



“Green Business is Smart Business”



GoGreen

Green Business is Smart Business

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NATIONAL REPORT ON THE PERCEPTION AND IMPLEMENTATION OF GREEN PRACTICES BY SMEs IN GREECE

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INTRODUCTION

The movement towards environmentally responsible enterprises, also called “Green businesses”, is growing worldwide. Many studies have shown that the adoption of “greener” practices and the design of environmental-friendly processes, products and services contribute to enterprise competitiveness in many ways, including more business opportunities, cost reduction, improvement of enterprise’s image, marketing advantage and the creation of healthy workplaces. In this sense, it is becoming widely accepted that with the proper awareness raising, training and support, environmentally-friendly entrepreneurship holds many possibilities for SMEs. Based on the rationale that “a green business is a smart business”, green business training programmes are considered necessary in order to effectively support enterprises in the integration and management of environmental-friendly practices.

Although green entrepreneurship provides many advantages to the SMEs there is only limited number of enterprises who have been able to follow the trend towards growing concern for the environment. Indeed, the surveys show that only 1% of the SMEs use alternative energy sources. This can be justified as:

- The majority of entrepreneurs have poor knowledge in the field of green entrepreneurship.
- There is no wide range organised awareness raising campaign.
- There is limited access to information and relevant training material.

In response to the limited, or lack of, environmental business support, the project focuses on the delivery of a personalised “Green Training Programme”, aiming to improve the knowledge and the skills of entrepreneurs and professionals related to the effective introduction and management of green business practices.

The project is designed to address and involve SMEs senior managers, Procurement and HR managers, Green Business consultants, as well as VET professionals, public authorities’ executives,

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policy makers and practitioners in the field. - To raise the environmental awareness of entrepreneurs and managers and to encourage them to engage in environmentally responsible practices and operations.

- To develop an audit tool for assessing generic and context specific training gaps and, by applying this tool, to identify and analyse the training needs of the target group in the involved countries related to the design and implementation of innovative environmental-friendly processes, products and services.

- To use the survey results to perform the first international comparative analysis of the nature and degree of financial illiteracy and the associated consumers’ training needs

- To develop teachings modules designed to meet these identified needs

- To produce an online integrated platform to fully support SMEs address environmental issues affecting their business.

- To develop ICT tools and training material on the fields essential for the development of environmentally responsible business activities.

- To train trainers from the partner countries to administer these modules

- To provide a personalized sustainability and environmental roadmap that acts as an educational engine and resource guide in the field.

- To perform a thorough evaluation of the teaching modules, supporting materials, and “training the trainers” workshops by applying Quality Assurance processes such as those recommended, for example, by the E.C.’s CQAF

- To create Green Business Bureaus inside the Chambers for the conduct of the GoGreen Training Programme and the further exploitation of its results.

- To establish a Certification Scheme for SMEs that participate in the training programme and improve their green business operations (“Going Greener Excellency Badge”).

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- To support the cascade of knowledge to the staff of SMEs in order to increase employee awareness and professional skills.
- To provide a catalyst to encourage lifelong learning and exchange of best practices.

1. GENERAL SOCIO-ECONOMIC ANALYSIS

The Peloponnese region occupies the southern part of Greece’s mainland. It consists of the prefectures of Korinthia, Argolida, Arkadia, Messinia and Laconia and is based in Tripoli, capital of the prefecture of Arcadia. It has a total area of 15,490 km² and covers 11.7% of the total area of the country, with characteristic morphology of large mountains.

On the social characteristics of the Peloponnese, the total population of the region is about 700,000 inhabitants.

In relation to employment, in the primary sector is employed 30% of the economically active population, in the secondary 18% and in the tertiary sector 52%.

The tertiary sector is mainly in the services sector, while in recent years has improved the position of tourism in the Peloponnese, as a result of Structural Funds.

The coastal area of Korinthos is the exit from Athens to the Peloponnese and the rest of Greece, which has developed an infrastructure to cover the needs of tourism, while mountain regions have many resorts for guests of the mountainous area.

The primary sector accounts for the main productive activity, with large numbers employed in it. The main agricultural products are dairy products, olive (olive oil, olives), wine, citrus. These products form the basis of processing for the secondary sector and its enterprises, along with other companies that are operating either in the organized industrial zones or scattered in the region.

Over time, and based on employment figures, there is a shift in the regional economy towards the tertiary sector, since there is an increase of the participation of this sector in the total regional GDP with a parallel decline of the primary sector, as well as of the secondary sector.

In recent years, structural measures have been implemented in the Peloponnese, reinforcing the

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main establishment of basic transport infrastructure, health and welfare, employment and human resources support, with the manpower remaining in our region by finding business opportunities and creating conditions for improving the economy of the country.

By the end of 2009, as a result of a combination of international and local factors (respectively, the world financial crisis and uncontrolled government spending), the Greek economy faced its most severe crisis since 1974 as the Greek government revised its deficit from an estimated 6% to 12.7% of gross domestic product (GDP). In May 2010, the Greek government deficit was again revised and estimated to be 13.6% which was one of the highest in the world relative to GDP and public debt was forecast, according to some estimates, to hit 120% of GDP during 2010, one of the highest rates in the world.

As a consequence, there was a crisis in international confidence in Greece's ability to repay its sovereign debt. In order to avert such a default, in May 2010 the other Eurozone countries, and the International Monetary Fund agreed to a rescue package which involved giving Greece an immediate €45 billion in bail-out loans, with more funds to follow, totaling €110 billion. In order to secure the funding, Greece was required to adopt harsh austerity measures to bring its deficit under control. Their implementation will be monitored and evaluated by the European Commission, the European Central Bank and the International Monetary Fund.

This entire crisis has created a very difficult situation in Greek economy and especially in entrepreneurship.

2. BUSINESS ENVIRONMENT

The SMEs sector in Greece has a small-scale structure. The percentage of micro enterprises is higher than the European average. Greek micro firms employ more people (58 %) than the European average micro enterprise (30 %). As a consequence the contribution of all SMEs to employment (87 %) is in Greece higher than in the EU (67 %). Moreover, the SMEs' contribution to

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the value added also exceeds the EU average (73 % vs 58 % respectively)¹.

Focus on manufacture sector and SMEs: enterprise structure and size²: 2002 ELSTAT

Data

N. of employees per SME	N° of SMEs
0-4	87.734
From 5 to 9	4.123
From 10 to 19	2.438
From 20 to 29	899
From 30 to 49	783
From 50 to 99	547
More than 100	481

Greece is characterised by an unfavourable entrepreneurial climate: the country scores second lowest on the entrepreneurial climate index. Despite this rather hostile entrepreneurial environment, the entrepreneurial activity index in Greece shows only a slightly below-average score.

Entrepreneurial activity

A slightly below average entrepreneurial activity score

Compared to other Member States, Greece has a significantly higher than average share of businesses in a start-up phase and currently operational businesses (entrepreneurship rate). Nevertheless, the fact that the country is slightly below-average on the entrepreneurial activity index is due mainly to the outstandingly high share of “push” entrepreneurs. Indeed, nearly two thirds of Greek entrepreneurs are of this type, having a low risk-tolerance and having created their

¹European Commission, SME Performance review, http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

² 2002 ELSTAT Data



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business out of necessity rather than out of opportunity.

High share of second generation entrepreneurs

Greece has the highest share of second-generation entrepreneurs (i.e. entrepreneurs of whom at least one parent is/was also self-employed), however, coming from a family where at least one parent is/was self-employed has only an average positive effect on being involved in entrepreneurial activities.

High entrepreneurship rate among the over 55 age group

Greece also scores relatively high in terms of entrepreneurship within the over 55 age group. The proportion of entrepreneurs over 55 among all entrepreneurs in the Greek sample is higher than in most other countries, and these “older” respondents are almost as likely as the younger ones to be engaged in entrepreneurial activities.

Entrepreneurial climate

An ambivalent attitude towards entrepreneurship

Although Greece shows average scores for two entrepreneurial climate indicators (“Education has been beneficial” and “Give people a second chance”), a high proportion of Greeks have a negative attitude towards entrepreneurs and they also have the conviction that it is difficult to start up a business. Respondents are, nevertheless, more likely to prefer being self-employed than to being an employee.

3. FOCUS ON ENVIRONMENTAL ISSUES:

a) Legislation, relevant public bodies and access to information

b) Quality related issues and adopted practices in SMEs

c) Financial tools and incentives

- Legislation and studies:

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Thematic volumes of national environmental legislation³

	No of pages	Period	Download ⁴
Volume 1: Air pollution	1952	1983-2010	 1 AP.pdf 78 MB
Volume 2: Water management	757	1977-2010	 2 DYP.pdf 27 MB
Volume 3: Waste management	251	1964-2010	 3 SW.pdf 6 MB
Volume 4: Energy	1729	1977-2010	 4 EN.pdf 225 MB
Volume 5: Noise	318	1976-2010	 5 Noise.pdf 36 MB
Volume 6: Studies of Environmental Impact	271	1986-2010	 6 MPE.pdf 14 MB
Τόμος 7: Protected Areas of Natura Network	98	1996-2010	 7 Natura.pdf 3 MB
Total	5376		389 Mb

- Public bodies related to policy making and performance related to environmental issues:

At national level:

- Ministry of Regional Development and Competitiveness (www.ypan.gr)
- Ministry of Environment, Energy and Climate Change (www.ypeka.gr)
- Ministry of Agricultural Development and Food (www.minagric.gr)

Other environmental bodies

- [MEDWET](#)
- ["Ecology...vision and action"](#)
- [Data](#) base of Environmental Bodies
- [Non](#) governmental ecological – environmental organisations
- [Arcturos](#)
- [National Centre of Sea Research](#)
- [« Clean Up Greece»](#)
- [Hellenic](#) Ornithological Society

³ Aegean University, Departments of Environment and Geography

⁴ Only available in Greek



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- [Hellenic Wildlife Hospital](#)
- [Centre for Renewable Energy Sources and Saving](#)
- [Forest Research Institute](#)
- [Hellenic Wind Energy Association](#)
- [Environment](#) and Environmental Training
- [Poseidon System](#)

At regional level:

- Greek regions (ex. Region of Peloponnese, Environment Directorate) (www.peloponnisos.gr)
 - Environmental information is accessed through the Ministry's official website

(www.minenv.gr). Information on environmental issues from other Ministries is assessed through their official website. Citizens have also the possibility to submit, through the established web line of communication with the citizens, their questions, comments etc on the issues of the Ministry of the Environment Energy and Climate Change. (YPECA).

Besides in the Ministry of Environment as well as in regional administration, almost every competent official-and not only one or two- is required to inform the public on the certain issues of his responsibility because due to the large scope of environmental information and the complexity and difficulty of the issues, expertise is needed. Another reason is the lack of sufficient staff. The examination of the information is taking place in the premises of the Public Authority where the information is held and can be accessed and photocopied.

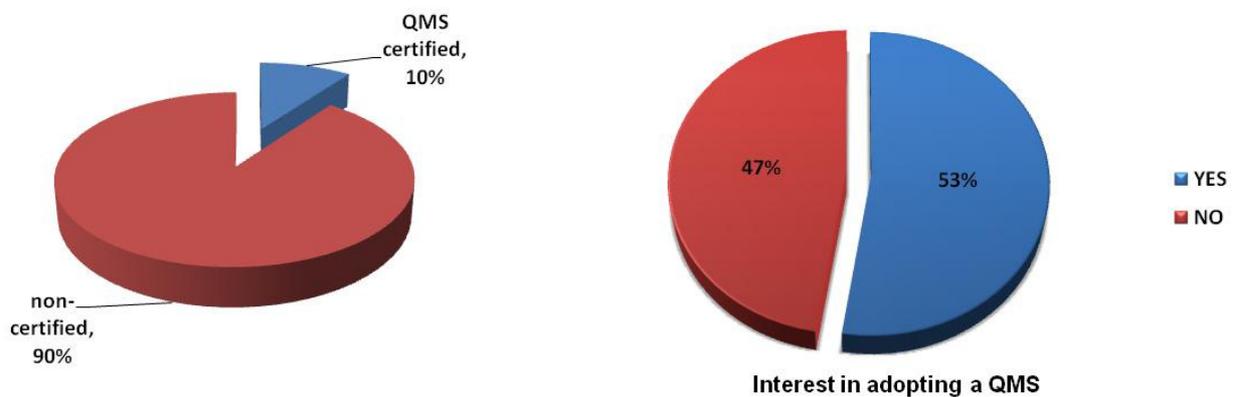
The National Network for Environmental Information (NNEI) established in the MoE is an important action towards disseminating of environmental information as well as the construction of Aarhus Clearing House Mechanism which is ongoing.

b) Quality related issues:

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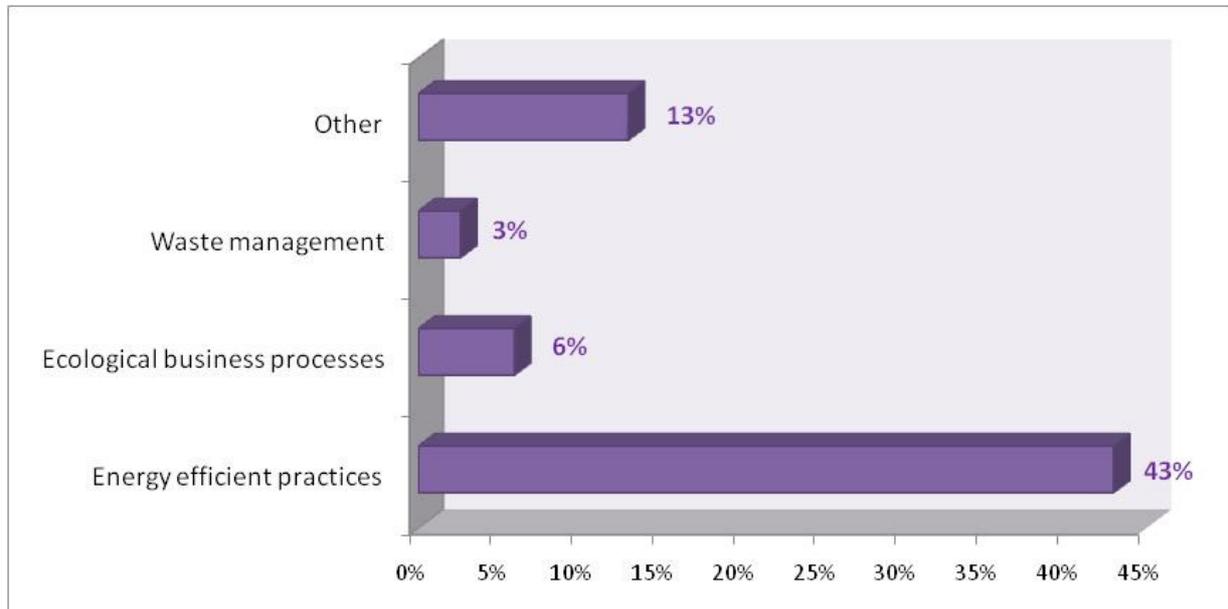
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In Greece, as in many other countries, the diffusion of environmental management systems in small companies is much lower than in larger, while the number of SMEs who are certified by ISO 14001 or EMAS is still remarkably low. Consequently, given that SMEs play a vital role in the management of scarce natural resources, some effort should be made to change their business practices, either through financial incentives and opportunities, either through networking and forums for exchange of information and experiences and providing technical support and training. According to our survey, it seems that a 10% (26 out of 267) of the SMEs surveyed have adopted some kind of quality control system, while 53% of the enterprises expressed interest on a specific quality management system for the future.



Adopted practices in SMEs:

Most of the surveyed SMEs (83%) have adopted ecological waste management and disposal procedures because of the local and EU taxes and rules in matter of environmental impact. Most of them make an efficient use of energy (rational use of energy, installation of high efficiency equipment and machinery...etc.) especially low-energy light bulbs, equipment and machinery. The percentages of the Greek SMEs according to the practices used are presented in the figure below:



c) Financial tools and incentives in support of Eco-practices in SMEs

National financing:

1. Green Fund: The Green Fund aims to establish an integrated system of financing environmental interventions aimed at enhancing development through environmental protection and the efficient and transparent management of resources for upgrading and rehabilitating the environment and tackling climate change.

2. Operational Programme for Competitiveness and Entrepreneurship (Priority Keystone 4): The strategic objective is the protection, enhancement and sustainable management of the environment to become the foundation for the protection of public health, raising the quality of life and a key factor in improving the competitiveness of the economy.

3. NSFR 2007-2013, Programme for Development, Sectoral and Regional Operational programmes:

Actions like: Green Tourism, Green Infrastructures, Green Business etc

4. Operational Programme “Environment and Sustainable Development”



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European financing:

1. LIFE + (2007-2013)

2. MARCO POLO II (2007-2013)

3. European Regional Development Fund

4. JEREMIE Initiative

There is also a significant number of funding with favourable conditions from private banks for green investments.

4. FOCUS ON TRAINING REGARDING GREEN SMEs

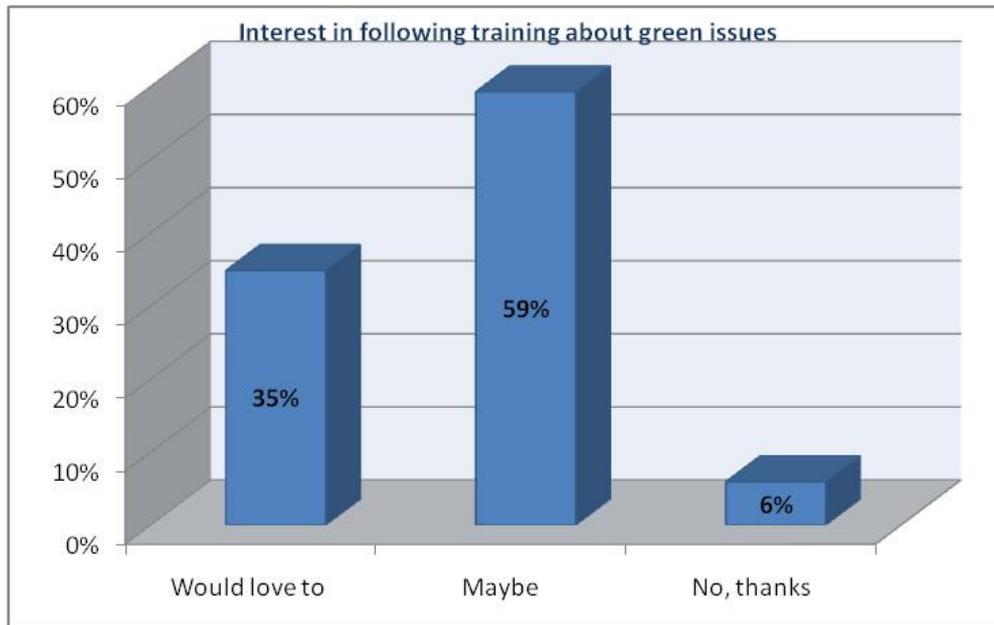
Unfortunately in Greece there is no training regarding Green SMEs available on public basis. There are only some seminars or conferences about “green” entrepreneurship conducted by private companies or ecological organisations:

(ex. http://www.ecocrete.gr/index.php?option=com_content&task=view&id=5764&Itemid=85),
http://edo-mko.gr/index.php?option=com_content&task=view&id=53&Itemid=93).

We also didn’t manage to find any on line courses available. However, the interest of the Greek SMEs in following training regarding green issues is unproportional to the lack of material and sources described above (refer to the following figure).

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5. CONCLUSIONS

What we have discovered through our research, our contact with local enterprises and through working for this report is that there is a significant lack of environmental programming in Greek companies. They actually know what is going on with environmental matters; they just don't realize how serious it is or how good it would be for their enterprise to implement such environmental friendly practices. In this small region, they really don't have any information on the subject or the possibility to have an assessment on their enterprise's "green" conduct. They are also intimidated by the high cost of implementing such practices, especially in a period of great economical crisis for Greece. They are though very interested in implementing at least a quality management tool, in order to comply with legal provisions or to be able to distribute their products and services widely.



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Literature and References

1. *National Report of Greece on Directive 2003/4/EC on Public access to environmental information.*
2. EMAS (http://ec.europa.eu/environment/emas/index_en.htm)
3. ELSTAT (<http://www.statistics.gr/portal/page/portal/ESYE>)
4. Eurostat (<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>)
5. *Official site of the Ministry of Environment, Energy and Climate Change (www.ypeka.gr)*
6. *Region of Peloponnese: “Report on the Region of Peloponnese 2001”*
7. *“Green Business Handbook” Observatory of SMEs (EOMMEX)*
<http://observatory.eommex.gr>
8. *European Commission – Environmental Policy*
(<http://ec.europa.eu/environment/life/index.htm>)

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