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SMALL AND MEDIUM - SIZED ENTERPRISES IN GREECE.
THEIR SOCIAL ROLE, ORGANIZATIONAL PERSPECTIVES
AND FUTURE DEVELOPMENT
PLAN

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ABSTRACT

This paper deals with the present condition and prospects of Greek Small and Medium Sized Enterprises. Despite their satisfying performance until now, several major problems have been accumulated, inhibiting their broader function and further development. A need for their consideration and study at the macro-level is apparent and the creation of supportive small firm associations seems warranted, as a response to the present pressing demands of a turbulent economic environment. In this respect, the creation of a supportive organization for SMES, provided in the 1989-1993 Regional Development Plan of Attica within the framework of Community Support Fund, is considered as an indispensable first step toward this direction.
INTRODUCTION

A few years ago, small business had been considered more or less as a remnant of an earlier period of economic development. For example, Kerr, Dunlop, Harbinson and Myers\(^1\) maintained that “the technology and specialization of the industrial society are necessarily and distinctively associated with large-scale organizations”. Indeed, in 1950 the share of the largest British companies in net manufacturing output was 21 percent, while in 1970 it had risen to 46 percent\(^2\).

Nevertheless, since then trends have been reversed and small and medium sized enterprises (SMES) have not only grown more important in western countries, but have also gained momentum in developing countries as well\(^3\). This flourishing is attributed to the resurgence of self-employment since it is difficult to find a job through mass employment, to the dismissals of workforce whereby big companies end in a smaller scale, and to a sectoral shift from industry to services\(^4\), where firms are usually of a smaller size.

Nowadays, however, this growth seems to have reached a critical point. SMES are in a continuous sought after technical innovations in order to remain competitive, otherwise being threatened to be “colonized” by big firms. In their effort to overcome relevant difficulties, SMES have often developed sophisticated business networks promoting inter-firm cooperation.

DEFINITION AND CHARACTERISTICS

Definition of concepts

The criteria most often used in order to classify an enterprise as small or medium sized are the following:
- The said enterprise exercises a limited influence on the local market or commercial/industrial sector.
- The proprietor undertakes administrative duties.
- The enterprise is characterised by entrepreneurial flexibility and economic independence.

In characterising an enterprise as "small" or "medium", several factors can be taken as criteria, such as the number of employees, the amount of the annual amount of sales, the total liquid assets and the amount of the equity capital, but the economic and social structure as well as the cultural background of a given society are also very critical. For example, in the USA small enterprises are generally considered those employing less than 500 people, whereas in France, Germany and Italy medium enterprises are characterised those employing less than 500 people. In Greece, according to the classification of the Hellenic Statistical Agency, small and medium-sized enterprises are considered those employing less than 100 people.

Structural Characteristics and Particularities

Numerous studies have dealt with the effects of size on firm be-

behaviour\textsuperscript{7}. The production benefits of scale are marked only in certain industrial sectors\textsuperscript{8}, and even large companies often prefer to operate small plants\textsuperscript{9}. Without going into a detailed survey of relevant research studies and findings, we could however briefly mention some of the advantages of SMES over big companies:

- Flexibility and promptness of decision-making, since it is easy for managers to check the market conditions, the production process and the firm's policy.

- Simple communication networks within the enterprise and direct transmission of information to those affected.

- Emphasis to the human factor, personnel motivation and encouragement of individual initiative.

- Acquaintance, informal contacts and adherence of customers to the enterprise.

- Low overhead and administrative costs.

On the other hand, some of the main disadvantages of SMES seem to be the following:

- Difficulties in hiring highly qualified technicians, since they often prefer to work rather in big companies for reasons of better payment, insurance, social recognition etc.

- Personnel is often working exhaustively overtime.


\textsuperscript{8} Scherer F.M., Beckenstein A., Kaufer E. and Murphy R.D. (1976), \textit{The Economics of Multi-Plant Operation}, Cambridge MASS, Harvard University Press.

\textsuperscript{9} Cf. \textit{Businessweek}, 15.4.1985, p. 58.
- Scarcity of working and venture capital. Also lack of liquidity does not allow the expansion of the firm when necessary.
- Underutilization of fixed installations.
- Difficulties in obtaining raw materials of high quality in time, due to the lack of standardization of production.
- Inability of getting big orders, because of firms' small capacity of production.
- Oversensitiveness to the changes of the economic environment. Indeed, as most SMES are created either in order to exploit an innovation or to respond to a current need of the market, external changes may cause severe malfunctions. Rates of SMES' mortality are high all over the world; for example, in the USA it is estimated that every year about 500,000 SMES are created, but within 18 months about half of them close down; in Greece, 1/3 of SMES survive less than a year, whereas 9/10 live on average less than five years\(^{10}\).

*The Need for Cooperation Among SMES*

The main alternative for SMES in order to compensate for their limited power consists in their organization into forms of cooperative relationship. Inter-firm cooperation through the establishment of collective associations has often been proved successful during periods of uncertain market conditions. Productivity may be increased, for example, by the common procurement of machinery, energy, raw materials, as well as by cooperation on exporting, financing, training on the job and product design\(^{11}\).

Technical and economic efficiency are not the sole benefits of small firm associations. These associations also help small firms to augment their political power and to obtain capacity for system-
atic bargaining with the state and the local government, a prerogative that only large companies normally have\textsuperscript{12}.

Small firm communities can be installed either by sectoral or by spatial grouping. We distinguish the following types of small firm organizations:

\textit{Voluntary associations}

Many of these associations were established in past eras of economic development and are usually composed of small firms manufacturing various types of a single product. Communal structures of the 19th century in Great Britain were first studied in industrial units within the region according to the industrial sector\textsuperscript{13}.

\textit{Associations Created Through Planned Intervention}

A complex type of small firm organization, namely “flexible specialization”, is proposed by Piore and Sabel\textsuperscript{14}. According to this arrangement, the division of labour within each firm is low, whereas across participating units specialization is high. Hence each unit acquires specialization within its context, but the structure of the association permits flexibility as regards to the utilization of equipment, as well as the training and development of a multi-skilled workforce.

Highly industrialized countries of Western Europe and the USA


have been more and more implementing small business associations in order to enhance regional development through technology transfer and application of innovations in selected areas. The establishment of Research/Industrial Parks and Business Innovation Centers aims primarily at the utilization of the human capital rather than the exploitation of local resources, hence these establishments are usually located nearby Universities or Research Institutes.\(^{15}\)

*Research / Industrial Parks*

The interaction between industry and science, which constitutes the primary task of these Parks, is achieved by the close cooperation of Research Institutes and industrial firms. Owing to their fast expansion, Research/Industrial Parks need proportionally more space than the conventional small business districts. It should be mentioned that high-tech small firms often co-exist and cooperate with units belonging to multinationals. The construction of Research/Industrial Parks is funded by the local government, the participant firms and the interested Research Centers. Interfirm cooperation within Research/Industrial Parks may acquire a voluntary character; for example, in the Lyon and St Etienne area (France) SMES collaborate at the common purchase and utilization of high-tech equipment.\(^{16}\)

*Business Innovation Centers*

These Centers provide participant firms with considerable fa-

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ilities (subsidy, technology information, consulting etc), but include only selected, newly established high-tech companies. All participant firms, however, are obliged to leave the Center after the expiration of a predetermined deadline, according to the firms' industrial sector and the Centers' development program\textsuperscript{17}. This term aims at the creation of a compound of firms of various ages, in order to facilitate exchange of information and experiences, as well as to promote inter-firm cooperation. In order to retain contact with the Center's network, the departing firms have to find premises at an adjacent industrial district. The installation of a Business Innovation Center within an industrial district ensures participant firms' technical support and provides motivation for the removal of more firms within the industrial district.

**STRUCTURE AND SOCIO-ECONOMIC SITUATION OF GREEK SMES**

**Social Role**

SMES play a most important role in the economic development of Greece. Their contribution is most influential in the following aspects of socio-economic life:

**Employment**

Recent research revealed that a clear shift towards employment in smaller units is noticeable\textsuperscript{18}. For example, in the USA during the period 1969-1976, 66 percent of new work posts had been created in enterprises employing less than 20 people\textsuperscript{19}. Em-

\textsuperscript{17} Antzoulatos, op. cit., p. 5.  
\textsuperscript{18} OECD, op. cit.  
\textsuperscript{19} Siropolis N.C. (1982), Small Business Management, Dallas, Houghton Mifflin.
ployment change according to firm size in Greek industry from 1978 to 1984 is presented in Table 1 (Appendix). From the data provided in Table 1, it is calculated that SMES not only absorbed the unemployment rate caused by big companies (7.1 percent), but also created 12,649 new work posts.

Regional Development

Decentralization is best encouraged by SMES, since they are capable of creating new jobs in the periphery. Regional imbalance in Greece constitutes a major problem. During the period 1955-1971, the desertion of Greek countryside can be estimated at a pace of 87,000 individuals per year, totalling 33 percent of the entire rural population\(^{20}\). The concentration of industry, especially of industrial units dependent on market demand and foreign inflows at the Patras - Athens - Thessaloniki axis led to the aggravation of regional problems. The abandonment of local communities in the provinces was also encouraged by the accumulation of capital in those sectors that offered opportunities for quick profit, such as housing construction, real estate and trade, sectors also mainly developed in Athens and Thessaloniki\(^{21}\). Laws 1262/1982 and 1892/1990 attempted to reduce regional imbalance by providing incentives for the creation of SMES in underdeveloped areas, albeit without success. In Table 2 (Appendix) it is shown that units and employment are still accumulated in the regions of Attica and Central Macedonia.

Technical Innovation

At the national level, the position of Greece concerning the fre-

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quency and importance of innovations is far from satisfying; according to a research of the European Management Forum in 19 countries, Greece was classified least but one, being graded by 13 points, whereas the first, Japan, was graded by 100 points\textsuperscript{22}. The total number of innovative Greek SMES is estimated at about 100\textsuperscript{23}, whereas no data is available concerning big companies.

A study of 19 innovative SMES, including sectors of electronic appliances, mechanical machinery and medical equipment, revealed that all these enterprises have established quality control processes and 88 percent offer after sales service. All of them assign a part of production to subcontractors, and most of the proprietors intend to deal exclusively with the processes of R & D, quality control and marketing, letting all activities related to production to subcontractors\textsuperscript{24}. About 12 percent of the sample has bought license from foreign enterprises, also 12 percent has sold license to foreign enterprises. About 24 percent has patented its inventions; nevertheless, many proprietors consider patenting as useless, since their products can easily be copied by competitors and come to the market only slightly modified\textsuperscript{25}.

**Present Situation**

Present situation of Greek SMES is depicted in Tables 2 and 3, (Appendix) based on data provided by the 1984 census. An overwhelming concentration of units and employees is observed in the regions of Attica and Central Macedonia (Table 2). These re-


\textsuperscript{24} Kazis D., op. cit., pp. 25-26.

\textsuperscript{25} Kazis D., op. cit., p. 28.
regions are the only ones where the percentage of units appears higher than the percentage of employment. In Table 3 it is observed that SMES flourish mainly in the sectors of Clothing and Food.

Legal Framework

Regional development is promoted through Law 1262/1982 and its modifications 1360/1983, 1682/1987 and 1892/1990. Legal provisions, however, have not managed yet to reverse existing trends and to generate development of dynamic SMES compounds in the periphery.

Current legislation provides for the division of Greece into five zones, according to the level of industrial development. By this division, the establishment of new enterprises in the highly industrialized districts of Attica and Thessaloniki is discouraged, whereas substantial incentives are provided for the installation of enterprises in mountainous and frontier areas. Two packages of incentives are offered, out of which the interested enterprises have to choose the one they prefer:

Taxation incentives

This package offers mainly tax deduction from profits and increased depreciation. All enterprises located out of the A zone (Attica and Thessaloniki) may benefit from the package. Also enterprises manufacturing high technology products, investing on environmental protection, energy saving and employing mostly handicapped persons may be included, even if they are located within the A zone (these enterprises are characterised as “special investments”).
Subsidies

Capital and interest rate subsidies are offered, according to the industrial zone. The interested enterprises have to submit concrete investment proposals, either for the renewal of an already existing unit (above 10 million drachmas, approximately US $ 50,000) or for the installation of a new unit, or even for firm expansion (above 60 million drachmas, approximately US $ 300,000). Additional subsidy rates are provided for the removal of an enterprise from zone A, for merging and for enterprises characterized as special investments. If the application of an enterprise for subsidy is rejected, then it is legitimized to be included in the previous category (taxation incentives).

Supporting Organizations

The 1989-1993 Regional Development Plan of Attica provides for the creation of a supportive organization for SMES. The major responsibilities of the existing main supporting organizations are as follows:

The Greek Organization of Small and Medium Sized Enterprises (EOMMEH)

- Evaluates and approves subsidy programs of small industries concerning investments lower than 120 million drachmas, approximately US $ 600,000.
- Offers services as a technical and economic consultant by elaborating various kinds of studies (firm viability, evaluation of efficiency, necessity of establishment of a new enterprise
etc), on behalf of public services or interested firms. It should be mentioned, however, that EOMMEH is not involved in the elaboration of techno-economic studies attached to the applications of small industries for subsidy (Law 1832/1990).

- Organizes training programs for small entrepreneurs, mainly on marketing and management issues.

- Encourages the creation of consortiums and cooperative associations and provides them with technical and economic assistance during the first period of their operation.

- Organizes exhibitions of Greek SMES' products and participates in relevant exhibitions abroad.

- Promotes the institution of subcontract and mediates between interested firms.

*The Industrial District - Hellenic Industrial Investments Bank (VI.PE.-ETBA)*

The ETBA Bank, apart from subsidizing SMES' activities, has created a subsidiary, VI.PE.-ETBA for the formation of industrial districts. Within most industrial districts, special zones for the housing of small industries are defined. A small firm can either purchase a piece of land in order to build its own plant, or to purchase a standardized building, or even to rent a standardized building under favourable terms. VI.PE. - ETBA constructs also multifloor standardized buildings in order to be used by SMES with similar or complementary activities.

*The Organization for the Promotion of Exports (OPE)*

- Advertises and promotes Greek products abroad, also informs foreign entrepreneurs about the peculiarities of Greek trade market.
- Undertakes studies about the possibility of spreading Greek products in foreign markets, and provides information to the exporters and the state about current trends abroad.
- Submits suggestions to the state about measures to be taken in order to induce foreign clients.
- Organizes festivities and exhibitions of Greek products.

Other supporting organizations worth of reference are the Hellenic Productivity Center (ELKEPA), the Hellenic Welfare Organization (EOP), the Center of Planning and Economic Research (KEPE), the Hellenic Management Association (EEDE) and the Institute of Industrial and Economic Studies (IOBE).

Research / Industrial Parks in Greece: The Case of Patras

Support of innovations is provided by the Department of Innovations and Technical Development of the EOMMEH. The Department deals with the evaluation and subsidy of innovations, the advertisement and spreading of innovative products, the subsidy of purchase and installation of computers and the support of efforts for the establishment and development of regional Business Innovation Centers.

Research / Industrial Parks are under construction in Athens, Thessaloniki, Patras and Candia. In addition, one Research / Industrial Park associated with the Research Center of Demokritos is included in the 1989-1993 Regional Development Plan of Attica within the framework of Community Support Fund, also the construction of another one has been programmed by the National Technical University of Athens at the Lavrion area. Nevertheless, those of Patras and Candia appear to be the most prospective, since they have already established cooperation with foreign Research / Industrial Parks and Universities. In the following, the
case of the Research/Industrial Park of Patras (RIPP) is presented.

According to its statute, the RIPP aims at the creation of an environment favouring the advancement of high-tech industries, technology development and technology transfer, connection of Research and Production, and especially the utilization of human resources through the formation of a climate promoting cooperation and creative research effort. Also the RIPP aims at the inducement of high-tech firms to house their R & D departments within its territory, as well as at the advertisement and spreading of Greek innovations.

Coordinated efforts for the establishment of the RIPP started in 1990 with the purchase of land, as well as the beginning of construction of a building covering 4,000 square meters. Data and forecasts about the evolution of the RIPP are presented in Table 4 (Appendix).

Revenues of the RIPP will come from the renting of its installations, the remuneration for services provided to the firms installed and the interests of working capital. Services provided include administrative facilities (secretary staff, use of telecommunications, connection on-line with Data Banks, use of space facilities such as restaurants and halls for conferences and seminars, and general services such as maintenance and security of installations), consulting in marketing, management and technical issues, as well as personnel training.

Since Greek banks have been proved reluctant to invest on "spin-off" firms, the RIPP, in cooperation with the Business Innovation Center of Patras, has proceeded to the creation of its own Development Capital Fund, in order to ensure the continuous flow of seed and venture capital to the firms installed. The Development Capital Fund will be formed through the contribution of private financial institutions and EEC programs.

Capital resources for the development of the RIPP are provided by the Central Plan for Regional Development (1.100 million
drachmas), as well as the Plan for the Regional Development of Western Greece (150 million drachmas). The RIPP participates in the SPRINT program, whereby foreign consultants will elaborate studies for its development. It also participates in the STAR program, regarding the creation of a Data Bank for the collection of information about the activities of the RIPP, as well as about technical novelties. The RIPP has submitted a proposal to the TELEMATICS program, concerning the establishment of a Data Bank for the support of SMES located in Western Greece and Peloponese.

The entire package of the shares of the RIPP Co is held by the Foundation of Technology and Research (ITE), belonging to the General Secretariat of Research and Technology. The General Assembly, the members of which are appointed by the ITE, is convoked annually in order to decide on major issues, in the same way as in joint stock companies. The Administrative Board is elected by the General Assembly and consists of 7 members, including five professors of the University of Patras, the Mayor of Patras and a representative of the Association of Greek Industries (SEB); its president is a professor of the University of Patras. A nine-member Consulting Body has also been appointed by the General Assembly, in order to submit suggestions to the Administrative Board.

The RIPP is a member of the International Association of Science Parks, the Association of University Related Research Parks and the European Association for Technology Transfer, Innovation and Industrial Information. It has established cooperation with foreign Industrial Parks, especially with the Plassey Technological Park (Limerick, Ireland) and the Technopolis Novus Ortus (Bari, Italy).

Till now the RIPP has accepted three firms, namely Knowledge

Co, dealing with research and production of innovatory systems in the sectors of Telecommunications and Industrial Automations, Pride Co, specified in systems of computer numerical control for machine-programming and Chemetech Co, planning systems of biological cleaning. Also the Research Institute of Chemical Engineering and Chemical Reactions in High Temperatures, the Institute of Computer Technology and the Business Innovation Center of Patras are going to be installed within the RIPP's territory.

The Business Innovation Center of Patras is a member of the European Association of Business Innovation Centers, totalling 53 members. It supports innovations by facilitating access of entrepreneurs to capital funds, by consulting them on issues such as taxation systems, accounting and labour legislation, by helping them to formulate concrete proposals to obtain subsidy and by organizing training programs on business administration. It also hires specialists to evaluate innovations and has already supported 10 projects.

*Problems*

Greek SMES were developed rapidly within the last 30 years, owed to the spectacular increase of exports, especially in the sectors of spinning and weaving, clothing and shoe-making. Nevertheless, this flourishing was based upon factors such as cheap labour and local raw materials, as well as a temporal interest shown by foreign markets, but not upon an aggressive export policy of Greek SMES. In this sense, SMES developed hastily and without a proper infrastructure. On the one hand the state proved unready to deal effectively with institutional problems of SMES, and on the other hand SMES faced serious technical, economic and administrative problems.
Instability of national economic policy

This has proved a major problem, since external conditions change so often that it is difficult for SMES to formulate a consistent long-term policy.

Bureaucratization of loan and subsidy procedures

Public services and banks demand too many certificates and data (accounting, financial, statistical) in order to subsidize or to loan (especially concerning long-term loans) an enterprise. Poor organization of Greek SMES, however, makes impossible the filing of all these data\textsuperscript{28}. On the other hand, commercial banks are rather reluctant to deal with the provision of loans to SMES because of the relatively high costs of research and verification of submitted data, compared to the amount of applied sum\textsuperscript{29}.

Interest rates of loans given to SMES are considered high; in addition, most SMES suffer from lack of collateral security and consequently their possibilities for obtaining a loan are limited. Replies to their applications delay too long, because of the bureaucratization of public services and, sometimes, the ignorance and indifference of the authorized clerks.

A similar problem refers to the lack of information about the terms of subsidy. It is commonly recognized that information is occasional and vague and as a result, a percentage of EEC funds purported to support Greek SMES is not absorbed.


\textsuperscript{29} KEPE, \textit{op. cit.}, pp. 73-74.
Lack of technical standards

In spite of the efforts made lately by the Hellenic Organization of Standarization (ELOT), technical standardization has not reached yet at a satisfying level. Oowed to the lack of technical standards, many SMES face difficulties in exporting their products.

Lack of capital

As already implied in the above, the most crucial problem of SMES refers to the lack of sufficient capital for research, investments, advertisement etc. At present, manufacturing SMES can be financed through special funds offered by commercial banks. Nevertheless, recent EEC regulations dictate the abolishment of this preferential financing scheme, causing additional problems to manufacturing SMES.

Investments

Proprietors of SMES are mostly technicians and are mainly occupied with production. Investments are made without a consistent program, and are either too timid or too risky. Decisions about firm expansion are often made inopportunely, resulting in the stagnation of the firm for a long time, because of the lack of working capital.

Marketing

Similar problems arise concerning marketing. The proprietor usually decides on his own about the kinds of products to be
manufactured, without making a market research, or even taking in mind the reactions of his clients.

**Procurement of raw materials**

This problem appears to be a complex one, related to the peculiarities of each industrial sector. For example, a lack of technical standards is apparent and SMES usually are not capable of checking the quality of raw materials on their own. In many cases also they are obliged to supply raw materials of inferior quality because of shortages observed during the demand period. Finally, since SMES need small quantities at irregular time periods, they cannot find suppliers on a permanent basis.

**Exports**

Export activities of SMES remain limited because of their low production capacity, the lack of polyglot executives, the lack of information about foreign markets and the high costs of making research about them.

**CONCLUSIONS AND PROSPECTS**

In the above we have extensively emphasized the contribution of Greek SMES to the national economy and social policy, despite the problems they face. In the near future, however, the socio-economic environment is about to change, owed to the European
unification and the intensification of competition. Greek SMES are, more or less, tied to traditional industrial sectors and to "family management" patterns and consequently appear unready to face new challenges. Therefore, their orientation towards products of high demand and the aquirement of flexibility and innovative capacity are necessary preconditions for their future development.

In this sense, mere technical knowledge is not enough for a proprietor to run his enterprise, and at least an elementary knowledge of management, marketing, insurance and taxation principles is required. Consequently, the establishment of concrete education programs for those interested to run a small business is recommended. Also by establishing programs of continuing education for small entrepreneurs, problems pertaining to structural inadequacies of SMES (administration, marketing etc) will be reduced.

The simplification of subsidy procedures is indispensable. Especially, very small enterprises (employing up to 5 persons) and new enterprises (operating less than 3 years) should be treated more favourably concerning subsidy procedures and taxation. SMES should also become familiar with the recently introduced institutions of leasing and factoring.

Greek SMES have not managed yet to join together effectively into forms of cooperative relationship. In this sense, the forthcoming creation of a supporting organization for SMES in Attica is about to facilitate significantly inter-firm cooperation, as well as SMES' access to technical and consulting resources. The institutions of Research/Industrial Parks and Business Innovation Centers have been appeared very recently in Greece and their operation cannot be evaluated yet. SMES of certain high-tech sectors, however, should be encouraged to enter them, considering the obvious advantages offered. Opportunities for communication, personnel training, use of Data Banks and consulting, constitute elements composing an environment favouring cooperation, re-
search and firms' innovative capacity.

Voluntary SMES associations alone, however, are not considered capable of ensuring long-term prosperity, owed to the accumulation of recalcitrant problems mentioned in the previous. In this respect, we agree with Lyberaki\textsuperscript{30}, proposing that SMES' defensive strategies produce mainly temporal advantages and that a supporting state intervention promoting innovation, regulating market forces and creating opportunities for the workforce is necessary for the development of a dynamic SMES sector.

BIBLIOGRAPHY


APPENDIX

**TABLE 1**

Employment Change According to Firm Size

<table>
<thead>
<tr>
<th>Employees</th>
<th>N</th>
<th>Employees</th>
<th>%</th>
<th>Annual average change rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMES</td>
<td>403,314</td>
<td>434,926</td>
<td>60.0</td>
<td>63.6</td>
</tr>
<tr>
<td>Big firms</td>
<td>268,183</td>
<td>249,220</td>
<td>40.0</td>
<td>36.4</td>
</tr>
</tbody>
</table>

**TABLE 2**

Regional Distribution of SMES' Units and Employment

<table>
<thead>
<tr>
<th>Regions</th>
<th>Units</th>
<th>%</th>
<th>Employment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td></td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>E. Macedonia &amp; Thrace</td>
<td>6,352</td>
<td>4.4</td>
<td>17,282</td>
<td>3.9</td>
</tr>
<tr>
<td>Central Macedonia</td>
<td>26,852</td>
<td>18.8</td>
<td>89,632</td>
<td>20.6</td>
</tr>
<tr>
<td>W. Macedonia</td>
<td>6,402</td>
<td>4.5</td>
<td>17,799</td>
<td>4.1</td>
</tr>
<tr>
<td>Epirus</td>
<td>3,815</td>
<td>2.7</td>
<td>9,933</td>
<td>2.1</td>
</tr>
<tr>
<td>Thessaly</td>
<td>9,157</td>
<td>6.4</td>
<td>24,385</td>
<td>5.6</td>
</tr>
<tr>
<td>Sterea Hellas</td>
<td>6,397</td>
<td>4.5</td>
<td>17,315</td>
<td>4.0</td>
</tr>
<tr>
<td>Attica</td>
<td>54,116</td>
<td>37.8</td>
<td>186,907</td>
<td>43.0</td>
</tr>
<tr>
<td>W. Greece</td>
<td>7,410</td>
<td>5.2</td>
<td>20,268</td>
<td>4.7</td>
</tr>
<tr>
<td>Peloponese</td>
<td>7,119</td>
<td>5.0</td>
<td>17,458</td>
<td>4.0</td>
</tr>
<tr>
<td>Ionian Islands</td>
<td>2,396</td>
<td>1.6</td>
<td>5,022</td>
<td>1.2</td>
</tr>
<tr>
<td>Aegean Island</td>
<td>2,842</td>
<td>2.0</td>
<td>5,769</td>
<td>1.3</td>
</tr>
<tr>
<td>Cyclades &amp; Dodekanese</td>
<td>2,915</td>
<td>2.0</td>
<td>6,696</td>
<td>1.5</td>
</tr>
<tr>
<td>Crete</td>
<td>7,325</td>
<td>5.1</td>
<td>16,461</td>
<td>3.8</td>
</tr>
<tr>
<td>Total</td>
<td>127,460</td>
<td>100.0</td>
<td>403,312</td>
<td>100.0</td>
</tr>
</tbody>
</table>
### TABLE 3*
**Sectors of High Concentration of SMES (Percentage of Their Total)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Units (%)</th>
<th>Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing, Shoe-making</td>
<td>15.1</td>
<td>16.0</td>
</tr>
<tr>
<td>Means of transport</td>
<td>13.7</td>
<td>10.1</td>
</tr>
<tr>
<td>Food industry</td>
<td>13.6</td>
<td>15.6</td>
</tr>
<tr>
<td>Metal products (except machines)</td>
<td>10.8</td>
<td>8.2</td>
</tr>
<tr>
<td>Wood products (except furniture)</td>
<td>9.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Furniture</td>
<td>7.8</td>
<td>6.9</td>
</tr>
</tbody>
</table>

### TABLE 4**
**Data and Forecasts About the RIPP**

<table>
<thead>
<tr>
<th>Year</th>
<th>1993</th>
<th>1997</th>
<th>2001</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms installed</td>
<td>6</td>
<td>7</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Total area covered by</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firms installed (m2)</td>
<td>5.300</td>
<td>6.700</td>
<td>6.700</td>
<td>12.100</td>
</tr>
<tr>
<td>Total area of buildings (m2)</td>
<td>6.300</td>
<td>7.900</td>
<td>7.900</td>
<td>22.000</td>
</tr>
<tr>
<td>Total area of the RIPP (000m2)</td>
<td>56</td>
<td>56</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Personnel of the RIPP</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Invested capital (million drs)</td>
<td>1.200</td>
<td>2.800</td>
<td>2.800</td>
<td>4.450</td>
</tr>
<tr>
<td>Annual operational costs (million drs)</td>
<td>80</td>
<td>150</td>
<td>220</td>
<td>500</td>
</tr>
<tr>
<td>Annual revenues (million drs)</td>
<td>30</td>
<td>185</td>
<td>400</td>
<td>1.500</td>
</tr>
</tbody>
</table>

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**Source: RIPP Bulletin, January 1991, 2, p. 7 (in Greek)