alone stands for a good regional-internal

market in terms of population at least, which is a good start. On the contrary, the Armenian population is 3,1 millions. Likewise, Moldova's GDP in PPP of 11bn \$ is far below the 2223bn \$ of Russia's GDP in PPP. In spite of these differences, being at the crossroads of other big markets like the European, the Chinese and the Central Asian one, makes the BS-10 a privileged group in the trade section both in imports and exports. The Black Sea Trade and Development Bank provides funding to SMEs dealing with "manufacturing, food processing, transportation, construction, telecommunication and hi-tech sectors, market and social services" aiming at the same time to increase their export capacity (BSTDB, 2011) and thus their share in the international market and consequently their competitiveness.

### **4.3 Innovation and sophistication factors**

In the "innovation and sophistication factors" dimension, Greece scores 3.4 and thus ranks in the 81<sup>st</sup> position. The average EU-27 score is 4.3, with Sweden in the 2<sup>nd</sup> position (score:5.8) that is the first in the Union and Romania in the 99<sup>th</sup> position (score: 3.2) coming last. The BS-10 average score is 3.2. Turkey in the 58<sup>th</sup> position (score: 3.6) is the best BS-10 performer, whereas Moldova in the 127<sup>th</sup> is the worst. Right below, the analysis of the pillars the "innovation and sophistication factors" consists of would explain and justify the outcomes.

#### **4.3.1 Business sophistication**

Business sophistication<sup>36</sup> is strongly related to the efficient performance of companies that results in the increase of productivity and the competitiveness of economies. In the "business sophistication" pillar Greece ranks 77<sup>th</sup>. The EU-27 scene varies from the 2<sup>nd</sup> position of Sweden to the 102<sup>nd</sup> one of Romania, while in the BS-10, where 6 out of 10 component states rank below the 100<sup>th</sup> position, Turkey comes 58<sup>th</sup> and Moldova comes 117<sup>th</sup> in rank. The following table presents the scores of Greece, EU-27 and BS-10 in business sophistication.

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<sup>36</sup> The score and the respective rank of a state in this sector is strictly related to its performance in what follows: "local supplier quantity, local supplier quality, state of cluster development, nature of competitive advantage, value chain breadth, control of international distribution, production process sophistication, extent of marketing, willingness to delegate authority" (Schwab, 2011, p48).

<b>Business sophistication GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,8
<b>EU-27 average score</b>	4,6
<b>BS-10 average score</b>	3,6

GCI – table 37

Source: GCI 2011-2012, WEF.

Greece is below the EU-27 average score and above though very close to the BS-10 one.

With the exception of Bulgaria and Romania -the last states to access the EU in 2007- Greece ranks lower than any other EU state. Its score being at 3.8 is exactly the same as last year, which proves that again its sliding is rather the outcome of external and not internal determinant factors. The lowest score in the business sophistication components is traced in the “state of cluster development”, which brings Greece to the 115<sup>th</sup> position. In order to understand what this means it is useful to define the term “cluster”; so a cluster is a “geographically proximate group of interconnected companies, suppliers, service providers and associated institutions in a particular field, linked by externalities of various types<sup>37</sup>” (Porter, 2003, pp549-578). It seems that there has been little interest so far on the part of SMEs to engage to the EU’s Cross-Organizational Assessment and Development of Intellectual Capital (CADIC) project, which is meant to foster inter-firm cooperation at all levels that is local, national, European and international, as well. Shortly, the main focus of CADIC is on providing a framework for “growing and multiplying open and extensible clusters of enterprises, in a business-to-business environment, where Intellectual Capital (IC) can flow to the mutual benefit of all concerned” (CADIC, 2011). Greece also lacks in the “willingness to delegate authority” dimension (105<sup>th</sup> position); this trait distinguishes good operational management in the sense that a good “leader” is challenged and tested through this process that is connected with skills such as communicating, organizing, allocating duties, monitoring procedures and tasks in order to counter and solve problems efficiently and timely. The current competitive business environment trend is to promote this type of management, that in the long run, achieves not only to delegate authority but also to increase the sense of responsibility for the assigned task and therefore maximizes the impact of the result e.g. successful performance could be

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<sup>37</sup> These might be “common technologies, skills, knowledge and purchased inputs” according to Porter.

rewarded. However, the degree of this principle application in the Greek case is rather debatable.

In the EU-27, 18 member states rank among the first 50 in a global scale. Apart from Bulgaria, Romania and Greece, the remaining ones are not much lower than the 50<sup>th</sup> position, a fact which presents a positive overall picture. It seems that along with the other means at its disposal, the EU opens a new chapter in the business sophistication section. Specifically, through promoting the e-Business practice, it helps European SMEs to benefit from a Single Market. At the same time, communication with distant customers and trade partners is realized and as physical presence stops being a prerequisite to trade, the cost gets minimized -compared to the operational cost of the traditional type of SMEs- and thus the profit becomes maximized or at least increased. The common denominator of the two sides, meaning the e-firms and the customers or trade partners, is the use of Information and Communication Technologies (ICTs) so as to have business processes and systems linked (European Commission, 2011). The ICTs is the EU passport to move onwards to business sophistication, based on its technological readiness and widen the prospects of entrepreneurial activity. As for the clusters, the EU-27 developed specific projects (Alpine Space, Europe INNOVA, FP7, Interreg and pro-INNO Europe) which are all posted in the European Cluster Collaboration Platform (Cluster-Collaboration.EU, 2011). These do not only refer to collaboration among EU Member States but also to collaboration with regions, organizations etc. beyond the EU borders, thus serving the openness of the EU market.

There is undoubtedly disparity in terms of business sophistication of the BS-10 in comparison to the EU-27. With scores from 3,3 (Moldova and Russia) to 4,1 (Turkey) 6 out of the 10 states rank below the 100<sup>th</sup> position, while the rest are quite close. Apparently the integration of international supply chains has not been successful yet and these states lag behind both in terms of e-business standards and international trade. There are many weak points that must be addressed, since there is no branch of this pillar, where the BS-10 as an entity are successful. These branches depict dimensions, where the advanced economies own the premiership. Consequently, the BS-10 performance reveals that there is a long way to the attainment of scores close to these model economies in business sophistication. The United Nations Economic Commission for Europe recognized this issue and made specific suggestions. For instance, compliance with common business models could facilitate transactions with suppliers or partners worldwide. Therefore, the operational costs of enterprises could decrease, transparency as far as information availability is concerned -for a better risk management- would increase, trade and control

processes could be simplified and standardized, leaving space for companies to concentrate in innovation. The BS-10 could implement the single windows both for imports and exports and border control coordination across the region to lessen the time required for the transit of goods with border agencies cooperating efficiently with the transport operators. That is catalytic to the function of SMEs, which could have a bigger share in the sustainable development of these states and eventually their growth (UNECE, 2011).

#### 4.3.2 Innovation

Innovation<sup>38</sup> is highly connected to technological growth and productivity and serves as a tool to compete with other economies. It is actually a push up factor when it comes to competitiveness of the advanced economies. Greece occupies the 88<sup>th</sup> position in this dimension; in the same sector, Sweden in the 2<sup>nd</sup> position comes first once more among the EU-27, where the Slovak Republic in the 96<sup>th</sup> position comes last. As for the BS-10, Azerbaijan in the 60<sup>th</sup> position is the best performer in the BS-10, whereas Moldova in the 128<sup>th</sup> position is the least efficient one. The following table presents the Greek score, as well as the EU-27 and the BS-10 average scores.

<b>Innovation GCI 2011-2012</b>	
<b>Economy</b>	<b>Score</b>
<b>Greece</b>	3,0
<b>EU-27 average score</b>	4,0
<b>BS-10 average score</b>	2,9

GCI – table 38

Source: GCI 2011-2012, WEF.

The Greek score is almost identical with the average BS-10 score and quite below the EU-27 one.

Greece does not perform well in the innovation pillar. Until recently, the policy about entrepreneurship and innovation was not distinct, but an integral part of broader strategies that rarely provided a link between the two (Greek Observatory for SMEs). According to the “2011 Global R&D Funding Forecast” Greece does not present strong

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<sup>38</sup> The score and consequently the rank of a state in this pillar is the result of surveys on the following: “Capacity for innovation, quality of scientific research institutions, company spending on Research and Development (R&D), university-industry collaboration in R&D, Gov’t procurement of advanced tech products, availability of scientists and engineers, utility patents per million population\*” (Schwab, 2011, p49).

local demand for R&D projects and consequently it is less likely to grow (Global R&D, 2011, p24). After all, spending less on these projects, means not substantially investing on innovation in the first place. The table below is indicative of the situation.

<b>Greece - Forecast Gross Domestic Expenditures on R&amp;D (GERD)</b>								
<b>Global rank</b>	<b>2009 GERD PPP Billions, US\$</b>	<b>2009 R&amp;D as % of GDP</b>	<b>2010 GERD PPP Billions, US\$</b>	<b>2010 R&amp;D as % of GDP</b>	<b>2010-11 GDP Growth</b>	<b>2011 GDP PPP Billions US\$</b>	<b>2011 GERD PPP Billions US\$</b>	<b>2011 R&amp;D as % of GDP</b>
34	1.8	0.5%	1.8	0.6%	-2.6%	318	1.7	0.6%

GCI – table 39

**Source:** IMF, R&D Magazine, Battelle, as cited in “2011 Global R&D Funding Forecast” (Global R&D, 2011, p5).

Despite the not optimistic forecast above, there have been steps towards this direction. The National Documentation Centre suggests that the R&D policies have to be orientated to constructing a beneficial relationship between the research establishments on the one side and the productive units on the other. In this context, the Operational Programme “Competitiveness” (OP “COM”) encourages innovation and provides “incentives for researchers to create new business ventures, encourages start-up businesses, supports the so-called incubators, technology parks” extending its action from 2007 to 2013 (EKT, 2011). The university-industry collaboration or else knowledge-transfer may take various forms<sup>39</sup> but none of them seems to be sufficiently exploited by the Greek state, yet. Last but by no means least, is the disappointing Greek performance in the brain drain section, which is definitely related to innovation. Greece has failed to create great potentials for qualified people and scientists from abroad to migrate to Greece; also it appears weak to hold back from emigration such qualified Greek people, who could contribute to the sector of innovation. Therefore, ranking high in the availability of scientists and engineers alone could not compensate for the lack of quality in the institutions concerned in this process, substantial management and rational allocation of resources.

Before the global financial crisis there had been a tendency in the EU over increasing expenditures on R&D and the high ambition to reach or even leave behind the USA and

<sup>39</sup> Such as “collaborative research with firms, contract research and academic consulting commissioned by industry, the development and commercialization of intellectual property rights (IPRs), the creation of start-up firms to exploit university inventions, co-operation with firms on graduate training and exchanges with industry researchers” (Freitas, Geuna, Rossi, 2011, p.262).

Japan -the leaders regarding R&D expenditures- in this sector by 2010. With an average spending of 1.9% of the GDP on R&D remaining stable for five years and a series of draw-back events taking place afterwards, like the beginning of the global financial crisis, the banking failure domino and the excessive demand for urgent support mechanism to sustain the economies under threat e.g. Greece, Ireland, Spain etc., the initial plan was never realized; however, it seems that now the EU re-approaches and reconsiders that goal. There is a problem though that seems to be related to the high labor costs requiring the 70% of the R&D overall costs. This becomes an obstacle especially when viewed in comparison to other economies requiring around the half (USA 45%) or less than that (Japan 30%) (Global R&D, 2011, p24). As for the new European innovation drivers, these are summarized into “green propulsion and smart mobility” (EU Infrastructure, 2011). These two create new prospects and new fields to stand out both for the EU-27 as an entity or at individual state level. Besides that, in this re-approach stage in 2008 the Institute of Innovation and Technology was established, so as to enhance the European “sustainable growth and competitiveness by reinforcing the innovation capacity of the Member States and the EU (Article 3, EIT Regulations). This translates into developing a new generation of innovators and entrepreneurs” (Europa.EU, 2011). Apart from that there is the FP7, that is the 7<sup>th</sup> Framework Programme for Research and Development, which started in 2007 and will last until 2013. Its aim is to respond to the European demands regarding employment and competitiveness and as such to grant the EU a position among the first in the global knowledge economies (Europa, EU, 2011). Lastly, the Executive Agency for Competitiveness and Innovation awards grants through Entrepreneurship and Innovation Programmes (EIP) in order to encourage the parties concerned.

While the BS-10 score in this pillar lower than in any other, it seems that they have come to realize the significance of innovation, as a driving force of the economy and as a bond especially among the Wider Black Sea Region countries or between them and the EU. The last was emphasized through a relevant workshop (in 2011) by the ICBSS on innovation policies and structures. There, George Bonas highlighted the so far BS-10 vocation with the ICBSS think tank examining the possibility of establishing a BSEC Innovation Centre and its potential priorities; concerning the Science and Technology sector, cooperation among the BSEC members could be focused on innovation through BSEC Action Plans. Local authorities could promote cooperation not only with other BSEC members but in a greater scale, mainly with the EU that is deeply committed to the sector of innovation and thus practice exchange could be beneficial enough to promote



innovation faster and further. The growing trading sector of some Eastern European and Central Asian countries could be part of the process, as well. Regarding the financial support of such attempts, taking part in the FP7 is one among several other ways. This does not only concern European countries but goes beyond that, thus making it possible for external actors to benefit from the financial support provided, as long as the activities of their national research programmes present a “European added value”. (ICBSS, 2011, Europa.EU, 2011).

## 5. Ease of Doing Business<sup>40</sup>

The Doing Business Project was initiated by the World Bank in 2003. The fundamental principle of EDB is that economic activity requires a solid framework of effective rules (EDB, 2010, p20). Therefore, it actually provides data, which through further analysis and debate among policy makers unfolds deviations, challenges and good practices. Furthermore, it functions as a first guide and a useful tool to consult for potential investors that are interested in conducting entrepreneurial ventures either in their country or abroad. However, its final form, that is the ranking of countries is a rather norm-referenced evaluation, than a criterion-referenced one, which substantially means that it relates one state's performance to that of other states and does not directly refer to each one individually (Hughes, 2001, p17). In fact, this way economies are positioned in a scale, where the rank in each indicator and the overall one indicate how well they perform in comparison to the rest; the higher their position is, the better they seem to perform. However, that is not always exactly the case, because sometimes regardless of the absence of reforms or any other changes and amendments e.g. in cost, time, number of procedures, ranks either remain steady or positions are lost or gained; that is because states are rated in accordance with other ones and consequently they become affected by this process.

The EDB Project concerns only states, whose governments have requested to be evaluated, which explains the fact that Malta, for instance, is not included in the Index<sup>41</sup>. Therefore, whenever the term EU-27 occurs in the EDB section of this dissertation, it would refer only to the rest 26 states that are classified according to the EDB Index. It must be highlighted at this point that the EDB reports of a certain year actually refer to data of the previous one; so, for instance the EDB 2011 is based on 2010 data and vice versa, that is data of 2010 are presented in the EDB 2011 report; this is important in order to keep track with references on the board data throughout this part of the paper. The EDB 2011 index evaluates economies based on data deriving from various surveys in specific sectors. Therefore, taking into account that the closer to 1, the better the performance, ranks on their own provide a picture clear enough for first impressions stimulating though further investigation and discussion in case they are very high or too low. Regarding a

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<sup>40</sup> In order to find out more about the methodology used in EDB, visit [doingbusiness.org/methodology](http://doingbusiness.org/methodology), In short, to make the data comparable across economies, several assumptions about the business and the case are used and they are all provided in the EDB official site.

<sup>41</sup> That also accounts for the missing ranks in the EDB boards that follow like in the case of Cyprus and Luxemburg, whose governments had not requested to be included in the Index from the beginning; for the years, where no evaluation took place, this would be indicated with “-“.

retrospective look into the historical rankings, one has to be cautious, since scenarios change through time due to the addition of economies under examination, changes in the methodology itself, revision and correction of data through back calculating previous years to reflect them. As for the EDB 2011, the data on which it relies, derive from a thorough survey in cooperation with a broad partner network in all the 183 economies it concerns.

As for the SMEs, to which the EDB mainly refers, there has not been one universally accepted definition. OECD highlights that there is no common definition of SMEs used by all national states nor one unique for all sectors of an economy. The following table summarizes the criteria that qualify enterprises as micro, small and medium-sized, according to the 2003/361/EC Recommendation of the European Commission; the EU policy on SMEs concerns firms with the following traits:

<b>Enterprise category</b>	<b>Headcount</b>	<b>Turnover</b>	<b>Or</b>	<b>Balance sheet total</b>
<b>Medium-sized</b>	< 250	≤ € 50 million		≤ € 43 million
<b>Small</b>	< 50	≤ € 10 million		≤ € 10 million
<b>Micro</b>	< 10	≤ € 2 million		≤ € 2 million

**EDB – table 1**

**Source:** Enterprise and Industry-European Commission.

## **5.1 EDB pillars**

The overall position in the Ease of Doing Business 2011 evaluation is the outcome of performance in its constituent pillars: “starting a business”, “dealing with construction permits”, “registering property”, “getting credit”, “protecting investors”, “paying taxes”, “trading across borders”, “enforcing contracts” and “closing a business”. Specifications regarding each one -which derives from a thorough survey into selected aspects of a country’s profile- are provided right below.

Starting a business: this pillar refers to the process one has to follow in order to start operating a company ranging from small to a medium-sized one. This is translated to the number of procedures, the time, the cost required for this process and the minimum capital to be paid in, assuming that there has not been a prior contact with officials and that there have been no hints of corruption (Ease of Doing Business Methodology, 2011).

Dealing with construction permits: this sector consists of any procedures essential for entrepreneurs in the construction industry and extends from the initial stage of submitting the required documents to the issuance of the license and the relevant inspections without any intervention from mediators -unless this is dictated by the law; time and cost are important and thus taken into account not only for the above, but for the permits concerning utility connections like electricity, sewage etc. as well (Ease of Doing Business Methodology, 2011) .

Registering property: this records the overall number of procedures along with the cost and the time it takes for a property title to be transferred from a buyer to a seller -it refers to all concerned parties, meaning the buyer, the seller or a mediator. In fact, it measures the easiness with which property rights become secure (Ease of Doing Business Methodology, 2011).

Getting credit: this dimension concerns institutions that provide credit information on potential borrowers; this sharing of information enables lenders to estimate risk and thus attribute credit in a more efficient way and on the other side it relieves entrepreneurs from keeping personal connections as the only way to get the credit they need. Public registry coverage, private bureau coverage in combination with the Strength of Legal Rights Index (0-10) and the Depth of Credit Information Index (0-6) comprise the indicators that lead to the measurement of the sharing of credit information. The first and the second report the number of individuals and firms -as a percentage of the adult population- that are covered by public credit registry or private credit bureau correspondingly; in the Strength of Legal Rights Index values extend from 0 to 10, where high values denote a well-constructed legislative framework regarding credit access. The last index evaluates the degree to which this system of credit information facilitating lending due to ease of access to information and the quality of the latter; with values from 0 up to 6, the higher ones indicate adequacy of available information (Ease of Doing Business Methodology, 2011) .

Protecting investors: the Strength of Investor Protection Index is the average of measurements in three other indices, these being the Extent of Disclosure Index (0-10), the Extent of Director Liability Index (0-10) and the Ease of Shareholder Suits Index (0-10). The scale is from 0 to 10, where high values depict more protection or greater disclosure. The first index refers to the approval procedures and to the disclosure of proposed

transactions to the public and shareholders before they take place. The second one denotes the ability of investors to hold the director/ board of directors and the majority of shareholders of a company liable about certain defaults to the detriment of their investment. The third index is about shareholders that decide to take a case of bad management to trial; specifically it refers to the availability of documents and the access to the internal ones of the company, the ability to appoint an inspector to investigate the transaction and the standard of proof for a suit against the company directors (Ease of Doing Business Methodology, 2011).

Paying taxes: this dimension includes the number of taxes that are either paid or withheld and the frequency of both along with the agencies that are involved in a typical case. Apart from that, it refers to time or rather hours per year it takes to prepare, file and pay necessary taxes like corporate income tax, value added or sales tax and labor taxes. Last comes the total tax rate, which refers to the amount of taxes -as percentage of the commercial profit considering though various deductions and exemptions- that are payable in the second year of the company operation (Ease of Doing Business Methodology, 2011) .

Trading across borders: this category refers to the exchange of any type of documents between the concerned parties; these might be port filing, custom declarations and other official documents. Countries with efficient customs and transport networks with the least possible document requirements turn to be more competitive than others globally due to faster and cheaper export and import procedures. The time taken into consideration extends from the beginning to the end of a given procedure and the cost is estimated on a conventional basis in US dollars and includes the fees regarding all the procedures connecting with export or import of the goods -but not the tariffs or the trade taxes (Ease of Doing Business Methodology, 2011).

Enforcing contracts: this pillar is about the judicial system upon resolving a commercial dispute. It is actually the outcome of its component parts that is the number of procedures, the time and the cost required and extends from the beginning of the commercial sale dispute before local courts with the filing of the case -it also includes the study of codes and regulations on which the court relies, as well as surveys conducted by local litigation lawyers and judges- to the trial, the judgment and the final enforcement (Ease of Doing Business Methodology, 2011) .

Closing a business: this section studies the time, the cost and the result of any insolvency proceedings including domestic entities. The ranking in this dimension -which is the outcome of surveys and information on bankruptcy system-, is based on the recovery rate estimated in U.S. dollar cents (Ease of Doing Business Methodology, 2011).

## 6. Informative graphs and boards on EDB

The Greek, EU-27 and BS-10 data upon their evaluation according to the EDB Index will be provided in the form of tables and graphs, so that the target reader is facilitated to obtain a better view over the evaluated entities. These data derive from the official EDB site (June 2011 update) and the respective published reports (DB2006-DB2011).

So, to begin with, EDB Table 1. presents the EDB overall rank of the EU-27 states and the rank attained by each in the nine pillars the EDB consists of. This table covers the period from 2005 (that is EDB2006) until 2010 (that is EDB2011). EDB Table 2. presents the afore-mentioned as well, but refers to the BS-10 states. These two boards provide the opportunity for a retrospective look and present the number of positions either gained or lost throughout the examined period at the end of the data of each country (based on the author's calculations). It has already been underlined that this might be a good starting point for inquiry, albeit it is not sufficient in order to draw conclusions with safety. Since it is not possible to provide average values for the EU-27 and the BS-10, as EDB presents no scores, but only the ranks of the states involved, two detailed boards would be additionally provided at the appendix of the essay for extra reference; they would provide detailed data in a retrospective form on the branches of each EDB pillar. EDB Tables 3. and 4. refer to the EU-27 and BS-10 respectively and specifically only to 2010 data that is EDB2011 report data. What is more, the best and the worst performers -judging solely by the rank attained- are highlighted with different colours to make more distinct. Also, the retrospective data of the tables concern only the respective pillars of the last EDB report<sup>42</sup>. Lastly, the EDB2011 results are also presented in the form of graphs to offer a much clear comparative picture to the target reader.

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<sup>42</sup> Further details-data could be looked up in the official EDB previous reports; some of them consist of more than the last EDB report's pillars.

EU-27 GCI, 2004 - 2011, Scores and Ranks																	
Economy	2004-2005 /104 economies		2005-2006 /117 economies		2006-2007 /125 economies		2007-2008 /131 economies		2008-2009 /134 economies		2009-2010 /133 economies		2010-2011 /139 economies		2011-2012 /142 economies		Progress in number of positions. Comparison of current rank to that of the first evaluated year.
	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	GCI Score	(Rank)	
Austria	5,20	(17)	4,95	(21)	5,32	(17)	5,23	(15)	5,23	(14)	5,13	(17)	5,09	(18)	5,13	(19)	-2
Belgium	4,95	(25)	4,63	(31)	5,27	(20)	5,10	(20)	5,14	(19)	5,09	(18)	5,07	(19)	5,20	(15)	10
Bulgaria	3,98	(59)	3,83	(58)	3,96	(72)	3,93	(79)	4,03	(76)	4,02	(76)	4,13	(71)	4,16	(74)	-15
Cyprus	4,56	(38)	4,54	(34)	4,36	(46)	4,23	(55)	4,53	(40)	4,57	(34)	4,50	(40)	4,36	(47)	-9
Czech Republic	4,55	(40)	4,42	(38)	4,74	(29)	4,58	(33)	4,62	(33)	4,67	(31)	4,57	(36)	4,52	(38)	2
Denmark	5,66	(5)	5,65	(4)	5,70	(4)	5,55	(3)	5,58	(3)	5,46	(5)	5,32	(9)	5,40	(8)	-3
Estonia	5,08	(20)	4,95	(20)	5,12	(25)	4,74	(27)	4,67	(32)	4,56	(35)	4,61	(33)	4,61	(33)	-13
Finland	5,95	(1)	5,94	(1)	5,76	(2)	5,49	(6)	5,50	(6)	5,43	(6)	5,37	(7)	5,46	(4)	-3
France	4,92	(27)	4,78	(30)	5,31	(18)	5,18	(18)	5,22	(16)	5,13	(16)	5,13	(15)	5,13	(18)	9
Germany	5,28	(13)	5,10	(15)	5,58	(8)	5,51	(5)	5,46	(7)	5,37	(7)	5,39	(5)	5,41	(6)	7
Greece	4,56	(37)	4,26	(46)	4,33	(47)	4,08	(65)	4,11	(67)	4,04	(71)	3,99	(83)	3,91	(90)	-53
Hungary	4,56	(39)	4,38	(39)	4,52	(41)	4,35	(47)	4,22	(62)	4,22	(58)	4,33	(52)	4,36	(48)	-9
Ireland	4,90	(30)	4,86	(26)	5,21	(21)	5,03	(22)	4,99	(22)	4,84	(25)	4,74	(29)	4,77	(29)	1
Italy	4,27	(47)	4,21	(47)	4,46	(42)	4,36	(46)	4,35	(49)	4,31	(48)	4,37	(48)	4,42	(43)	4
Latvia	4,43	(44)	4,29	(44)	4,57	(36)	4,41	(45)	4,26	(54)	4,06	(68)	4,14	(70)	4,24	(64)	-20
Lithuania	4,57	(36)	4,30	(43)	4,53	(40)	4,49	(38)	4,45	(44)	4,30	(53)	4,38	(47)	4,40	(44)	-8
Luxembourg	4,95	(26)	4,90	(25)	5,16	(22)	4,88	(25)	4,85	(25)	4,96	(21)	5,05	(20)	5,03	(23)	3
Malta	4,79	(32)	4,54	(35)	4,54	(39)	4,21	(56)	4,31	(52)	4,30	(52)	4,34	(50)	4,33	(51)	-19
Netherlands	5,30	(12)	5,21	(11)	5,56	(9)	5,40	(10)	5,41	(8)	5,32	(10)	5,33	(8)	5,41	(7)	5
Poland	3,98	(60)	4,00	(51)	4,30	(48)	4,28	(51)	4,28	(53)	4,33	(46)	4,51	(39)	4,46	(41)	19
Portugal	4,96	(24)	4,91	(22)	4,60	(34)	4,48	(40)	4,47	(43)	4,40	(43)	4,38	(46)	4,40	(45)	-21
Romania	3,86	(63)	3,67	(67)	4,02	(68)	3,97	(74)	4,10	(68)	4,11	(64)	4,16	(67)	4,07	(77)	-14
Slovak Republic	4,43	(43)	4,31	(41)	4,55	(37)	4,45	(41)	4,40	(46)	4,31	(47)	4,25	(60)	4,18	(69)	-26
Slovenia	4,75	(33)	4,59	(32)	4,64	(33)	4,48	(39)	4,50	(42)	4,55	(37)	4,42	(45)	4,29	(57)	-24
Spain	5,00	(23)	4,80	(29)	4,77	(28)	4,66	(29)	4,72	(29)	4,59	(33)	4,49	(42)	4,53	(36)	-13
Sweden	5,72	(3)	5,65	(3)	5,74	(3)	5,54	(4)	5,53	(4)	5,51	(4)	5,56	(2)	5,61	(3)	0
United Kingdom	5,30	(11)	5,11	(13)	5,54	(10)	5,41	(9)	5,30	(12)	5,19	(13)	5,25	(12)	5,38	(10)	-1
EU-27 (average scores)	4,83		4,70		4,89		4,74		4,75		4,69		4,70		4,69		

Source: Global (and Growth) Competitiveness reports 2004-2012 (World Bank).

GCI – table 1



<b>BS-10 GCI, 2004 - 2011, Scores and Ranks</b>																	
Economy	2004-2005 /104 economies		2005-2006 /117 economies		2006-2007 /125 economies		2007-2008 /131 economies		2008-2009 /134 economies		2009-2010 /133 economies		2010-2011 /139 economies		2011-2012 /142 economies		Progress in number of positions. Comparison of current rank to that of the first evaluated year.
	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	GCI Score	Rank	
Armenia	-	-	3,44	(79)	3,75	(82)	3,76	(93)	3,73	(97)	3,71	(97)	3,76	(98)	3,88	(92)	-13
Azerbaijan	-	-	3,64	(69)	4,06	(64)	4,07	(66)	4,1	(69)	4,3	(51)	4,29	(57)	4,31	(55)	14
Bulgaria	3,98	(59)	3,83	(58)	3,96	(72)	3,93	(79)	4,03	(76)	4,02	(76)	4,13	(71)	4,16	(74)	-15
Georgia	3,14	(94)	3,25	(86)	3,73	(85)	3,83	(90)	3,86	(90)	3,81	(90)	3,86	(93)	3,95	(88)	6
Greece	4,56	(37)	4,26	(46)	4,33	(47)	4,08	(65)	4,11	(67)	4,04	(71)	3,99	(83)	3,91	(90)	-53
Moldova	-	-	3,37	(82)	3,71	(86)	3,64	(97)	3,75	(95)	-	-	3,86	(94)	3,88	(93)	-11
Romania	3,86	(63)	3,67	(67)	4,02	(68)	3,97	(74)	4,1	(68)	4,11	(64)	4,16	(67)	4,07	(77)	-14
Russian Federation	3,68	(70)	3,53	(75)	4,08	(62)	4,19	(58)	4,31	(51)	4,15	(63)	4,24	(63)	4,21	(66)	4
Turkey	3,82	(66)	3,68	(66)	4,14	(59)	4,25	(53)	4,15	(63)	4,16	(61)	4,25	(61)	4,28	(59)	7
Ukraine	3,27	(86)	3,3	(84)	3,89	(78)	3,98	(73)	4,09	(72)	3,95	(82)	3,9	(89)	3,99	(82)	4
BS-10 (average scores)	3,76		3,60		3,97		3,97		4,02		4,03		4,04		4,06		

Source: Global (and Growth) Competitiveness reports 2004-2012 (World Bank).

GCI – table 2

EU-27 Global Competitiveness Index (GCI), 2011-12																																
Economies/ of 142	out	GCI Score	GCI (Rank)	Subindexes																												
				Basic requirements								Efficiency enhancers										Innovation and sophistication factors										
				Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score
Austria	5,1	(19)	5,6	(18)	5,2	(20)	5,6	(18)	5,4	(33)	6,3	(19)	4,9	(19)	5,4	(18)	4,9	(20)	4,8	(29)	4,6	(31)	5,4	(15)	4,6	(35)	5,1	(13)	5,5	(7)	4,8	(16)
Belgium	5,2	(15)	5,6	(22)	5,0	(27)	5,6	(17)	4,9	(60)	6,8	(2)	5,1	(15)	5,8	(5)	5,1	(14)	4,6	(44)	4,8	(28)	5,8	(11)	4,8	(26)	5,1	(14)	5,3	(11)	4,8	(15)
Bulgaria	4,2	(74)	4,5	(74)	3,3	(110)	3,6	(87)	5,1	(46)	5,8	(57)	4,1	(59)	4,2	(70)	4,1	(86)	4,5	(56)	4,0	(75)	4,1	(50)	3,8	(64)	3,2	(96)	3,6	(96)	2,9	(93)
Cyprus	4,4	(47)	5,3	(32)	4,8	(36)	5,0	(31)	4,8	(64)	6,5	(13)	4,3	(46)	4,7	(39)	4,8	(27)	4,4	(60)	4,8	(25)	4,4	(41)	2,8	(103)	3,8	(48)	4,2	(48)	3,5	(45)
Czech Republic	4,5	(38)	4,9	(45)	3,6	(84)	4,9	(36)	5,2	(43)	5,9	(51)	4,6	(29)	5,0	(30)	4,6	(36)	4,6	(42)	4,3	(53)	4,8	(31)	4,5	(40)	4,1	(32)	4,4	(36)	3,8	(33)
Denmark	5,4	(8)	5,9	(8)	5,9	(5)	5,9	(10)	5,4	(31)	6,2	(28)	5,3	(9)	5,8	(6)	5,1	(16)	5,4	(6)	5,0	(17)	6,2	(4)	4,2	(53)	5,3	(8)	5,5	(6)	5,1	(10)
Estonia	4,6	(33)	5,4	(27)	5,0	(29)	4,7	(40)	5,7	(21)	6,3	(26)	4,5	(36)	5,2	(23)	4,7	(29)	4,9	(16)	4,5	(41)	4,9	(27)	2,9	(100)	4,0	(37)	4,2	(53)	3,8	(30)
Finland	5,5	(4)	6,0	(5)	6,0	(4)	5,6	(19)	5,7	(20)	6,8	(1)	5,2	(10)	6,1	(1)	4,9	(21)	4,9	(15)	5,3	(9)	5,7	(12)	4,1	(54)	5,6	(4)	5,4	(9)	5,7	(3)
France	5,1	(18)	5,6	(23)	5,0	(28)	6,3	(4)	4,6	(83)	6,4	(16)	5,1	(17)	5,2	(20)	4,6	(38)	4,4	(68)	5,0	(18)	5,6	(13)	5,7	(7)	4,9	(17)	5,1	(14)	4,7	(17)
Germany	5,4	(6)	5,8	(11)	5,3	(19)	6,4	(2)	5,4	(30)	6,3	(23)	5,2	(13)	5,7	(7)	4,8	(26)	4,4	(64)	4,5	(39)	5,6	(14)	6,0	(5)	5,5	(5)	5,7	(4)	5,4	(7)
Greece	3,9	(90)	4,4	(80)	3,5	(96)	4,5	(45)	3,3	(140)	6,1	(37)	4,1	(65)	4,7	(46)	3,9	(107)	3,6	(126)	3,5	(110)	4,2	(47)	4,4	(42)	3,4	(81)	3,8	(77)	3,0	(88)
Hungary	4,4	(48)	4,7	(55)	3,8	(73)	4,5	(46)	4,8	(67)	5,8	(54)	4,4	(42)	4,7	(45)	4,3	(55)	4,4	(66)	4,1	(63)	4,6	(36)	4,2	(52)	3,7	(52)	3,9	(69)	3,6	(34)
Ireland	4,8	(29)	5,2	(37)	5,2	(23)	5,1	(29)	4,0	(118)	6,5	(12)	4,7	(28)	5,2	(22)	5,1	(13)	4,9	(17)	3,4	(115)	5,3	(17)	4,1	(56)	4,6	(23)	4,9	(22)	4,4	(23)
Italy	4,4	(43)	4,8	(47)	3,6	(88)	5,0	(32)	4,5	(92)	6,3	(20)	4,4	(40)	4,7	(41)	4,3	(49)	3,8	(123)	3,7	(97)	4,3	(42)	5,6	(9)	4,2	(30)	4,8	(26)	3,5	(43)
Latvia	4,2	(64)	4,6	(66)	3,9	(66)	4,1	(61)	4,5	(93)	5,9	(49)	4,2	(54)	4,8	(34)	4,3	(60)	4,6	(47)	4,2	(60)	4,3	(46)	3,0	(95)	3,5	(64)	3,8	(71)	3,2	(59)
Lithuania	4,4	(44)	4,8	(49)	3,9	(62)	4,6	(43)	4,7	(73)	6,0	(46)	4,3	(48)	5,1	(26)	4,3	(64)	4,5	(54)	3,9	(89)	4,7	(34)	3,5	(79)	3,8	(50)	4,1	(54)	3,4	(48)
Luxembourg	5,0	(23)	5,9	(6)	5,7	(8)	5,6	(21)	6,0	(15)	6,3	(25)	4,9	(23)	4,7	(40)	5,4	(2)	4,6	(41)	5,3	(8)	6,0	(9)	3,0	(96)	4,8	(20)	5,0	(21)	4,5	(21)
Malta	4,3	(51)	5,1	(40)	4,7	(38)	4,5	(47)	5,0	(51)	6,2	(29)	4,3	(47)	4,8	(37)	4,6	(34)	4,0	(103)	5,1	(15)	5,1	(26)	2,3	(127)	3,8	(49)	4,3	(42)	3,4	(51)
Netherlands	5,4	(7)	5,9	(7)	5,6	(10)	6,0	(7)	5,3	(36)	6,5	(7)	5,3	(8)	5,7	(8)	5,2	(9)	4,8	(23)	4,9	(23)	6,1	(5)	5,1	(18)	5,3	(9)	5,6	(5)	5,0	(12)
Poland	4,5	(41)	4,7	(56)	4,2	(52)	3,9	(74)	4,7	(74)	6,1	(40)	4,6	(30)	4,9	(31)	4,4	(52)	4,5	(58)	4,6	(34)	4,2	(48)	5,1	(20)	3,6	(57)	4,1	(60)	3,2	(58)
Portugal	4,4	(45)	5,0	(44)	4,2	(51)	5,5	(23)	4,2	(111)	6,1	(34)	4,4	(39)	4,8	(35)	4,3	(62)	3,8	(122)	4,0	(78)	5,3	(19)	4,3	(45)	4,0	(38)	4,2	(50)	3,8	(32)
Romania	4,1	(77)	4,3	(89)	3,5	(99)	3,4	(95)	4,5	(87)	5,7	(66)	4,1	(62)	4,4	(55)	4,0	(96)	4,1	(92)	3,9	(84)	3,8	(60)	4,4	(44)	3,2	(99)	3,5	(102)	2,9	(95)
Slovak Republic	4,2	(69)	4,7	(60)	3,5	(101)	4,2	(57)	4,9	(56)	6,0	(43)	4,4	(44)	4,5	(53)	4,4	(51)	4,5	(59)	4,4	(47)	4,5	(37)	4,0	(58)	3,5	(71)	4,0	(63)	2,9	(96)
Slovenia	4,3	(57)	5,1	(39)	4,1	(55)	4,8	(37)	5,3	(35)	6,3	(24)	4,2	(51)	5,2	(21)	4,4	(48)	4,0	(102)	3,6	(102)	4,8	(32)	3,4	(80)	3,9	(45)	4,2	(49)	3,6	(40)
Spain	4,5	(36)	5,2	(38)	4,3	(49)	5,8	(12)	4,6	(84)	6,0	(44)	4,6	(32)	4,9	(32)	4,2	(66)	3,8	(119)	4,1	(64)	4,9	(28)	5,4	(13)	4,0	(33)	4,5	(34)	3,6	(39)
Sweden	5,6	(3)	6,1	(4)	6,1	(2)	5,7	(13)	6,1	(13)	6,3	(18)	5,3	(7)	5,8	(2)	5,2	(7)	4,8	(25)	5,2	(11)	6,3	(2)	4,6	(31)	5,8	(2)	5,8	(2)	5,8	(2)
United Kingdom	5,4	(10)	5,6	(21)	5,3	(15)	6,1	(6)	4,5	(85)	6,4	(14)	5,4	(5)	5,5	(16)	5,0	(19)	5,4	(7)	4,9	(20)	6,1	(8)	5,8	(6)	5,2	(12)	5,4	(8)	4,9	(13)
EU-27 average score	4,7		5,2		4,6		5,1		4,9		6,2		4,7		5,1		4,6		4,5		4,4		5,1		4,3		4,3		4,6		4,0	

Source: Global Competitiveness Report 2011-2012 (World Bank)

GCI – table 3

BS-10 Global Competitiveness Index (GCI), 2011 - 2012																																
Economies/ of 142	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation and sophistication factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Armenia	3,9	(92)	4,2	(94)	3,6	(83)	3,8	(77)	4,2	(114)	5,4	(94)	3,7	(91)	4,0	(76)	3,9	(108)	4,7	(34)	3,8	(95)	3,4	(88)	2,6	(115)	3,1	(110)	3,4	(107)	2,7	(112)
Azerbaijan	4,3	(55)	4,7	(59)	3,8	(68)	3,9	(73)	5,9	(16)	5,1	(105)	4,0	(77)	4,0	(75)	4,1	(79)	5,0	(14)	3,8	(94)	3,6	(74)	3,5	(75)	3,5	(67)	3,8	(73)	3,2	(60)
Bulgaria	4,2	(74)	4,5	(74)	3,3	(110)	3,6	(87)	5,1	(46)	5,8	(57)	4,1	(59)	4,2	(70)	4,1	(86)	4,5	(56)	4,0	(75)	4,1	(50)	3,8	(64)	3,2	(96)	3,6	(96)	2,9	(93)
Georgia	4,2	(88)	4,3	(86)	4,0	(64)	4,0	(68)	3,7	(137)	5,7	(67)	3,7	(89)	3,9	(88)	4,2	(74)	4,7	(32)	3,7	(99)	3,2	(100)	2,8	(106)	3,0	(117)	3,4	(110)	2,6	(118)
Greece	3,9	(90)	4,4	(80)	3,5	(96)	4,5	(45)	3,3	(140)	6,1	(37)	4,1	(65)	4,7	(46)	3,9	(107)	3,6	(126)	3,5	(110)	4,2	(47)	4,4	(42)	3,4	(81)	3,8	(77)	3,0	(88)
Moldova	3,9	(93)	4,1	(102)	3,4	(106)	3,3	(96)	4,3	(103)	5,5	(86)	3,6	(103)	3,9	(83)	4,3	(75)	4,3	(75)	3,6	(105)	3,5	(78)	2,4	(122)	2,9	(127)	3,3	(117)	2,4	(128)
Romania	4,1	(77)	4,3	(89)	3,5	(99)	3,4	(95)	4,5	(87)	5,7	(66)	4,1	(62)	4,4	(55)	4,0	(96)	4,1	(92)	3,9	(84)	3,8	(60)	4,4	(44)	3,2	(99)	3,5	(102)	2,9	(95)
Russian Federation	4,2	(66)	4,6	(63)	3,1	(128)	4,5	(48)	5,2	(44)	5,7	(68)	4,2	(55)	4,5	(52)	3,6	(128)	4,4	(65)	3,2	(127)	3,7	(68)	5,7	(8)	3,2	(97)	3,3	(114)	3,1	(71)
Turkey	4,3	(59)	4,6	(64)	3,7	(80)	4,4	(51)	4,8	(69)	5,6	(75)	4,2	(52)	4,0	(74)	4,4	(47)	3,5	(133)	4,3	(55)	3,9	(55)	5,2	(17)	3,6	(58)	4,1	(58)	3,1	(69)
Ukraine	4,0	(82)	4,2	(98)	3,0	(131)	3,9	(71)	4,2	(112)	5,6	(74)	4,0	(74)	4,6	(51)	3,6	(129)	4,4	(61)	3,4	(116)	3,5	(82)	4,5	(38)	3,3	(93)	3,5	(103)	3,1	(74)
BS-10 average score	4,1		4,4		3,5		4,0		4,5		5,6		4,0		4,2		4,0		4,3		3,7		3,7		3,9		3,2		3,6		2,9	

Source: Global Competitiveness Report 2011-2012 (World Bank)

GCI – table 4

EU-27 Global Competitiveness Index (GCI), 2010 - 2011																																
Economies/ out of 139	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation and sophistication factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Austria	5,1	(18)	5,7	(15)	5,4	(15)	5,6	(20)	5,3	(24)	6,4	(17)	4,9	(19)	5,4	(16)	5,0	(19)	4,8	(32)	4,7	(23)	5,1	(18)	4,6	(33)	5,0	(13)	5,5	(6)	4,5	(20)
Belgium	5,1	(19)	5,5	(22)	5,0	(29)	5,5	(21)	4,6	(72)	6,8	(1)	5,0	(17)	5,7	(7)	5,1	(16)	4,6	(43)	4,6	(34)	5,2	(13)	4,8	(27)	4,9	(15)	5,2	(11)	4,6	(15)
Bulgaria	4,1	(71)	4,4	(72)	3,3	(114)	3,6	(80)	5,0	(42)	5,8	(58)	4,1	(65)	4,1	(67)	4,0	(82)	4,5	(58)	4,0	(91)	4,0	(48)	3,8	(63)	3,2	(95)	3,5	(95)	2,9	(92)
Cyprus	4,5	(40)	5,3	(29)	4,9	(30)	5,1	(26)	4,6	(67)	6,5	(12)	4,5	(36)	4,9	(29)	5,0	(20)	4,6	(42)	5,0	(15)	4,4	(38)	2,8	(104)	4,1	(36)	4,5	(33)	3,7	(38)
Czech Republic	4,6	(36)	4,9	(44)	3,9	(72)	4,8	(39)	4,9	(48)	6,1	(43)	4,7	(28)	5,1	(24)	4,6	(35)	4,7	(33)	4,5	(48)	4,5	(32)	4,5	(42)	4,2	(30)	4,5	(34)	3,9	(27)
Denmark	5,3	(9)	5,9	(7)	5,8	(5)	5,7	(13)	5,6	(16)	6,4	(20)	5,2	(9)	5,8	(3)	5,1	(13)	5,5	(5)	4,9	(18)	5,6	(6)	4,3	(52)	5,1	(9)	5,4	(7)	4,9	(10)
Estonia	4,6	(33)	5,4	(25)	4,9	(31)	4,9	(32)	5,4	(19)	6,3	(29)	4,5	(34)	5,2	(22)	4,7	(29)	4,9	(17)	4,5	(45)	4,9	(24)	2,9	(101)	3,9	(45)	4,1	(56)	3,7	(37)
Finland	5,4	(7)	6,0	(5)	6,0	(4)	5,6	(17)	5,6	(15)	6,8	(2)	5,1	(14)	6,1	(1)	4,9	(24)	4,8	(22)	5,4	(4)	5,2	(15)	4,1	(56)	5,4	(6)	5,3	(10)	5,6	(3)
France	5,1	(15)	5,7	(16)	5,0	(26)	6,2	(4)	5,0	(44)	6,4	(16)	5,1	(15)	5,4	(17)	4,7	(32)	4,5	(60)	5,0	(16)	5,3	(12)	5,8	(7)	4,8	(16)	5,2	(12)	4,5	(19)
Germany	5,4	(5)	5,9	(6)	5,5	(13)	6,4	(2)	5,3	(23)	6,3	(25)	5,1	(13)	5,3	(19)	5,0	(21)	4,4	(70)	4,6	(36)	5,4	(10)	6,0	(5)	5,5	(5)	5,8	(3)	5,2	(8)
Greece	4,0	(83)	4,5	(67)	3,7	(84)	4,6	(42)	3,6	(123)	6,1	(40)	4,1	(59)	4,7	(42)	3,9	(94)	3,7	(125)	3,9	(93)	4,1	(46)	4,5	(39)	3,4	(73)	3,8	(74)	3,0	(79)
Hungary	4,3	(52)	4,6	(59)	3,8	(79)	4,4	(51)	4,6	(69)	5,9	(57)	4,4	(41)	4,8	(34)	4,2	(67)	4,5	(62)	4,2	(68)	4,4	(67)	4,3	(49)	3,7	(51)	3,9	(69)	3,6	(41)
Ireland	4,7	(29)	5,2	(35)	5,1	(24)	4,8	(38)	4,3	(95)	6,5	(10)	4,7	(25)	5,2	(23)	5,1	(14)	4,9	(20)	3,8	(98)	5,0	(21)	4,2	(54)	4,5	(21)	4,8	(20)	4,2	(22)
Italy	4,4	(48)	4,8	(46)	3,6	(92)	4,9	(31)	4,5	(76)	6,3	(26)	4,3	(45)	4,6	(47)	4,2	(68)	3,8	(118)	3,7	(101)	4,1	(43)	5,6	(9)	4,1	(32)	4,8	(23)	3,4	(50)
Latvia	4,1	(70)	4,6	(61)	3,8	(75)	4,3	(55)	4,5	(84)	5,9	(55)	4,1	(63)	4,8	(35)	4,1	(72)	4,6	(52)	4,0	(86)	4,0	(51)	3,0	(95)	3,4	(77)	3,7	(80)	3,0	(77)
Lithuania	4,4	(47)	4,8	(52)	4,0	(60)	4,6	(43)	4,6	(71)	5,9	(52)	4,3	(49)	5,1	(25)	4,1	(73)	4,6	(48)	4,0	(89)	4,5	(33)	3,5	(77)	3,8	(48)	4,2	(49)	3,4	(51)
Luxembourg	5,0	(20)	5,8	(10)	5,7	(9)	5,6	(19)	5,7	(9)	6,3	(27)	4,9	(20)	4,7	(41)	5,5	(3)	4,7	(37)	5,3	(6)	6,1	(2)	3,2	(89)	4,8	(19)	5,0	(19)	4,5	(16)
Malta	4,3	(50)	5,1	(40)	4,8	(34)	4,4	(48)	4,8	(52)	6,2	(30)	4,3	(47)	4,8	(37)	4,6	(36)	4,1	(98)	5,2	(11)	4,9	(29)	2,3	(125)	3,9	(46)	4,3	(40)	3,4	(48)
Netherlands	5,3	(8)	5,8	(9)	5,5	(12)	5,9	(7)	5,3	(25)	6,5	(8)	5,2	(8)	5,6	(10)	5,2	(8)	5,6	(10)	5,2	(8)	6,0	(3)	5,1	(19)	5,2	(8)	5,6	(5)	4,8	(13)
Poland	4,5	(39)	4,7	(56)	4,2	(54)	3,8	(72)	4,7	(61)	6,1	(39)	4,6	(30)	5,0	(26)	4,4	(45)	4,6	(53)	4,7	32	4,0	(47)	5,1	(21)	3,8	(50)	4,2	(50)	3,3	(54)
Portugal	4,4	(46)	5,0	(42)	4,4	(48)	5,3	(24)	4,3	(96)	6,1	(41)	4,4	(43)	4,8	(39)	4,3	(52)	3,9	(117)	4,3	(59)	4,6	(31)	4,3	(45)	4,0	(39)	4,2	(51)	3,8	(32)
Romania	4,2	(67)	4,4	(77)	3,7	(81)	3,4	(92)	4,5	(78)	5,8	(63)	4,2	(54)	4,5	(54)	4,1	(76)	4,0	(81)	3,8	(58)	4,4	(43)	3,2	(91)	3,2	(91)	3,5	(93)	2,9	(87)
Slovak Republic	4,2	(60)	4,8	(53)	3,6	(89)	4,2	(57)	5,2	(32)	6,1	(45)	4,4	(37)	4,5	(53)	4,3	(51)	4,7	(40)	4,6	(37)	4,5	(34)	4,0	(58)	3,5	(63)	4,1	(57)	3,0	(85)
Slovenia	4,4	(45)	5,2	(34)	4,4	(50)	4,8	(36)	5,2	(34)	6,3	(23)	4,3	(46)	5,3	(21)	4,5	(39)	4,3	(80)	4,0	(77)	4,5	(35)	3,4	(78)	4,1	(35)	4,4	(36)	3,7	(34)
Spain	4,5	(42)	5,1	(38)	4,3	(53)	5,7	(14)	4,6	(66)	6,0	(49)	4,6	(32)	4,9	(31)	4,2	(62)	3,9	(115)	4,3	(56)	4,6	(30)	5,5	(13)	4,0	(41)	4,5	(35)	3,5	(46)
Sweden	5,6	(2)	6,0	(4)	6,1	(2)	5,8	(10)	5,6	(14)	6,4	(18)	5,3	(5)	5,9	(2)	5,3	(5)	4,9	(18)	5,1	(13)	6,1	(1)	4,6	(34)	5,7	(3)	5,9	(2)	5,5	(5)
United Kingdom	5,3	(12)	5,6	(18)	5,3	(17)	5,9	(8)	4,8	(56)	6,4	(19)	5,3	(7)	5,3	(18)	5,0	(22)	5,3	(8)	4,7	(25)	5,6	(8)	5,8	(6)	5,0	(12)	5,3	(9)	4,6	(14)
EU-27	4,7		5,2		4,7		5,0		4,9		6,2		4,7		5,1		4,6		4,6		4,5		4,9		4,3		4,3		4,6		4,0	

Source: Global Competitiveness Report 2010-2011 (World Bank)

GCI – table 5

BS-10 Global Competitiveness Index (GCI), 2010 - 2011																																
Economies/ out of 139	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation and sophistication factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Armenia	3,8	(98)	4,1	(94)	3,5	(97)	3,5	(90)	4,2	(99)	5,4	(93)	3,5	(106)	3,7	(91)	3,7	(113)	4,6	(47)	3,6	(110)	3,0	(108)	2,5	(116)	3,0	(114)	3,3	(109)	2,6	(116)
Azerbaijan	4,3	(57)	4,7	(58)	3,9	(71)	3,7	(76)	5,6	(13)	5,5	(83)	4,0	(75)	4,0	(77)	3,9	(93)	4,8	(25)	4,1	(71)	3,6	(70)	3,5	(76)	3,5	(66)	3,8	(72)	3,2	(61)
Bulgaria	4,1	(71)	4,4	(72)	3,3	(114)	3,6	(80)	5,0	(42)	5,8	(58)	4,1	(65)	4,1	(67)	4,0	(82)	4,5	(58)	4,0	(91)	4,0	(48)	3,8	(63)	3,2	(95)	3,5	(95)	2,9	(92)
Georgia	3,9	(93)	4,1	(95)	3,9	(69)	3,8	(73)	3,3	(130)	5,6	(73)	3,7	(94)	3,7	(90)	4,2	(64)	4,8	(31)	3,6	(108)	3,1	(98)	2,8	(107)	2,9	(121)	3,3	(111)	2,5	(125)
Greece	4,0	(83)	4,5	(67)	3,7	(84)	4,6	(42)	3,6	(123)	6,1	(40)	4,1	(59)	4,7	(42)	3,9	(94)	3,7	(125)	3,9	(93)	4,1	(46)	4,5	(39)	3,4	(73)	3,8	(74)	3,0	(79)
Moldova	3,9	(94)	4,1	(97)	3,4	(102)	3,2	(97)	4,3	(90)	5,5	(84)	3,6	(99)	3,9	(78)	3,8	(104)	4,4	(68)	3,7	(103)	3,3	(89)	2,4	(121)	2,9	(123)	3,3	(113)	2,5	(129)
Romania	4,2	(67)	4,4	(77)	3,7	(81)	3,4	(92)	4,5	(78)	5,8	(63)	4,2	(54)	4,5	(54)	4,1	(76)	4,0	(81)	3,8	(58)	4,4	(43)	3,2	(91)	3,2	(91)	3,5	(93)	2,9	(87)
Russian Federation	4,2	(63)	4,5	(65)	3,2	(118)	4,5	(47)	4,5	(79)	5,9	(53)	4,2	(53)	4,6	(50)	3,6	(123)	4,5	(57)	3,2	(125)	3,6	(69)	5,7	(8)	3,4	(80)	3,5	(101)	3,2	(57)
Turkey	4,2	(61)	4,5	(68)	3,6	(88)	4,2	(56)	4,5	(83)	5,6	(72)	4,18	(55)	4,0	(71)	4,21	(59)	3,6	(127)	4,2	(61)	3,9	(56)	5,2	(16)	3,5	(57)	4,2	(52)	3,1	(67)
Ukraine	3,9	(89)	3,9	(102)	3,0	(134)	3,8	(68)	3,2	(132)	5,7	(66)	4,0	(72)	4,6	(46)	3,5	(129)	4,5	(54)	3,3	(119)	3,4	(83)	4,5	(38)	3,3	(88)	3,5	(100)	3,1	(63)
BS-10	4,09		4,43		3,567		3,86		4,37		5,9		4,14		4,427		4,05		4,07		3,9		4,167		3,833		3,27		3,5857		2,871	

Source: Global Competitiveness Report 2010-2011 (World Bank)

GCI – table 6

EU-27 Global Competitiveness Index (GCI), 2009 - 2010																																
Economy /out of 133	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation and sophistication factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Austria	5,1	(17)	5,7	(13)	5,6	(14)	5,9	(9)	5,2	(37)	6,1	(18)	5,0	(19)	5,2	(17)	5,1	(11)	4,7	(34)	4,9	(27)	5,4	(19)	4,6	(33)	5,0	(11)	5,5	(7)	4,5	(19)
Belgium	5,1	(18)	5,4	(20)	5,0	(24)	5,6	(18)	4,7	(56)	6,4	(3)	5,0	(18)	5,5	(8)	5,1	(13)	4,7	(44)	4,9	(25)	5,3	(22)	4,8	(25)	5,0	(13)	5,3	(11)	4,6	(14)
Bulgaria	4,0	(76)	4,1	(80)	3,2	(116)	2,9	(102)	4,9	(45)	5,5	(58)	4,1	(62)	4,1	(60)	4,0	(81)	4,5	(54)	4,1	(76)	3,8	(56)	3,9	(58)	3,3	(89)	3,7	(89)	2,9	(91)
Cyprus	4,6	(34)	5,4	(21)	5,0	(22)	5,2	(24)	5,2	(39)	6,3	(5)	4,5	(41)	4,8	(28)	4,9	(24)	4,6	(46)	5,0	(18)	4,5	(38)	4,5	(99)	4,2	(32)	4,7	(31)	3,7	(35)
Czech Republic	4,7	(31)	4,8	(45)	3,9	(62)	4,3	(48)	5,0	(43)	5,9	(33)	4,8	(24)	5,1	(24)	4,8	(27)	4,9	(20)	4,6	(42)	4,8	(30)	4,5	(40)	4,4	(26)	4,8	(25)	4,0	(25)
Denmark	5,5	(5)	6,0	(4)	6,1	(3)	5,8	(12)	5,7	(14)	6,3	(6)	5,4	(6)	5,9	(2)	5,2	(7)	5,5	(5)	5,3	(8)	5,9	(4)	4,3	(49)	5,3	(7)	5,5	(8)	5,0	(10)
Estonia	4,6	(35)	5,1	(34)	4,9	(31)	4,7	(34)	4,9	(47)	6,0	(28)	4,7	(27)	5,1	(21)	4,8	(28)	4,9	(21)	4,8	(29)	5,5	(16)	3,1	(34)	4,0	(42)	4,3	(48)	3,6	(37)
Finland	5,4	(6)	6,0	(1)	6,1	(4)	5,9	(10)	5,8	(12)	6,5	(1)	5,2	(12)	6,0	(1)	5,0	(19)	5,9	(23)	5,3	(7)	5,6	(10)	4,2	(53)	5,5	(6)	5,4	(9)	5,5	(3)
France	5,1	(16)	5,6	(15)	5,0	(26)	6,5	(3)	4,7	(58)	6,2	(11)	5,1	(16)	5,3	(15)	4,9	(25)	4,4	(67)	5,0	(21)	5,2	(24)	5,8	(8)	4,9	(15)	5,3	(10)	4,5	(18)
Germany	5,4	(7)	5,9	(8)	5,5	(16)	6,6	(1)	5,3	(30)	6,0	(24)	5,1	(14)	5,1	(22)	5,0	(18)	4,3	(70)	4,7	(36)	5,6	(12)	6,0	(5)	5,5	(5)	5,8	(2)	5,1	(7)
Greece	4,0	(71)	4,5	(56)	3,8	(70)	4,3	(47)	4,0	(103)	5,8	(41)	4,1	(57)	4,4	(43)	4,1	(75)	3,8	(116)	4,0	(83)	3,9	(53)	4,6	(34)	3,6	(66)	4,0	(66)	3,1	(65)
Hungary	4,2	(58)	4,5	(58)	3,8	(86)	4,0	(57)	4,5	(83)	5,6	(53)	4,4	(45)	4,6	(35)	4,2	(64)	4,4	(63)	4,2	(69)	4,4	(40)	4,4	(45)	3,7	(61)	3,9	(76)	3,5	(45)
Ireland	4,8	(25)	5,1	(37)	5,2	(19)	4,2	(52)	4,6	(65)	6,2	(10)	4,9	(22)	5,1	(20)	5,1	(15)	4,9	(22)	4,6	(45)	5,3	(21)	4,3	(52)	4,6	(20)	5,0	(18)	4,3	(22)
Italy	4,3	(48)	4,4	(67)	3,4	(97)	4,0	(59)	4,1	(102)	6,0	(26)	4,4	(46)	4,4	(49)	4,2	(65)	3,7	(117)	3,8	(100)	4,5	(39)	5,7	(9)	4,2	(34)	4,9	(20)	3,4	(50)
Latvia	4,1	(68)	4,5	(60)	3,9	(65)	4,0	(56)	4,2	(99)	5,7	(50)	4,2	(51)	4,7	(34)	4,3	(57)	4,7	(37)	4,3	(60)	4,0	(47)	3,3	(83)	3,4	(86)	3,8	(82)	2,9	(88)
Lithuania	4,3	(53)	4,7	(47)	4,0	(59)	4,4	(43)	4,7	(57)	5,6	(55)	4,3	(47)	4,8	(30)	4,3	(59)	4,6	(45)	4,2	(72)	4,5	(36)	3,6	(69)	3,8	(53)	4,2	(56)	3,3	(58)
Luxembourg	5,0	(21)	5,9	(7)	5,9	(6)	5,6	(19)	6,0	(6)	6,0	(25)	4,8	(23)	4,5	(39)	5,4	(3)	4,7	(42)	5,3	(9)	5,9	(5)	3,3	(85)	4,6	(22)	4,9	(22)	4,3	(21)
Malta	4,3	(52)	5,0	(41)	4,8	(33)	4,6	(38)	4,5	(81)	5,9	(82)	4,3	(48)	4,6	(37)	4,5	(40)	4,1	(93)	5,2	(13)	5,1	(27)	2,4	(121)	3,8	(48)	4,3	(46)	3,3	(53)
Netherlands	5,3	(10)	5,7	(12)	5,7	(10)	5,7	(15)	5,2	(38)	6,2	(14)	5,3	(10)	5,5	(10)	5,2	(6)	4,8	(27)	4,9	(23)	6,0	(2)	5,1	(18)	5,2	(9)	5,5	(6)	4,8	(13)
Poland	4,3	(46)	4,3	(71)	3,9	(66)	2,9	(103)	4,6	(74)	5,9	(35)	4,6	(31)	4,8	(27)	4,3	(53)	4,5	(50)	4,6	(44)	4,0	(48)	5,1	(20)	3,8	(46)	4,4	(44)	3,3	(52)
Portugal	4,4	(43)	5,1	(39)	4,5	(44)	5,2	(23)	4,5	(79)	6,0	(41)	4,4	(43)	4,6	(38)	4,4	(51)	4,0	(103)	4,3	(62)	4,7	(31)	4,4	(43)	4,0	(41)	4,3	(53)	3,7	(33)
Romania	4,1	(64)	4,1	(86)	3,7	(84)	2,7	(110)	4,6	(75)	5,5	(63)	4,3	(49)	4,3	(52)	4,2	(61)	4,3	(79)	4,4	(56)	3,8	(58)	4,5	(41)	3,4	(75)	3,8	(83)	3,1	(70)
Slovak Republic	4,3	(47)	4,6	(54)	3,7	(78)	3,9	(43)	5,1	(40)	5,7	(48)	4,6	(34)	4,4	(47)	4,7	(32)	4,8	(29)	4,8	(28)	4,6	(33)	4,1	(57)	3,7	(57)	4,3	(51)	3,1	(68)
Slovenia	4,6	(37)	5,2	(29)	4,5	(46)	4,8	(31)	5,3	(26)	6,1	(22)	4,5	(37)	5,2	(19)	4,6	(38)	4,5	(56)	4,5	(48)	4,7	(32)	3,6	(72)	4,2	(30)	4,6	(33)	3,8	(29)
Spain	4,6	(33)	5,1	(38)	4,4	(49)	5,4	(22)	4,7	(62)	5,8	(38)	4,7	(29)	4,7	(33)	4,5	(46)	4,1	(97)	4,5	(50)	4,8	(29)	5,5	(13)	4,1	(35)	4,7	(28)	3,6	(40)
Sweden	5,5	(4)	6,0	(5)	6,1	(2)	5,8	(14)	5,7	(15)	6,2	(12)	5,3	(7)	5,7	(3)	5,3	(4)	4,9	(19)	5,2	(12)	6,2	(1)	4,6	(32)	5,5	(4)	5,7	(4)	5,4	(5)
United Kingdom	5,2	(13)	5,3	(26)	5,1	(21)	5,4	(20)	4,6	(71)	6,1	(23)	5,3	(8)	5,2	(18)	5,0	(20)	5,2	(8)	4,9	(24)	5,8	(8)	5,8	(6)	4,9	(14)	5,2	(12)	4,6	(15)
EU-27	4,7		5,1		4,7		4,8		4,9		6,0		4,7		4,9		4,7		4,6		4,7		5,0		4,4		4,3		4,7		4,0	

Source: Global Competitiveness Report 2009-2010 (World Bank)

GCI – table 7

BS-10 Global Competitiveness Index (GCI), 2009 - 2010																																
Economy /out of 133	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation and sophistication factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Armenia	3,7	(97)	4,1	(81)	3,5	(95)	3,2	(81)	4,8	(53)	5,0	(97)	3,5	(99)	3,5	(96)	3,7	(116)	4,6	(47)	3,8	(97)	2,9	(105)	2,7	(109)	3,0	(112)	3,3	(112)	2,7	(108)
Azerbaijan	4,3	(51)	4,6	(50)	4,1	(55)	4,0	(58)	5,3	(27)	5,0	(96)	4,0	(71)	3,9	(72)	4,2	(71)	5,1	(13)	4,2	(66)	3,4	(75)	3,4	(78)	3,7	(56)	3,9	(74)	3,5	(42)
Bulgaria	4,0	(76)	4,13	(80)	3,2	(116)	2,9	(102)	4,9	(45)	5,5	(58)	4,1	(62)	4,1	(60)	4,0	(81)	4,5	(54)	4,1	(76)	3,8	(56)	3,9	(58)	3,3	(89)	3,7	(89)	2,9	(91)
Georgia	3,8	(90)	4,1	(85)	3,8	(72)	3,6	(72)	3,7	(117)	5,3	(78)	3,7	(89)	3,7	(84)	4,1	(74)	4,9	(17)	3,8	(95)	2,9	(100)	2,9	(101)	2,9	(117)	3,3	(113)	2,6	(119)
Greece	4,0	(71)	4,49	(56)	3,8	(70)	4,3	(47)	4,0	(103)	5,8	(41)	4,1	(57)	4,4	(43)	4,1	(75)	3,8	(116)	4,0	(83)	3,9	(53)	4,6	(34)	3,6	(66)	4,0	(66)	3,1	(65)
Moldova	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Romania	4,1	(64)	4,1	(86)	3,6	(84)	2,7	(110)	4,6	(75)	5,5	(63)	4,3	(49)	4,3	(52)	4,2	(61)	4,3	(79)	4,4	(56)	3,8	(58)	4,5	(41)	3,4	(75)	3,8	(83)	3,1	(70)
Russian Federation	4,2	(63)	4,4	(64)	3,2	(114)	3,6	(71)	5,2	(36)	5,6	(51)	4,2	(52)	4,3	(51)	3,7	(108)	4,7	(43)	3,3	(119)	3,4	(74)	5,8	(7)	3,5	(73)	3,6	(95)	3,4	(51)
Turkey	4,2	(61)	4,34	(69)	3,4	(96)	3,9	(62)	4,7	(64)	5,3	(74)	4,2	(54)	3,9	(73)	4,3	(56)	3,7	(120)	4,1	(80)	3,8	(54)	5,2	(15)	3,7	(58)	4,3	(52)	3,1	(69)
Ukraine	4,0	(82)	4,0	(94)	3,1	(120)	3,4	(78)	4,0	(106)	5,4	(68)	4,0	(68)	4,4	(46)	3,7	(109)	4,6	(49)	3,6	(106)	3,4	(80)	4,7	(29)	3,4	(80)	3,6	(91)	3,2	(62)
BS-10	4,0		4,27		3,5		3,4		4,5		5,5		4,2		4,2		4,2		4,1		4,1		3,8		4,6		3,5		3,9		3,1	

Source: Global Competitiveness Report 2009-2010 (World Bank)

GCI – table 8

EU-27 Global Competitiveness Index (GCI), 2008 - 2009																																
Economy of 134 /out	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements											Efficiency enhancers											Innovation and sophistication factors							
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	macroeconomic environment - Score	macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Austria	5,2	(14)	5,8	(9)	5,7	(11)	5,9	(10)	5,4	(44)	6,3	(13)	5,0	(20)	5,3	(17)	5,4	(5)	4,7	(39)	5,0	(33)	5,3	(16)	4,6	(32)	5,2	(12)	5,7	(6)	4,7	(15)
Belgium	5,1	(19)	5,6	(18)	5,2	(21)	5,6	(16)	5,1	(60)	6,5	(3)	5,0	(21)	5,6	(6)	5,2	(12)	4,3	(79)	5,3	(23)	5,0	(23)	4,8	(25)	5,0	(15)	5,4	(11)	4,7	(14)
Bulgaria	4,0	(76)	4,2	(82)	3,3	(111)	2,8	(95)	5,2	(54)	5,5	(68)	4,1	(65)	4,1	(61)	4,1	(77)	4,4	(60)	4,2	(74)	3,7	(53)	3,8	(58)	3,3	(92)	3,7	(92)	2,9	(96)
Cyprus	4,5	(40)	5,5	(23)	5,0	(24)	5,2	(25)	5,3	(46)	6,4	(7)	4,4	(39)	4,7	(32)	4,9	(28)	4,4	(56)	5,1	(27)	4,4	(35)	3,1	(82)	4,1	(41)	4,6	(36)	3,5	(41)
Czech Republic	4,6	(33)	4,9	(45)	3,9	(72)	4,1	(50)	5,4	(42)	6,1	(29)	4,7	(28)	5,0	(25)	4,7	(33)	4,7	(28)	4,8	(47)	4,5	(33)	4,5	(38)	4,4	(25)	4,8	(29)	4,0	(25)
Denmark	5,6	(3)	6,1	(4)	6,2	(3)	6,0	(8)	5,9	(12)	6,4	(4)	5,5	(3)	6,0	(2)	5,4	(4)	5,6	(5)	5,8	(4)	5,9	(3)	4,3	(46)	5,4	(7)	5,7	(5)	5,1	(10)
Estonia	4,7	(32)	5,3	(30)	4,9	(33)	4,4	(40)	5,7	(23)	6,1	(28)	4,7	(26)	5,2	(19)	5,0	(24)	4,7	(29)	5,1	(28)	5,3	(17)	3,0	(90)	4,1	(40)	4,4	(50)	3,7	(31)
Finland	5,5	(6)	6,2	(1)	6,2	(2)	5,9	(9)	6,0	(8)	6,6	(1)	5,2	(13)	6,1	(1)	5,2	(11)	4,8	(23)	5,5	(12)	5,5	(14)	4,2	(52)	5,5	(5)	5,5	(10)	5,6	(2)
France	5,2	(16)	5,8	(13)	5,1	(23)	6,5	(2)	5,0	(65)	6,4	(9)	5,1	(16)	5,4	(16)	5,0	(21)	4,1	(105)	5,2	(25)	5,2	(20)	5,7	(7)	5,1	(14)	5,5	(9)	4,7	(16)
Germany	5,5	(7)	6,0	(7)	5,7	(14)	6,7	(1)	5,4	(40)	6,1	(24)	5,2	(11)	5,2	(21)	5,2	(15)	4,4	(58)	5,4	(19)	5,2	(18)	6,0	(4)	5,5	(4)	5,9	(1)	5,2	(8)
Greece	4,1	(67)	4,7	(51)	4,1	(58)	4,3	(45)	4,4	(106)	5,9	(40)	4,2	(57)	4,5	(38)	4,2	(64)	3,9	(116)	4,3	(67)	3,5	(59)	4,5	(33)	3,7	(68)	4,1	(66)	3,2	(63)
Hungary	4,2	(62)	4,4	(64)	3,9	(64)	3,9	(57)	4,2	(115)	5,7	(49)	4,3	(48)	4,5	(40)	4,2	(66)	4,2	(83)	4,4	(61)	4,2	(40)	4,3	(45)	3,8	(55)	4,1	(68)	3,5	(45)
Ireland	5,0	(22)	5,2	(32)	5,4	(17)	4,0	(53)	5,3	(47)	6,3	(14)	5,1	(19)	5,2	(20)	5,3	(8)	5,0	(15)	5,7	(7)	5,0	(24)	4,2	(48)	4,7	(20)	5,1	(19)	4,4	(21)
Italy	4,4	(49)	4,5	(58)	3,7	(84)	3,9	(54)	4,5	(100)	6,0	(30)	4,4	(42)	4,4	(44)	4,2	(62)	3,6	(126)	3,9	(91)	4,5	(31)	5,7	(9)	4,2	(31)	5,0	(21)	3,4	(53)
Latvia	4,3	(54)	4,6	(55)	4,1	(60)	3,8	(58)	4,9	(71)	5,8	(48)	4,3	(47)	4,7	(33)	4,5	(52)	4,7	(32)	4,8	(39)	4,0	(41)	3,2	(79)	3,4	(84)	3,9	(83)	2,9	(93)
Lithuania	4,5	(44)	4,8	(46)	4,2	(55)	4,2	(46)	5,2	(52)	5,7	(52)	4,4	(43)	4,9	(26)	4,5	(48)	4,5	(49)	4,5	(56)	4,3	(38)	3,5	(69)	3,9	(49)	4,4	(49)	3,4	(55)
Luxembourg	4,9	(25)	5,8	(12)	5,7	(13)	5,4	(20)	6,0	(7)	6,0	(31)	4,7	(27)	4,4	(47)	5,2	(13)	4,5	(48)	5,4	(17)	5,5	(12)	3,1	(83)	4,5	(24)	4,9	(25)	4,2	(23)
Malta	4,3	(52)	5,1	(40)	4,9	(32)	4,5	(38)	5,0	(68)	6,0	(32)	4,4	(44)	4,5	(39)	4,6	(43)	4,1	(100)	5,4	(18)	4,8	(27)	2,8	(97)	3,7	(56)	4,2	(59)	3,3	(60)
Netherlands	5,4	(8)	5,8	(10)	5,8	(10)	5,7	(12)	5,5	(36)	6,3	(11)	5,4	(7)	5,5	(11)	5,4	(3)	4,7	(30)	5,6	(11)	6,0	(1)	5,1	(18)	5,2	(9)	5,6	(8)	4,8	(12)
Poland	4,3	(53)	4,4	(70)	3,6	(88)	2,8	(96)	5,3	(50)	5,9	(39)	4,4	(41)	4,6	(34)	4,2	(65)	4,4	(62)	4,3	(68)	3,8	(46)	5,0	(20)	3,7	(61)	4,2	(62)	3,2	(64)
Portugal	4,5	(43)	5,1	(37)	4,8	(35)	5,1	(26)	4,7	(82)	6,0	(33)	4,5	(34)	4,6	(37)	4,5	(45)	4,2	(87)	4,7	(43)	4,5	(32)	4,3	(43)	4,0	(43)	4,4	(48)	3,7	(35)
Romania	4,1	(68)	4,2	(87)	3,6	(89)	2,6	(105)	4,9	(76)	5,6	(66)	4,2	(54)	4,3	(52)	4,2	(67)	4,1	(97)	4,4	(60)	3,7	(48)	4,4	(42)	3,5	(75)	3,9	(78)	3,1	(69)
Slovak Republic	4,4	(46)	4,7	(52)	3,9	(73)	3,6	(64)	5,3	(49)	5,8	(44)	4,5	(32)	4,4	(45)	4,7	(35)	4,7	(36)	5,0	(31)	4,4	(36)	3,9	(56)	3,8	(53)	4,3	(53)	3,3	(58)
Slovenia	4,5	(42)	5,1	(38)	4,4	(49)	4,5	(36)	5,5	(33)	6,2	(21)	4,5	(37)	5,2	(22)	4,5	(50)	4,4	(61)	4,7	(46)	4,5	(30)	3,4	(70)	4,2	(33)	4,6	(34)	3,7	(33)
Spain	4,7	(29)	5,3	(27)	4,6	(43)	5,3	(22)	5,5	(30)	6,0	(35)	4,8	(25)	4,8	(30)	4,6	(41)	4,1	(96)	4,9	(36)	4,6	(29)	5,5	(12)	4,3	(29)	4,9	(24)	3,6	(39)
Sweden	5,5	(4)	6,0	(6)	6,1	(4)	5,7	(13)	5,9	(15)	6,4	(8)	5,4	(9)	5,8	(3)	5,3	(7)	4,7	(26)	5,7	(8)	6,0	(2)	4,6	(30)	5,5	(6)	5,6	(7)	5,4	(5)
United Kingdom	5,3	(12)	5,5	(24)	5,0	(25)	5,5	(18)	5,2	(55)	6,2	(9)	5,5	(4)	5,3	(18)	5,1	(19)	5,2	(8)	5,8	(5)	5,6	(8)	5,8	(6)	4,9	(17)	5,2	(17)	4,7	(17)
EU-27	4,7		5,2		4,8		4,7		5,2		6,1		4,7		5,0		4,8		4,5		5,0		4,8		4,3		4,4		4,8		4,0	

Source: Global Competitiveness Report 2008-2009 (World Bank)

GCI – table 9



BS-10 Global Competitiveness Index (GCI), 2008 - 2009																																
Economy of 134	/out	GCI Score	GCI (Rank)	Subindexes																												
				Basic requirements										Efficiency enhancers										Innovation and sophistication factors								
				Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	macroeconomic environment - Score	macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market development - Score	Financial market development - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score
Armenia	3,7	(97)	4,0	(93)	3,5	(96)	2,9	(90)	4,7	(83)	5,1	(97)	3,4	(103)	3,4	(94)	3,7	(110)	4,6	(45)	3,7	(107)	2,6	(112)	2,5	(111)	3,0	(113)	3,3	(120)	2,8	(106)
Azerbaijan	4,1	(69)	4,5	(62)	4,0	(62)	3,7	(61)	5,3	(45)	4,7	(102)	3,8	(79)	3,8	(80)	4,0	(89)	4,7	(34)	3,9	(92)	3,2	(72)	3,4	(73)	3,7	(57)	3,9	(81)	3,5	(40)
Bulgaria	4,0	(76)	4,2	(82)	3,3	(111)	2,8	(95)	5,2	(54)	5,5	(68)	4,1	(65)	4,1	(61)	4,1	(77)	4,4	(60)	4,2	(74)	3,7	(53)	3,8	(58)	3,3	(92)	3,7	(92)	2,9	(96)
Georgia	3,86	(90)	4,1	(91)	3,9	(69)	3,2	(77)	4,0	(118)	5,1	(91)	3,7	(87)	3,7	(84)	4,2	(71)	4,8	(22)	4,1	(79)	2,8	(97)	2,7	(102)	3,1	(109)	3,4	(112)	2,7	(107)
Greece	4,1	(67)	4,7	(51)	4,1	(58)	4,3	(45)	4,4	(106)	5,9	(40)	4,2	(57)	4,5	(38)	4,2	(64)	3,9	(116)	4,3	(67)	3,5	(59)	4,5	(33)	3,7	(68)	4,1	(66)	3,2	(63)
Moldova	3,8	(95)	4,0	(95)	3,6	(92)	2,4	(113)	4,8	(80)	5,2	(89)	3,5	(98)	3,6	(88)	3,8	(105)	4,5	(55)	3,7	(104)	2,9	(95)	2,4	(114)	2,8	(128)	3,1	(131)	2,6	(116)
Romania	4,1	(68)	4,2	(87)	3,6	(89)	2,6	(105)	4,9	(76)	5,6	(66)	4,2	(54)	4,3	(52)	4,2	(67)	4,1	(97)	4,4	(60)	3,7	(48)	4,4	(42)	3,5	(75)	3,9	(78)	3,1	(69)
Russian Federation	4,3	(51)	4,5	(56)	3,3	(110)	3,7	(59)	5,6	(29)	5,6	(59)	4,3	(50)	4,4	(46)	3,9	(99)	4,7	(27)	3,6	(112)	3,4	(67)	5,7	(8)	3,6	(73)	3,7	(91)	3,4	(48)
Turkey	4,2	(63)	4,4	(63)	4,1	(80)	3,7	(66)	4,7	(79)	5,3	(78)	4,1	(59)	3,9	(72)	4,4	(55)	3,6	(125)	4,1	(76)	3,5	(58)	5,2	(15)	3,7	(63)	4,2	(60)	3,2	(66)
Ukraine	4,1	(72)	4,1	(86)	3,3	(115)	3,1	(79)	4,6	(91)	5,6	(60)	4,1	(58)	4,5	(43)	3,9	(103)	4,5	(54)	4,0	(85)	3,4	(65)	4,6	(31)	3,7	(66)	3,9	(80)	3,4	(52)
BS-10	4,1		4,4		3,8		3,3		4,8		5,6		4,1		4,2		4,2		4,0		4,3		3,6		4,5		3,5		4,0		3,1	

Source: Global Competitiveness Report 2008-2009 (World Bank)

GCI – table 10

EU-27 Global Competitiveness Index (GCI), 2007 - 2008																																
Economy of 131 /out	GCI Score	GCI (Rank)	Subindexes																													
			Basic requirements										Efficiency enhancers										Innovation factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic stability - Score	Macroeconomic stability - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market sophistication - Score	Financial market sophistication - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Austria	5,23	(15)	5,75	(10)	5,72	(11)	5,69	(14)	5,32	(40)	6,29	(15)	5,02	(21)	5,40	(17)	5,41	(5)	4,52	(42)	5,13	(28)	5,17	(18)	4,47	(35)	5,22	(11)	5,69	(5)	4,76	(15)
Belgium	5,10	(20)	5,48	(20)	5,06	(23)	5,65	(15)	4,90	(65)	6,31	(23)	4,96	(22)	5,57	(11)	5,20	(21)	4,10	(91)	5,37	(22)	4,82	(24)	4,68	(25)	5,09	(15)	5,44	(12)	4,74	(16)
Bulgaria	3,93	(79)	4,2	(76)	3,22	(109)	2,91	(84)	5,16	(47)	5,57	(56)	3,83	(72)	3,99	(66)	3,89	(90)	4,25	(73)	4,09	(74)	3,11	(65)	3,66	(61)	3,26	(91)	3,57	(92)	2,96	(98)
Cyprus	4,23	(55)	5,21	(31)	4,65	(36)	4,91	(26)	5,02	(55)	6,25	(18)	4,12	(53)	4,46	(38)	4,65	(37)	4,16	(80)	4,88	(39)	3,85	(44)	2,72	(98)	3,75	(55)	4,26	(50)	3,25	(61)
Czech Republic	4,58	(33)	4,85	(42)	3,84	(69)	4,22	(41)	5,26	(43)	6,06	(49)	4,54	(30)	4,85	(28)	4,65	(38)	4,64	(35)	4,60	(53)	4,12	(35)	4,38	(38)	4,33	(28)	4,71	(30)	3,95	(27)
Denmark	5,55	(3)	6,14	(1)	6,14	(2)	6,10	(7)	5,87	(10)	6,45	(3)	5,44	(4)	5,96	(3)	5,43	(3)	5,52	(5)	5,89	(6)	5,64	(5)	4,19	(45)	5,36	(8)	5,60	(6)	5,11	(10)
Estonia	4,74	(27)	5,25	(29)	4,74	(34)	4,38	(36)	5,85	(14)	6,06	(30)	4,66	(27)	5,18	(23)	4,95	(27)	4,76	(26)	5,10	(31)	5,07	(19)	2,89	(91)	4,07	(35)	4,39	(44)	3,75	(31)
Finland	5,49	(6)	6,11	(2)	6,16	(1)	5,84	(10)	5,87	(9)	6,58	(1)	5,19	(14)	6,01	(1)	5,35	(10)	4,75	(29)	5,58	(17)	5,36	(11)	4,08	(49)	5,56	(6)	5,46	(11)	5,67	(3)
France	5,18	(18)	5,70	(13)	5,09	(22)	6,46	(2)	4,93	(59)	6,31	(12)	5,04	(20)	5,38	(18)	5,03	(24)	4,06	(98)	5,20	(24)	4,88	(22)	5,66	(7)	5,08	(16)	5,47	(10)	4,69	(17)
Germany	5,51	(5)	5,82	(9)	5,83	(7)	6,65	(1)	4,93	(60)	5,88	(40)	5,28	(11)	5,33	(20)	5,29	(14)	4,45	(47)	5,64	(14)	5,05	(21)	5,90	(5)	5,70	(3)	5,93	(1)	5,46	(7)
Greece	4,08	(65)	4,7	(48)	4,31	(49)	4,38	(35)	4,29	(106)	5,83	(42)	4,07	(57)	4,44	(39)	4,24	(60)	3,69	(120)	4,41	(60)	3,29	(58)	4,33	(39)	3,68	(59)	4,13	(62)	3,23	(63)
Hungary	4,35	(47)	4,54	(55)	4,14	(54)	3,93	(54)	4,22	(107)	5,86	(41)	4,34	(40)	4,64	(33)	4,26	(59)	4,36	(58)	4,64	(51)	3,91	(41)	4,26	(41)	3,98	(43)	4,35	(46)	3,61	(37)
Ireland	5,03	(22)	5,31	(27)	5,25	(18)	4,03	(29)	5,69	(41)	6,28	(16)	5,05	(19)	5,26	(21)	5,41	(4)	4,87	(19)	5,91	(5)	4,65	(25)	4,17	(46)	4,80	(22)	5,07	(22)	4,54	(19)
Italy	4,36	(46)	4,55	(54)	3,77	(71)	3,91	(55)	4,46	(96)	6,08	(25)	4,38	(39)	4,55	(36)	4,32	(55)	3,50	(128)	3,96	(86)	4,37	(27)	5,61	(8)	4,18	(32)	4,91	(24)	3,45	(47)
Latvia	4,41	(45)	4,73	(47)	4,02	(59)	3,91	(56)	5,24	(44)	5,77	(45)	4,32	(42)	4,82	(29)	4,47	(47)	4,61	(36)	4,90	(38)	4,01	(40)	3,08	(82)	3,55	(72)	4,02	(71)	3,08	(77)
Lithuania	4,49	(38)	4,82	(43)	4,08	(58)	4,05	(48)	5,34	(38)	5,80	(43)	4,33	(41)	4,98	(25)	4,52	(44)	4,49	(44)	4,59	(54)	4,04	(38)	3,40	(67)	3,94	(44)	4,43	(42)	3,45	(48)
Luxembourg	4,88	(25)	5,67	(15)	5,50	(14)	5,37	(21)	5,80	(15)	5,99	(35)	4,75	(25)	4,40	(43)	5,23	(18)	4,56	(39)	5,85	(8)	5,38	(10)	3,09	(81)	4,57	(24)	4,96	(23)	4,18	(24)
Malta	4,21	(56)	4,92	(41)	4,78	(31)	4,11	(47)	4,90	(66)	5,89	(38)	4,12	(54)	4,44	(40)	4,51	(46)	3,96	(103)	5,40	(20)	4,25	(32)	2,16	(120)	3,70	(58)	4,15	(60)	3,24	(62)
Netherlands	5,40	(10)	5,90	(7)	5,73	(10)	5,84	(11)	5,73	(20)	6,31	(10)	5,31	(9)	5,57	(10)	5,37	(8)	4,71	(32)	5,63	(15)	5,65	(4)	4,95	(19)	5,21	(12)	5,54	(8)	4,88	(13)
Poland	4,28	(51)	4,41	(64)	3,65	(82)	3,03	(80)	5,01	(56)	5,96	(36)	4,30	(43)	4,62	(35)	4,12	(69)	4,44	(49)	4,32	(64)	3,44	(51)	4,88	(22)	3,66	(61)	4,04	(68)	3,28	(58)
Portugal	4,48	(40)	5,14	(35)	4,87	(27)	4,98	(25)	4,68	(81)	6,04	(32)	4,48	(33)	4,62	(34)	4,59	(41)	4,14	(83)	4,94	(35)	4,28	(31)	4,28	(40)	4,40	(38)	4,37	(45)	3,71	(33)
Romania	3,97	(74)	4,1	(88)	3,44	(94)	2,57	(100)	4,64	(84)	5,62	(52)	3,98	(62)	4,14	(54)	4,04	(74)	4,13	(85)	4,05	(78)	3,29	(59)	4,23	(43)	3,54	(73)	3,99	(73)	3,09	(76)
Slovak Republic	4,45	(41)	4,64	(50)	3,99	(60)	3,78	(58)	4,92	(62)	5,88	(39)	4,46	(34)	4,42	(41)	4,66	(35)	4,76	(25)	5,02	(33)	4,08	(36)	3,81	(57)	3,84	(52)	4,26	(52)	3,42	(51)
Slovenia	4,48	(39)	5,10	(37)	4,45	(44)	4,32	(37)	5,47	(29)	6,16	(22)	4,40	(38)	5,08	(24)	4,63	(39)	4,43	(51)	4,68	(47)	4,29	(29)	3,28	(72)	4,20	(30)	4,65	(31)	3,75	(30)
Spain	4,66	(29)	5,32	(26)	4,46	(43)	5,46	(19)	5,42	(32)	5,95	(37)	4,68	(26)	4,75	(31)	4,59	(40)	4,08	(95)	4,96	(34)	4,33	(28)	5,36	(12)	4,20	(31)	4,81	(27)	3,58	(39)
Sweden	5,54	(4)	5,94	(6)	5,86	(6)	5,71	(12)	5,76	(17)	6,44	(5)	5,34	(8)	5,98	(2)	5,37	(7)	4,61	(37)	5,73	(9)	5,87	(1)	4,47	(34)	5,62	(5)	5,70	(4)	5,53	(6)
United Kingdom	5,41	(9)	5,59	(16)	5,31	(15)	5,71	(13)	5,18	(46)	6,16	(21)	5,53	(2)	5,42	(15)	5,30	(13)	5,29	(7)	6,17	(2)	5,27	(16)	5,74	(6)	5,62	(5)	5,41	(13)	4,79	(14)
EU-27	4,74		5,18		4,74		4,74		5,18		6,07		4,66		4,97		4,80		4,44		5,06		4,50		4,21		4,45		4,79		4,04	

Source: Global Competitiveness Report 2007-2008 (World Bank)

GCI – table 11

BS-10 Global Competitiveness Index (GCI), 2007 - 2008																																
Economy of 131 /out	Subindexes																															
	GCI Score	GCI (Rank)	Basic requirements										Efficiency enhancers										Innovation factors									
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic stability - Score	Macroeconomic stability - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Goods market efficiency - Score	Goods market efficiency - Rank	Labor market efficiency - Score	Labor market efficiency - Rank	Financial market sophistication - Score	Financial market sophistication - Rank	Technological readiness - Score	Technological readiness - Rank	Market size - Score	Market size - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
			Armenia	3,76	(93)	4,1	(91)	3,4	(96)	2,85	(87)	4,98	(57)	4,96	(99)	3,36	(101)	3,35	(95)	3,71	(104)	4,54	(40)	3,59	(110)	2,55	(104)	2,42	(111)	3,06	(103)	3,26
Azerbaijan	4,07	(66)	4,41	(65)	3,64	(83)	3,58	(60)	5,69	(23)	4,73	(103)	3,65	(84)	3,51	(89)	3,82	(95)	4,48	(46)	3,88	(91)	2,92	(83)	3,29	(71)	3,60	(68)	3,84	(80)	3,36	(54)
Bulgaria	3,93	(79)	4,2	(76)	3,22	(109)	2,91	(84)	5,16	(47)	5,57	(56)	3,83	(72)	3,99	(66)	3,89	(90)	4,25	(73)	4,09	(74)	3,11	(65)	3,66	(61)	3,26	(91)	3,57	(92)	2,96	(98)
Georgia	3,83	(90)	4,07	(87)	3,62	(86)	2,92	(83)	4,49	(93)	5,26	(82)	3,55	(90)	3,59	(86)	3,95	(83)	4,75	(28)	3,98	(84)	2,56	(103)	2,49	(108)	2,90	(119)	3,14	(123)	2,65	(110)
Greece	4,08	(65)	4,7	(48)	4,31	(49)	4,38	(35)	4,29	(106)	5,83	(42)	4,07	(57)	4,44	(39)	4,24	(60)	3,69	(120)	4,41	(60)	3,29	(58)	4,33	(39)	3,68	(59)	4,13	(62)	3,23	(63)
Moldova	3,64	(97)	3,87	(96)	3,30	(105)	2,45	(107)	4,56	(92)	5,17	(85)	3,36	(102)	3,66	(81)	3,69	(107)	4,28	(68)	3,68	(101)	2,51	(108)	2,31	(114)	2,87	(122)	3,12	(124)	2,62	(112)
Romania	3,97	(74)	4,1	(88)	3,44	(94)	2,57	(100)	4,64	(84)	5,62	(52)	3,98	(62)	4,14	(54)	4,04	(74)	4,13	(85)	4,05	(78)	3,29	(59)	4,23	(43)	3,54	(73)	3,99	(73)	3,09	(76)
Russian Federation	4,19	(58)	4,4	(68)	3,1	(116)	3,48	(65)	5,35	(37)	5,51	(60)	4,19	(48)	4,33	(45)	3,94	(84)	4,70	(33)	3,60	(109)	3,03	(72)	5,54	(9)	3,50	(77)	3,70	(88)	3,31	(57)
Turkey	4,25	(53)	4,4	(63)	4,13	(55)	3,68	(59)	4,66	(83)	5,31	(77)	4,16	(51)	4,05	(60)	4,54	(43)	3,60	(126)	4,40	(61)	3,39	(53)	4,97	(18)	3,90	(48)	4,45	(41)	3,36	(53)
Ukraine	3,98	(73)	4,06	(90)	3,12	(115)	3,09	(77)	4,67	(82)	5,37	(74)	3,93	(66)	4,20	(53)	3,74	(101)	4,30	(65)	3,96	(85)	2,75	(93)	4,62	(26)	3,52	(75)	3,83	(81)	3,22	(65)
BS-10	4,08		4,4		3,64		3,35		4,74		5,47		3,88		4,03		4,04		4,20		4,03		3,03		3,93		3,38		3,73		3,03	

Source: Global Competitiveness Report 2007-2008 (World Bank)

GCI – table 12

EU-27 Global Competitiveness Index (GCI), 2006 - 2007																										
Economy /out of 125	GCI Score	GCI (Rank)	Subindexes																							
			Basic requirements								Efficiency enhancers								Innovation factors							
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomy - Score	Macroeconomy - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Market efficiency - Score	Market efficiency - Rank	Technological readiness - Score	Technological readiness - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Austria	5,3	(17)	5,6	(18)	5,5	(13)	5,4	(17)	4,9	(36)	6,5	(49)	5,2	(20)	5,4	(19)	4,9	(26)	5,2	(21)	5,3	(12)	5,9	(4)	4,65	(17)
Belgium	5,3	(20)	5,6	(17)	4,9	(26)	5,9	(11)	4,8	(44)	6,9	(15)	5,1	(23)	5,8	(4)	4,7	(32)	4,7	(27)	5,2	(14)	5,7	(12)	4,68	(16)
Bulgaria	4,0	(72)	4,5	(62)	3,1	(109)	3,4	(65)	4,9	(35)	6,6	(39)	3,7	(70)	4,1	(62)	3,8	(90)	3,2	(68)	3,3	(85)	3,6	(84)	2,93	(87)
Cyprus	4,4	(46)	5,0	(37)	4,5	(35)	4,5	(34)	4,3	(72)	6,8	(22)	4,3	(44)	4,5	(41)	4,2	(55)	4,1	(68)	3,8	(49)	4,3	(50)	3,3	(55)
Czech Republic	4,7	(29)	4,9	(42)	3,8	(60)	4,5	(33)	4,8	(42)	6,4	(58)	4,7	(27)	5,0	(27)	4,4	(41)	4,7	(26)	4,5	(27)	5,0	(29)	3,98	(28)
Denmark	5,7	(4)	6,2	(1)	6,0	(2)	6,2	(5)	5,4	(14)	6,9	(4)	5,6	(6)	5,9	(2)	5,4	(6)	5,5	(10)	5,4	(7)	5,8	(9)	5,04	(10)
Estonia	5,1	(25)	5,3	(30)	4,7	(30)	4,7	(30)	5,3	(16)	6,6	(43)	5,2	(19)	5,3	(23)	5,0	(25)	5,3	(16)	4,2	(32)	4,7	(35)	3,83	(30)
Finland	5,8	(2)	6,1	(3)	6,1	(1)	5,9	(10)	5,5	(12)	6,9	(7)	5,6	(4)	6,2	(1)	5,1	(17)	5,4	(12)	5,7	(6)	5,7	(11)	5,56	(4)
France	5,3	(18)	5,7	(15)	4,9	(24)	6,3	(4)	4,6	(56)	6,9	(12)	5,1	(22)	5,6	(12)	4,8	(28)	4,8	(25)	5,3	(13)	5,8	(10)	4,8	(14)
Germany	5,6	(8)	5,8	(9)	5,7	(7)	6,5	(1)	4,4	(63)	6,4	(71)	5,2	(17)	5,4	(18)	5,1	(20)	5,2	(20)	5,9	(3)	6,3	(1)	5,51	(5)
Greece	4,3	(47)	5,0	(40)	4,4	(41)	4,7	(29)	3,9	(103)	6,9	(11)	4,2	(47)	4,8	(34)	4,2	(62)	3,6	(50)	3,9	(45)	4,4	(46)	3,43	(47)
Hungary	4,5	(41)	4,6	(52)	4,2	(46)	4,1	(48)	3,9	(98)	6,4	(66)	4,6	(32)	4,9	(30)	4,6	(37)	4,2	(36)	4,1	(39)	4,3	(49)	3,82	(31)
Ireland	5,2	(21)	5,5	(23)	5,2	(17)	4,6	(31)	5,3	(20)	6,8	(24)	5,2	(18)	5,5	(16)	5,2	(13)	4,9	(24)	5,0	(19)	5,4	(16)	4,54	(20)
Italy	4,5	(42)	4,7	(48)	3,7	(71)	4,0	(50)	4,2	(84)	6,9	(8)	4,4	(40)	4,8	(35)	4,0	(78)	4,4	(32)	4,3	(31)	5,1	(24)	3,5	(43)
Latvia	4,6	(36)	4,9	(41)	4,1	(50)	4,3	(39)	4,9	(34)	6,3	(79)	4,5	(36)	5,0	(28)	4,4	(40)	4,0	(43)	3,7	(58)	4,3	(54)	3,19	(66)
Lithuania	4,5	(40)	4,8	(45)	3,9	(59)	4,1	(44)	4,8	(41)	6,4	(70)	4,4	(38)	5,0	(29)	4,4	(45)	4,0	(42)	4,0	(44)	4,6	(41)	3,35	(50)
Luxembourg	5,2	(22)	5,7	(10)	5,5	(14)	5,6	(15)	5,3	(19)	6,6	(46)	5,0	(24)	4,4	(45)	5,1	(18)	5,5	(9)	4,8	(23)	5,3	(21)	4,36	(23)
Malta	4,5	(39)	5,0	(39)	4,6	(31)	4,4	(37)	4,3	(76)	6,7	(32)	4,6	(33)	4,4	(47)	4,4	(46)	5,0	(22)	3,8	(53)	4,3	(51)	3,26	(62)
Netherlands	5,6	(9)	5,9	(8)	5,6	(9)	6,1	(8)	5,2	(22)	6,9	(13)	5,5	(9)	5,7	(8)	5,2	(12)	5,5	(11)	5,4	(11)	5,8	(7)	4,9	(11)
Poland	4,3	(48)	4,6	(57)	3,6	(73)	3,6	(57)	4,3	(70)	6,8	(26)	4,2	(48)	4,8	(33)	4,2	(64)	3,6	(51)	3,8	(51)	4,1	(63)	3,47	(44)
Portugal	4,6	(34)	5,2	(34)	4,8	(28)	4,9	(26)	4,2	(80)	6,9	(16)	4,5	(37)	4,6	(37)	4,6	(38)	4,2	(37)	4,3	(17)	4,5	(43)	3,81	(32)
Romania	4,0	(68)	4,2	(83)	3,4	(87)	3,1	(77)	3,9	(97)	6,4	(69)	4,0	(55)	4,3	(50)	4,0	(76)	3,6	(49)	3,5	(73)	3,9	(73)	3,14	(68)
Slovak Republic	4,6	(37)	4,7	(47)	4,0	(53)	4,1	(47)	4,4	(68)	6,3	(74)	4,6	(34)	4,5	(38)	4,7	(34)	4,5	(30)	4,0	(43)	4,4	(45)	3,51	(42)
Slovenia	4,6	(33)	5,2	(36)	4,3	(43)	4,5	(32)	5,1	(29)	6,8	(19)	4,6	(30)	5,1	(26)	4,2	(63)	4,5	(29)	4,2	(34)	4,6	(46)	3,71	(34)
Spain	4,8	(28)	5,4	(25)	4,4	(39)	5,2	(22)	5,1	(24)	6,9	(5)	4,6	(28)	4,9	(31)	4,6	(36)	4,4	(33)	4,3	(30)	5,0	(27)	3,68	(35)
Sweden	5,7	(3)	6,0	(7)	5,5	(12)	6,0	(9)	5,4	(15)	6,9	(9)	5,7	(2)	5,9	(3)	5,1	(19)	6,0	(1)	5,7	(5)	5,9	(5)	5,44	(6)
United Kingdom	5,5	(10)	5,7	(14)	5,4	(15)	5,7	(14)	4,7	(48)	6,9	(14)	5,6	(7)	5,6	(11)	5,6	(3)	5,6	(6)	5,4	(10)	5,8	(6)	4,89	(12)
EU-27	4,9		5,2		4,6		4,9		4,7		6,7		4,8		5,1		4,67		4,6		4,5		5,0		4,11	

Source: Global Competitiveness Report 2006-2007 (World Bank)

GCI – table 13

BS-10 Global Competitiveness Index (GCI), 2006 - 2007																										
Economy /out of 125	Subindexes																									
	GCI Score	GCI (Rank)	Basic requirements										Efficiency enhancers								Innovation factors					
			Score	(Rank)	Institutions - Score	Institutions - Rank	Infrastructure - Score	Infrastructure - Rank	Macroeconomic environment - Score	Macroeconomic environment - Rank	Health and primary education - Score	Health and primary education - Rank	Score	(Rank)	Higher education and training - Score	Higher education and training - Rank	Market efficiency - Score	Market efficiency - Rank	Technological readiness - Score	Technological readiness - Rank	Score	(Rank)	Business sophistication - Score	Business sophistication - Rank	Innovation - Score	Innovation - Rank
Armenia	3,75	(82)	4,2	(81)	3,4	(84)	2,7	(92)	4,3	(71)	6,4	(62)	3,3	(88)	3,6	(80)	3,6	(104)	3,3	(104)	3,2	(93)	3,3	(104)	3,0	(84)
Azerbaijan	4,06	(64)	4,5	(56)	3,6	(72)	3,7	(56)	5,3	(17)	5,8	(96)	3,5	(78)	3,6	(82)	4,0	(81)	3,9	(70)	3,6	(70)	3,9	(70)	3,3	(63)
Bulgaria	3,96	(72)	4,5	(62)	3,1	(109)	3,4	(65)	4,9	(35)	6,6	(39)	3,7	(70)	4,1	(62)	3,8	(90)	3,6	(84)	3,3	(85)	3,6	(84)	2,9	(87)
Georgia	3,73	(85)	4,2	(82)	3,5	(78)	2,9	(79)	4,0	(93)	6,4	(61)	3,4	(87)	3,7	(73)	3,9	(86)	3,0	(116)	2,9	(113)	3,0	(116)	2,7	(102)
Greece	4,33	(47)	4,96	(40)	4,4	(41)	4,7	(29)	3,9	(103)	6,9	(11)	4,2	(47)	4,8	(34)	4,2	(62)	4,4	(46)	3,9	(45)	4,4	(46)	3,4	(47)
Moldova	3,71	(86)	4,1	(88)	3,2	(101)	2,8	(85)	4,4	(67)	6,0	(92)	3,4	(85)	3,8	(73)	3,7	(92)	3,5	(93)	3,1	(98)	3,5	(93)	2,7	(100)
Romania	4,02	(68)	4,19	(83)	3,4	(87)	3,1	(77)	3,9	(97)	6,4	(69)	4,0	(55)	4,3	(50)	4,0	(76)	3,9	(73)	3,5	(73)	3,9	(73)	3,1	(68)
Russian Federation	4,08	(62)	4,4	(66)	3,0	(114)	3,5	(61)	5,0	(33)	6,3	(77)	3,9	(60)	4,4	(43)	4,2	(60)	3,8	(77)	3,6	(71)	3,8	(77)	3,3	(59)
Turkey	4,14	(59)	4,34	(72)	4,1	(51)	3,5	(63)	3,6	(111)	6,3	(78)	4,0	(54)	4,2	(57)	4,4	(47)	4,6	(39)	4,0	(42)	4,6	(39)	3,1	(72)
Ukraine	3,89	(78)	4,1	(86)	3,1	(104)	3,3	(69)	4,3	(74)	5,9	(94)	3,7	(69)	4,4	(48)	4,0	(80)	3,8	(76)	3,5	(78)	3,8	(76)	3,11	(73)
BS-10	3,98		4,42		3,5		3,4		4,2		6,4		3,8		4,2		4,0		3,8							

Source: Global Competitiveness Report 2006-2007 (World Bank)

GCI – table 14