

THE PRESENCE OF GREEK MULTINATIONAL ENTERPRISES IN SOUTH-EASTERN EUROPE: THE INFLUENCE OF SHADOW ECONOMY & CORRUPTION IN THE INVESTMENT EXPANSION OF GREEK MULTINATIONALS

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February 2014

ABSTRACT

The aim of this working paper is to estimate the size of the shadow economy and corruption in Greece and in other countries of South-Eastern Europe and assess their impact on the investment expansion of the Greek multinational enterprises.

Among the most basic FDI motives of expansion of Greek multinational enterprises in these countries (as Albania, FYROM, Serbia, Turkey, Romania, and Bulgaria) were the enlargement of sales (increase of market share), the low labor cost that decreased the production cost, and the geographic proximity.

The first Greek multinational enterprises were activated primarily in the secondary sector and then in the services sector, whereas the most significant Greek Foreign Direct Investments (FDI) took place in Turkey (figures based on FDI stock).

Very important are the elements and statistics from the critical discussion of the shadow economy in Greece in comparison with other South-East European countries, and its connection with the presence of Greek multinationals in Southeast Europe.

In the survey that was performed by Schneider (2013) regarding the size of shadow economy in 31 European countries from 2003 until 2012, Bulgaria ranked in the first place with 31,9% of shadow economy over GDP, Romania in the second place (29,1%), while Greece had 24% (data as of 2012).

Keywords: FDI, shadow economy, corruption, South-Eastern Europe, entrepreneurship

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1. THE PRESENCE OF GREEK MULTINATIONAL COMPANIES IN SOUTHEAST EUROPE

1.1 The concept of multinational firms and FDI

As multinational enterprises are defined those which own and control productive units operating in more than one countries other than the country of the parent company. A basic qualification for a multinational enterprise is to operate more than two production units located in different countries and the parent company to be owner of part or even the entire share capital of at least one subsidiary located abroad. To be noted that, in accordance with the academic literature, owning a percentage of 25% of the share capital of a subsidiary is a necessary, but not sufficient, condition to exercise effective control by the parent company.

On the other hand, the term Foreign Direct Investments (FDI) means the establishment of subsidiaries abroad which owned wholly or in part by the parent. The subsidiary company shall be located in a dependency relationship to the parent company, as the latter holds 51% of shares. Foreign Direct Investments involve transferring productive resources and inputs across national borders of a company, and these inputs can be either physical (e.g. production equipment) or intangible (e.g. knowledge transfer). This transfer takes place not in the form of a commercial transaction through intermediation, but in the logic of a pure business ownership.

The parent company in a FDI directly affects the process and decision making of its subsidiary, by specifying the behavior on a number of key operational issues, such as the selection of business knowledge and technology. To be noted that a business without Foreign Direct Investments cannot be considered as multinational. In short, multinationals and FDI are closely linked.

1.2 The presence of multinational companies in Southeast Europe

The main motivation of Greek multinational firms to expand their operations in the markets of Southeast Europe (by identifying Southeastern Europe it is meant the countries of Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Moldova, Montenegro and FYROM) was the increase of sale volumes, the achievement of low labor cost advantages which would significantly reduce the production costs, and geographical proximity, as these subsidiaries could be managed to a great extent by their existing Greek headquarters (Bitzenis, 2003).

The first domestic enterprises invested abroad in the form of FDI were through the establishment of a local subsidiary as an entry mode. Over time, the pure domestic multinationals resulted from mergers and acquisitions of Greek enterprises to gather

production capabilities and create a strong capital base. The first Greek FDI to Southeast Europe aimed at the secondary sector, but later shifted to the service sector.

The sizes of the Greek Foreign Direct Investment to South-East Europe were minimal until the fall of the socialist regime in 1989. Consequently, the growth rate of Greek FDI was significant, thus diversifying the 'map' of Greek investments in geographical terms. According to UNCTAD, the stock of Greek FDI increased from 2.9 billion dollars in 1990 to 6.1 billion in 2000, an increase of 110%, while in 2009 the stock increased to 40.4 billion dollars. Thus from 1990 to 2009, i.e. over a period of 19 years, there has been an overall increase in FDI stock of about 562%.

Compared with the total stock of FDI from abroad directed to the countries of Southeast Europe in 2008, 51% was directed to Cyprus, 24% in Albania, 14% in Macedonia, 13.2% in Serbia, 6.7% in Turkey, 6.6 % in Romania and 4.2 % in Bulgaria (Bitzenis and Vlachos, 2011) .

As shown below in Table 1, the largest share of Greek FDI took place in Turkey (4.2 billion U.S. dollars) during the period from 2000 to 2012 (cumulative). It is followed by Romania (2.93 billion euro from 2004 to 2012), Bulgaria (2.74 billion euro from 1999 to 2012), Albania (525 million euro for the years 2007-2011) and FYROM (436 million euro for the period 1997-2012).

Table 1: The major recipient countries of Greek FDI (stock)

Period	Country	Greek FDI inflows
2007-2011	Albania	525 (εκατ. ευρώ)
1997-2012	FYROM	436,22 (εκατ. δολάρια)
1999-2012	Bulgaria	2,74 (δισ. ευρώ)
2005-2011	Serbia	1,2 (δισ. ευρώ)
2000-2012	Turkey	4,2 (δισ. δολάρια)
2004-2012	Romania	2,93 (δισ. ευρώ)

Source: Authors' Modifications (2013)

1.2.1 The Greek FDI in Albania

Table 2: Foreign Direct Investments in Albania per country in million euros (stock)

Country	2007	2008	2009	2010	2011
Canada	1	8	102	294	566
Greece	521	566	560	620	525
Austria	147	186	221	375	472
Italy	220	321	348	372	372

Turkey	154	190	235	281	282
The Netherlands	274	188	207	221	249
Cyprus	34	54	50	46	118
Germany	52	66	74	84	85
Total	1.830	2.061	2.261	2.667	3.036

Source: Bank of Albania (Authors' Modifications) (2013)

In Table 2 above, it is presented the annual stock of FDI in Albania by country of origin. It is noticed that the Greek companies were the most basic investor in Albania and respective investments reached from 521 million euro by 2007 to 620 million by 2010, and 525 million euro by 2011. Noteworthy is the fact that although Greece was 'hit' by the economic crisis, Greek multinationals continued to invest in Albania.

It is also remarkable the finding that in 2010, a year when inflow of FDI in Greece was significantly reduced, the respective Greek FDI flow towards Albania increased, that can be probably explained as a way for Greek entrepreneurs to counter balance the effects of crisis in Greece, by further diversifying their portfolio of investments and operations abroad.

In the first position of FDI in Albania in 2011 was Canada with 566 million euro (cumulative), followed by Greece with 525 million, Austria with 472 million and Italy with 372 million.

1.2.2 The Greek FDI in FYROM

According to data from the Central Bank of FYROM, Greece invested a total of 436 million euro during the period from 1997 to 2012 and was ranked in the third place after the Netherlands (745 million euro) and Austria (442 million euro).

Among the main FDI companies in FYROM are included the following : Johnson Matthey (UK), Mobilkom Austria (Austria), EVN (Austria), Deutsche Telecom (Germany), Kromberg & Schubert (Germany), Dräxlmaier Group (Germany), Van Hool (Belgium), Societe Generale (France), Johnson Controls (USA), KEMET Corporation (USA), the National Bank of Greece (Greece), Hellenic Bottling Company SA (Greece), QBE Insurance Group Limited (United Kingdom), Mittal Steel (Netherlands), Duferco (Switzerland), and Titan Group (Greece). It is noticed that three Greek companies, i.e., the National Bank of Greece, the Titan Group and Hellenic Bottling Company SA are included among the top 16 FDI investors in FYROM with a percentage in total FDI of 18.75%.

Table 3 (a): Foreign Direct Investments in FYROM per country in million euros (stock)

Country	1997	1998	1999	2000	2001	2002	2003	2004
Holland	1,43	4,63	10,23	14,70	15,59	61,06	69,72	103,23
Austria	17,56	30,15	39,47	32,99	36,78	37,69	42,82	62,29

Greece	9,74	12,77	20,48	105,28	174,21	213,02	223,02	264,10
Slovenia	16,41	21,18	43,70	56,16	58,83	66,41	84,74	101,85
Hungary	0,02	0,02	0,02	0,01	300,58	300,10	313,37	354,40
Turkey	0,70	1,15	14,24	16,12	16,23	17,98	18,86	26,49
Bulgaria	2,58	3,35	2,90	3,55	6,57	11,68	23,28	24,33
France	0,23	0,35	0,42	7,99	5,89	10,75	15,18	19,58
USA	1,40	2,37	4,14	12,54	33,96	41,27	42,24	25,62
Total	141,22	270,37	359,90	580,05	1.039,15	1.160,71	1.292,14	1.610,22

Πηγή: National Bank of FYROM (Authors' Modifications) (2013)

Table 3 (b): Foreign Direct Investments in FYROM per country in million euros (stock)

Country	2005	2006	2007	2008	2009	2010	2011	2012
Holland	213,35	211,99	431,31	435,57	523,56	550,43	740,39	783,00
Austria	57,72	219,41	238,29	334,58	362,58	371,70	416,76	441,62
Greece	279,21	320,40	387,14	450,70	380,31	431,15	442,93	436,22
Slovenia	106,79	126,71	165,84	262,78	391,21	398,70	405,66	363,25
Hungary	350,01	350,35	421,25	410,56	388,75	346,85	346,57	346,43
Turkey	25,06	27,72	34,91	42,98	49,74	48,29	117,23	145,32
Bulgaria	27,36	42,79	62,49	86,50	92,29	117,32	120,29	142,79
France	1,47	0,29	10,51	13,04	26,15	129,50	131,51	134,81
USA	29,84	45,32	35,88	47,79	48,78	37,43	42,78	59,54
Total	1.768,9	2.098,6	2.545,2	2.968,8	3.141,7	3.322,3	3.695,0	3.746,4

Πηγή: National Bank of FYROM (Authors' Modifications) (2013)

In Tables 3 (a) and 3 (b) is presented the size and trend of Greek FDI in FYROM. Specifically, in 1997, 9.74 million was invested, while there was an increased investment tendency, especially in 2000 (105.28 million cumulative) and 2001 (174.21 million cumulative). Beyond that, after falling in 2009 (from 450.7 million in 2008 investment to 380.31 million in 2009) investments of Greek multinationals returned to an upward trajectory, amounting in 2012 to 436.22 million euros (stock).

1.2.3 The Greek FDI in Bulgaria

Table 4: Foreign Direct Investments in Bulgaria per country in million euros (stock)

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012
Holland	632	941	1.933	4.591	4.692	5.772	7.326	7.230	7.172
Austria	1.506	3.479	4.621	5.183	6.061	6.442	5.529	5.822	5.692
Greece	637	1.029	1.690	2.305	2.694	3.032	2.874	2.858	2.743
UK	344	649	1.433	2.109	2.685	2.897	2.665	2.335	2.272
Cyprus	470	643	852	1.280	1.580	1.829	1.958	2.119	2.189
Germany	681	777	1.075	1.281	1.860	2.007	1.986	1.842	1.942
Luxemb.	-	363	271,8	351	983	607	951	1.284	1.652
Switzerl.	300	446	352	556	633	658	765	980	1.179
Hungary	224	311	488	725	935	1.048	1.118	1.021	1.066
France	180	208	387	458	641	756	767	848	975
USA	451	614	827	918	1.460	923	934	957	962
Spain	18	59	227	676	875	909	880	877	877
Italy	479	575	502	383	465	516	621	724	772
Ireland	20	108	526	821	747	779	775	738	659
Belgium	-	69	141	249	288	387	428	433	523
Total	7.421	11.756	17.830	25.770	31.658	34.170	35.347	36.619	37.756

Source: National Bank of Bulgaria (Authors' Modifications) (2013)

In Bulgaria, the largest FDI in the first two months of 2013 came from Greece (9.4 million), followed by Luxembourg (7.9 million) and Russia (6.7 million), according to the Bureau of Economic and Business Affairs in Sofia on April 2013. Total inflows in Bulgaria reached 40.3 million during the first two months of 2013, while in the corresponding period of 2012 had reached 524.3 million. On the other hand, the Bulgarian FDI increased by 6.8 million in 2013 compared with 23.8 million over the same period of 2012, recording a significant decrease in the rate of growth.

Particularly, Greece was the largest investor in Bulgaria with outflows of 9.4 million euro in the first two months of 2013. Accordingly, during the first two months of 2013, the FDI inflows in Bulgaria were significantly reduced by 92% compared versus the previous corresponding period, i.e. the first two months of 2012. As shown above in Table 4, Greek multinationals are ranked overall in the third position with 2.7 billion, while the first position is occupied by the Dutch companies with 7.1 billion and the second by Austrian with 5.6 billion euro. The Greek investors in Bulgaria have been, diachronically, amongst the most significant. Specifically, in 1999 the Greek multinationals had invested a cumulative 95.7 million, while a surge was achieved in 2005, when increased from 637 million in 2004 to 1.1 billion euro

(stock). In 2009, Greek investments amounted to 3 billion, whereas in 2012 fell to 2.7 billion cumulatively. If one considers the size of the economic crisis in Greece might conclude that the Greek investments in Bulgaria have remained at the same level.

1.2.4 The Greek FDI in Serbia

Table 5: Net flows and cumulative inflows in Serbia in 2005-2011, in million euros.

Country	2005	2006	2007	2008	2009	2010	2011	Cumul. inflows
Luxemb.	88	5	185	49	6	7	813	1.153
Holland	80	-177	-24	337	172	200	241	830
Austria	169	410	849	331	234	146	155	2.293
Italy	15	49	111	334	167	42	128	847
France	35	79	61	54	7	17	114	367
Germany	155	645	51	60	40	33	77	1.060
Russia	12	13	2	8	420	7	74	535
Greece	183	672	237	33	47	24	10	1.207
Total	1.162	3.242	1.448	1.590	1.305	831	1.799	11.377

Πηγή: National Bank of Serbia (Authors' Modifications) (2013)

Table 5 presents the net and cumulative flows in Serbia from 2005 to 2011 in thousands of euros. During this period, the companies from Luxembourg were ranked in the first place with 813 million euro, followed by those from Holland with 241 million, Austria with 155 million and Italy with 128 million.

The Greek multinationals were positioned lower in 2011. Particularly, the Greek companies had invested 183 million euro in 2005, while in 2006 significantly boosted their investments with 672 million, whereas in 2007 fell to 237 million and further more in 2008 to 33 million. Beyond that, the 2009 Greek multinationals slightly improved their investment presence with 47 million, 24 million in 2010 and fell to 10 million 2011.

In the first position of the input cumulatively, during that period (2005-2011), are ranked the Austrian companies with 2.3 billion, followed by the Greek with 1.2 billion euro and, in the third position, by the multinationals from Luxembourg with 1.1 billion. This indicated that the Greek multinationals have maintained a strong investment position in Serbia over time, and especially in 2006, which was the most dynamic year. However, the subsequent weak economic conditions combined with the general economic situation in Greece, led the Greek multinationals to shift to other options, or to curtail their investment capacity.

1.2.5 The Greek FDI in Turkey

Table 6: FDI stock in Turkey in million US dollars

Country	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Holland	6.594	9.904	15.278	19.542	33.482	18.736	31.727	38.759	25.372	35.802
Austria	51	79	153	565	4.393	2.289	5.864	10.678	12.358	15.995
Germany	3.965	5.103	6.878	6.578	10.296	4.848	12.683	17.611	11.384	15.961
UK	3.411	3.482	5.753	7.101	13.102	5.592	9.600	14.874	9.133	12.876
Spain	445	599	732	1.355	3.446	1.600	3.665	5.140	6.640	11.415
Luxemb.	606	639	1.275	2.095	7.787	4.322	7.762	11.382	6.200	9.408
USA	3.420	3.340	4.807	4.564	11.580	4.452	9.046	15.967	7.961	8.634
France	3.388	3.512	7.020	7.464	12.968	5.528	11.295	9.718	6.374	8.858
Russia	1	0	3.602	6.926	3.324	1.790	2.345	2.344	3.207	8.587
UAE	4	4	3.154	5.449	6.289	4.460	5.950	8.333	7.233	7.749
Switzerl.	1.220	1.309	1.736	1.989	3.720	1.889	2.845	4.219	2.782	6.176
Finland	1.309	1.783	6.004	7.913	9.363	4.925	5.985	6.169	4.333	5.880
Italy	1.678	1.623	3.919	4.325	3.460	1.167	3.364	4.392	2.948	4.643
Greece	91	99	236	2.607	5.779	4.124	5.461	6.589	4.419	4.201
Europe	24.104	29.764	56.946	75.811	121.459	60.960	111.447	141.546	104.828	147.359
Asia	2.388	2.031	6.199	8.468	12.765	8.032	13.538	19.164	15.531	21.837
Total	30.595	37.175	69.907	93.448	151.929	75.407	138.010	181.171	130.912	181.245

Πηγή: Central Bank of the Republic of Turkey (Authors' Modifications) (2013)

Table 4.6 illustrates the Foreign Direct Investments in Turkey from 2003 to 2012 in million U.S. dollars cumulatively. Accordingly, European countries in 2000 invested 30.6 billion U.S. dollars, while in 2012 investments amounted to 147.3 billion U.S. dollars. Three of the most basic investor countries in Turkey, according to the data in 2012, were the Netherlands (35.8 billion U.S. dollars), Austria (15.99 billion U.S. dollars) and Germany (15.96 billion USD). Notable also was the rise of investment aspirations of Dutch companies, which reached from 7 billion U.S. dollars in 2003 to 35.8 billion U.S. dollars (stock) in 2012.

Further, Asian multinationals had invested 2.4 billion U.S. dollars in 2003 and reached 21.8 billion U.S. dollars in 2012. On the other hand, the 3.4 billion U.S. dollars invested by U.S. multinationals in 2003 rose to 8.6 billion U.S. dollars by 2012. In total, the amount invested from multinationals reached from 30.6 billion dollars U.S. in 2003 to 181.2 billion U.S. dollars in 2012.

Greek multinationals had invested 91 million U.S. dollars by 2003, and increased significantly in the period 2005-2007 when they reached to 5.7 billion dollars and further to 6.6 billion U.S. dollars in 2010. Since then, due to the impact of the economic crisis on the Greek economy, Greek FDI in Turkey has declined to 4.2 billion U.S. dollars in 2012.

1.2.6 The Greek FDI in Romania

In Romania, by the end of 2011, the number of Greek investment reached 2.9 billion euros, compared to 3 billion in 2010, remaining stable despite the economic crisis. According to the Greek Embassy in Bucharest, in 2011 the Greek investments continued, resulting in the establishment of more than 250 new businesses. Beyond that, the Greek investments amounted to 2.5 billion euros at the end of 2012 (stock).

The Greek multinationals cover a wide range of economic activities, but focused on the telecommunications industry (Romtelecom, Cosmote) and banking (Bancpost, Alpha Bank, Piraeus Bank, Banca Romaneasca, Emporiki Bank, ATE Bank, Marfin Bank). The total of 929 branches controlled by banks of Greek interest before the crisis, fell to only 830, and mutatis mutandis the respective shrinkage can be considered as limited.

Also important is the Greek investment presence in the production of food and drinks, in the wholesale and retail sector, in the production of non-ferrous metals and the services sector. In addition, increased activity takes place by Greek construction companies, which maintain in Bucharest a large capacity of proprietary specialized technical equipment, with the expectation that they will be awarded major infrastructure projects, which are tendered at regular intervals by the Romanian State.

Table 7 shows the ranking of FDI (stock) per country in Romania, of which the total amount reached the level of EUR 59.1 billion in 2012. In the first place stand the Dutch companies with 13.2 billion euros, occupying more than one fifth of the total market for FDI, followed by Austria with 10.9 billion and Germany with 6.4 billion, while Greece was in the 7th place with 2.5 billion (cumulatively).

Table 7: FDI stock in Romania in million euro

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012
Holland	2.456	4.266	5.887	6.988	8.402	10.907	10.903	11.982	13.229
Austria	2.355	3.379	7.942	9.161	9.186	9.037	9.346	9.667	10.920
Germany	1.300	2.339	3.473	5.020	7.509	6.718	6.398	6.272	6.499
France	1.552	1.828	2.766	3.759	4.294	4.259	4.384	5.042	5.272
Italy	724	1.500	2.322	2.617	3.585	2.528	2.808	3.341	2.930
Cyprus	605	815	1.674	2.015	1.896	2.344	2.550	2.536	2.687
Ελλάδα	1.233	1.864	2.680	3.192	3.154	3.281	3.016	2.934	2.529
Switzerland	446	1.557	2.372	2.191	2.298	2.115	2.021	1.839	2.194

USA	650	567	628	581	869	1.054	1.349	1.420	1.809
Total	15.040	21.885	34.512	42.770	47.798	49.984	52.585	55.139	59.126

Πηγή: National Bank of Romania (Authors' Modifications) (2013)

2. COMPARISON OF THE SHADOW ECONOMY IN GREECE WITH EU27 COUNTRIES

Table 8 below presents the size of the shadow economy of the 27 member countries of the European Union during the decade 2003-2012, according to a research by Schneider (2013). The underground economy in Greece decreased from 28.2% in 2003 to 24.3% in 2008, but remained at very high levels. In turn, it increased to 25.4% in 2010 and decreased again to 24% in 2012. According to Schneider this is a rather uncommon trend in comparison with other European countries. If we take into account these percentages during the entire decade, then there is a reduction of 4.2% from 2003 to 2012, from 28.2% to 24%. The conclusion is that a decrease is noticed, but this decrease is small when the proportion of informal economy accounts for a quarter of Greek GDP.

Overall, Bulgaria remains first in terms of the size of shadow economy at 31.9% of GDP, followed by Romania with 29.1%, Lithuania with 28.5%, Estonia with 28.2%, Latvia with 26.1%, Cyprus with 25.6% and Greece ranked in the 9th position with 24%. On the other side, the smallest share of shadow economy in GDP is held by Austria with 7.6% in 2012, followed by Luxembourg with 8.2% and Netherlands with 9.5%. To be noted that the average of the countries listed in Table 8 was 22.3% in 2003, while this percentage decreased to 18.4% in 2012; however, in both cases, the respective percentages evidenced by Greece were much higher than the above averages.

Table 8: Size of shadow economy in 31 European countries from 2003 to 2012 (percentage of GDP)

Country / Year										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Austria	10.8	11	10.3	9.7	9.4	8.1	8.47	8.2	7.9	7.6
Belgium	21.4	20.7	20.1	19.2	18.3	17.5	17.8	17.4	17.1	16.8
Bulgaria	35.9	35.3	34.4	34	32.7	32.1	32.5	32.6	32.3	31.9
Cyprus	28.7	28.3	28.1	27.9	26.5	26	26.5	26.2	26	25.6
Czech Republic	19.5	19.1	18.5	18.1	17	16.6	16.9	16.7	16.4	16.0
Denmark	17.4	17.1	16.5	15.4	14.8	13.9	14.3	14	13.8	13.4
Estonia	30.7	30.8	30.2	29.6	29.5	29	29.6	29.3	28.6	28.2
Finland	17.6	17.2	16.6	15.3	14.5	13.8	14.2	14	13.7	13.3
France	14.7	14.3	13.8	12.4	11.8	11.1	11.6	11.3	11	10.8
Germany	17.1	16.1	15.4	15	14.7	14.2	14.6	13.9	13.7	13.3
Greece	28.2	28.1	27.6	26.2	25.1	24.3	25	25.4	24.3	24.0
Hungary	25	24.7	24.5	24.4	23.7	23	23.5	23.3	22.8	22.5
Ireland	15.4	15.2	14.8	13.4	12.7	12.2	13.1	13	12.8	12.7
Italy	26.1	25.2	24.4	23.2	22.3	21.4	22	21.8	21.2	21.6
Latvia	30.4	30	29.5	29	27.5	26.5	27.1	27.3	26.5	26.1
Lithuania	32	31.7	31.1	30.6	29.7	29.1	29.6	29.7	29.0	28.5
Luxemburg (Grand-Duché)	9.8	9.8	9.9	10	9.4	8.5	8.8	8.4	8.2	8.2
Malta	26.7	26.7	26.9	27.2	26.4	25.8	25.9	26	25.8	25.3
Netherlands	12.7	12.5	12	10.9	10.1	9.6	10.2	10	9.8	9.5
Poland	27.7	27.4	27.1	26.8	26	25.3	25.9	25.4	25	24.4
Portugal	22.2	21.7	21.2	20.1	19.2	18.7	19.5	19.2	19.4	19.4
Romania	33.6	32.5	32.2	31.4	30.2	29.4	29.4	29.8	29.6	29.1
Slovenia	26.7	26.5	26	25.8	24.7	24	24.6	24.3	24.1	23.6
Spain	22.2	21.9	21.3	20.2	19.3	18.4	19.5	19.4	19.2	19.2
Slovakia	18.4	18.2	17.6	17.3	16.8	16	16.8	16.4	16	15.5
Sweden	18.6	18.1	17.5	16.2	15.6	14.9	15.4	15	14.7	14.3
United Kingdom	12.2	12.3	12	11.1	10.6	10.1	10.9	10.7	10.5	10.1
27 EU-Countries / Average (unweighted)	22.3	21.9	21.5	20.8	19.9	19.3	19.8	19.5	19.2	18.4

Πηγή: The shadow economy in Greece and other OECD countries (2012)

3. PRELIMINARY CONCLUSIONS

The purpose of this working paper is to present the influence of shadow economy in the expansion of Greek multinationals in the wider South-Eastern Europe. According to the data presented, and as it is evidenced by the respective sizes of the shadow economy in the countries where Greek investors are primary active, corruption has been a significant variable and should be explicitly taken into account in any econometric model or questionnaire surveys that try to assess its impact as a determinant of foreign direct investment in these countries.

Further, the fact that a high extent of shadow economy is noticed in Greece, as an originator investor in the above countries, raises additional interest on the matter. Finally, the extent to which established Greek investors face corruption in their daily operations in these countries is another aspect of research that this paper intends to cover.

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