



**ADDRESS BY THE CHAIRMAN OF THE HELLENIC
FEDERATION OF ENTERPRISES (SEV)**

Theodoros Fessas

at the SEV Annual General Assembly

Tuesday, 29 May 2018

Athens Concert Hall

Dear President of the Republic,

Mr. Prime Minister,

Ladies & Gentlemen

You have our warmest thanks for being here with us this evening.

A special thanks to dear Mr. Gabriel, a supporter and friend of Greece, for honouring us with his presence today.

Our vision is for Greece to become **a leader, and a competitive country. A country which every world citizen will want to visit; to work in, invest in, and live.**

This is an ambitious vision, worthy of our homeland, which tests the limits of our potential and our expectations.

Great businessmen have honoured it with their life's work, such as Theodoros Vassilakis, to whom, sadly, we recently paid our last respects.

Theodoros Vassilakis is a role model for us all. He proved that where the state fails in its role as a businessman, **the private sector works miracles.**

In three months, our country shall exit the Memorandum.

Mr. Prime Minister, this is undoubtedly a very positive development. Congratulations!

As this marks the beginning of a new era, it is worth discussing, this evening, how our vision can become a reality.

Over the last eight years, while we were trying to solve problems from the previous century, the world made economic and technological leaps.

In 2017, the global economy grew by 3.8%, the Euro Area by 2.3%, whilst Greece by 1.4%.

Investment in the Euro Area was approximately 20.5% of GDP. In Greece it was limited to 12.6%, whilst the champion of the Euro Area, the Czech Republic, surpassed 25%.

As for us, we have struggled with our worst self all these years.

We did not agree with the underlying causes of the crisis, nor with the tools to get out of it.

Our country's leaders, as well as those of our lenders, made critical mistakes in the policy formula, in the timing of the reforms, and in their implementation.

In August, we shall be provided with the opportunity to stop the continuous recycling of our introversion, as well as to reintroduce ourselves to the international community.

To expand our minds and our perspective, to deal with other important issues such as:

- major global political and economic changes,
- digitisation,
- the 4th Industrial Revolution,
- the skill set of workers in the era of artificial intelligence,
- climate change,
- the cyclical economy,
- the new European Budget 2020.

And of course, **to aid** in the attempt to prevent a new financial crisis in the Euro Area, by supporting European cohesion.

Populism and opportunism are a threat to Europe.

Greece, with European support, has remained an equal member in **the most politically and socially advanced part of the world.**

We can, and indeed it is our duty, to add our experiences to the European dialogue. To highlight the benefits of monetary union and European integration.

Really, where do we stand today?

In the business world, when we have concluded a large project, the time then comes to assess our performance.

It is important to do the same for our country.

Let's be realistic:

We have tidied up public finances and are now generating surpluses. But with over taxation and a deterioration in State services.

We have balanced our external balance, thanks mainly to tourism. Our trade balance remains in deficit.

We have improved our performance in international competitiveness indicators. But the lack of competitiveness with regard to our economy remains considerable.

We have also undertaken major reforms: in the collection of tax revenues, in the expansion of electronic transactions, in the labour market, in the containment of public expenditure.

There is still a lot of work to be done: in social security services, public administration, spatial planning, licensing, justice, liberalisation of the markets.

This financial crisis, which has lasted many years, has also created new problems. High unemployment, profound disinvestment, negative savings, a huge number of red loans, immigration, etc.

The “exit from the Memorandum” will bring with it an end to preferential funding and recourse to the markets. It will also bring with it restructuring of public debt, so that it can become more sustainable — with increased supervision and strict adherence to the measures already adopted. At the same time, it will allow for greater flexibility in individual national policies.

Therefore, eight years later, in making an overall assessment, we can say that we have averted the crash, and that we have improved in several areas; yet at an enormous costs, with sacrifices, delays and new problems.

Our political system is certainly more mature today, but with a lack of consensus and cooperation, on a national level.

Society is resorting to personal survival strategies and seeks vision, leadership and direction.

We see the glass as half full. Our exit from the Memorandum signals the opportunity to reenergise the economy.

With our country more competitive, but poorer. And, as we sincerely hope, wiser.

We are now being called upon to claim a better future **on our own merits.**

There is only one recipe for economic and societal growth.

Reforms which will lead to investment, prosperity and employment. We presented this in detail at our recent investment conference.

The circle of disinvestment must close. **We must approach the Euro Area averages in 4-5 years. In other words, new investments must be made at about 20% of the GDP, or 45 billion euro per year, from the 22.5 billion in 2017.**

The significant investments planned by many of our member companies are not sufficient to close the investment gap. We also require a great deal of foreign investment.

A necessary condition for attracting investments **is extensive reform.** Both in terms of objectives and timelines as well as in terms of attitude.

In other words, **a comprehensive programme covering horizontal and sectoral reforms. With specific objectives and effective implementation mechanisms, under the direct supervision and guidance of the Prime Minister.**

I would like to emphasise two points in particular:

First, the reforms that are being adopted must not remain on paper but must be implemented. Otherwise they become null and void, and ultimately denigrated.

Second, the objectives must be supported by the appropriate policy tools in order for them to be achieved, e.g.

- Are we seeking to eliminate tax evasion?
All transactions must be electronic, and the cash in circulation must be drastically reduced.
- Are we seeking to develop a knowledge and innovation based economy?
We must establish specific tax incentives to attract innovative companies and their employees.
- Are we seeking reduced bureaucracy?
We must implement a “legislative guillotine;” in other words, any new regulation introduced must abolish or simplify existing regulations.

We want **radical approaches such as these** to guide Greece’s Development Plan. Equally important is also to acknowledge **the need for investment in education and our education system.**

The irrationality and introversion which pervade Greek society,

The **poor performance** of our pupils on international evaluation indicators,

The continuing **deterioration** of higher education,

The skills gap between the labour market and the education system,

All of these pose a serious threat of being trapped in the same category as countries that are defined by low skill, productivity, and wages.

For those who wonder “what business does SEV have in education”, we are straightforward in our response:

In the end, everything comes down to Education.

Growth is directly linked to the guidance and resources provided to the education system. In every mature democracy, the social partners effectively participate in its planning.

For example, in our neighbouring Italy, through the cooperation of the State, as well as the academic and business communities, targets have been set for a 4th Industrial Revolution, such as a 100% increase in technical education, training of 1,400 doctoral students, 3,000 top-level managers, 200,000 students, etc.

Mr. Prime Minister,

As Greek employers, we seek a portion of the responsibility as well as our share in the decision-making for educational planning.

We need an education system that will encourage young people to think, to innovate, to be enterprising, to be daring.

We have meaningful suggestions for linking secondary schools and institutions of higher learning with the labour market and businesses.

We are at your disposal to cooperate, and to contribute to this national investment.

But as a big first step, **let us free higher education from State control. Let us authorise the operation of private Universities.**

We are certain that we shall experience a cosmogony. With investments on the part of the elite of foreign universities, attracting the most talented students and academics, and upgrading our entire education system by opening it up to competition and to continuous evaluation.

Dear Friends,

The effort to create the Greece of our dreams, a Greece of values and worth, can only be a collective one.

SEV, as a responsible social partner, **shall always be a voice, and a force of progress, for the Greek economy and society.**

It shall listen and speak with everyone, within and outside of Greece, and it shall propose, consult and build.

It shall take advantage of valuable thoughts and views such as those we just heard:

“... Let’s make entrepreneurship fashionable again...”

“... Let’s support a national — productive — awakening...”

“... Let’s lead in a new social agreement between workers and employers for the future of employment...”

More specifically, we are planning 3 significant initiatives:

- **The first initiative** is to attract and implement investments. We aim to implement the proposals of our Investment Conference with the creation of a National Investment Council. We shall seek cooperation with the Government, banks, investment funds, organisations, and of course our members, to establish and operate this Council.
- **The second initiative**, is aimed at enhancing innovation and digital maturity. We seek, together with the public and private sectors, to create an innovation hub, a

Start-up Greece. For establishment of, and collaboration between, businesses, educational, and research institutions, as is being done in many European countries.

- **The third initiative** pertains to our people. We need a new social agreement between workers and employers, with terms suited to the future, and not to the past. In conjunction with the General Confederation of Greek Workers, on matters of employment growth, we are developing a strategic plan for retraining of the workforce. Also, for the work contributions, we are evaluating the creation of a national professional fund, for workers who will not be able to be covered by other professional funds.

Dear Friends,

We can certainly look forward to a better future for all of us.

With greater participation as part of its definition, and greater responsibility for achieving our objectives.

With a collective change in attitude to prevent the new threat of instability, in view of the upcoming electoral campaigns. Let's not miss this opportunity.

Let's not allow the post-Memorandum era to find us with the same mindset, stuck in stances and attitudes of the past, where we are shooting one another, and shooting ourselves in the foot in the end.

We must convert the wounds of the last eight years into **knowledge, prudence, responsibility, determination, cooperation**.

Into a national consensus!

So that we can modernise public structures with extensive reform, focus on education, attract investment and talent, grow the economy, create more employment, protect our society.

So that we stop importing everything while exporting mostly problems, and start importing good practices while exporting competitive goods and services. So that we open the country up to international challenges and opportunities.

It is obvious to us that we will lead in our effort at such a national consensus.

SEV believes in the bright side of Greece, in a Greece of effort and progress, in a Greece of worthy people.

Entrepreneurship must set the example for good management, for respecting the law, and for protecting the dignity of work.

Nothing will be given to use for free, but united we can claim everything!

We hope that our Vision for a leading and competitive Greece is embraced by society and **that it will soon become a reality.**