INVESTING IN GREECE GOOD OR BAD IDEA?

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Abstract

This research paper will be discussing topics about the Greek economy and it's improvement over the years from the 2007-2008 financial crisis into today in 2021. I will be writing about the importance of FDI (Foreign Direct Investments) to the Greek economy, analyzing GDP, inflation rates in the country over the years as well as unemployment rates as well as imports and exports in the country. The purpose of this essay is to prove the points I will be making in my three hypotheses and also come to the conclusion of if it is worth it or not investing in the Greek economy. I will present analytical data and history of Greece's economy after the 2007-2008 crisis until now and also look to see if the Greek economy has improved itself after that period of time and if it's ready to handle more investments coming into the country.

Introduction

In my research paper I will be analyzing different sections of the Greek economy after the 2007 crisis up to current day 2021. In this paper I will get my audience to understand why after all, it would be a good idea to invest or not in Greece. I will analyze the 2007-2008 Greek economic crisis and other previous similar economic crisis that have happened around the world in the past. I will include charts and data tables that will show to my audience the progress of the Greek economy during the years mentioned before by analyzing information on Gross Domestic Product, inflation rates, unemployment rates, imports and exports in Greece from 2007 to 2021 predictions. I will be writing about different sections of the Greek economy with the biggest investments over the years, such as the shipping industry and the tourism industry, from which the Greek economy has been strongly supported. I will be talking about the importance of FDI (Foreign Direct Investments) in Greece over the years, and also the impact of the Greek financial debt to the Greek economy. In this paper I will be also supporting my 3 hypothesis and talk about how Greece is steadily making its economy stronger and better for new and current investors. The main purpose of my paper is to make my audience understand how Greece would be a great country for future investments and I will achieve that by presenting data and information on the economic growth of the Greek economy over the years. Trustworthy investment sections of the Greek economy show them how Greece is steadily coming out of financial debts and boosting up their economy and financial system. This research has a high importance to me because as I am a Greek citizen and would like to depict and analyze if the Greek economy is doing better after the 2007 financial crisis hit and if it would be a good idea for me as a graduate international student to work and invest in my country in the future or to stay in the United States and find a work position here.

Literature review

Economic crisis in Greece 2007

Related economic crisis in other countries prior to 2007

USA, Latin America, East Asia, UK

An economic crisis started in Thailand in 1997 after an astonishing three decades of growth in East Asian countries. Income had risen; poverty had decreased; and health status had improved. Many of the East Asian countries' economies had outperformed the economy of the United States given that some of the East Asian countries had not experienced a recession year for over 30 years (Meier & Stiglitz, 2016). Due to international pressures, including pressure from the United States' Treasury Department, East Asian countries liberated their capital and financial markets by the 1990s.This financial market liberation triggered a short-term capital flooding by various countries over the long-term investments.

In the 1980's, a financial crisis occurred in Latin America when many people lost their monetary policies, leading to continuous inflation (Meier & Stiglitz, 2016). The International Monetary Fund intervened to help provide aid and required strict financial guidelines (i.e., requiring balanced budgets). The 1929 stock market crash in the United States led to the Great Depression, which was the most severe economic crisis (Haralambie).

It was initiated in the U.S.A then preceded for nine years of economic development promoted money supply in circulation by the Central Bank of America Federal Reserve (Haralambie, 2016). Following the creation of financial and monetary guidelines for stocks, many people invested in the stock market, something that led to a steady stock increase in the stock markets till September 1992, when there was an significant market crash (Goldberg, 2012). The United States then restricted the imports through various protectionist policies, leading to the intensification of the economic crisis in Europe.

The Credit Crisis of 1772 originated from London then expanded to other parts of Europe. In the 1760s, the British empire had acquired much wealth through its trade and colonial ruling over the countries they colonized. This led to an atmosphere of over-optimism and a rapid credit expansion duration by several British banks (Sheridan, 2015). It came to an unexpected end in June 1772 when Alexander, a member of the British Banking house, fled to France to escape the debt payments. The news then spread everywhere, triggering British Bank partners' instant withdrawal demands, for they felt their savings were no longer safe in the bank as per the Alexander experience. This leads to an economic crisis because the massive withdrawals from the British banks affected the economic growth of the country by providing insufficient investments and bank savings to develop economically.

The financial crisis of 2007-2008 triggered the great recession, which caused economic and financial turmoil globally (Cecchetti, 2018). The financial crisis was due to the collapse of the mortgage-financing market and the collapse of Lehman Brothers', which was one of the primary investment banks in the world; this breakdown then also led to the collapse of various financial and business institutions (Cecchetti, 2018). It took almost a decade for the government to bring the economic activities back to normalcy, doing away with several job opportunities and billions of dollars, hence promoting the economic crisis.

The above economic crises affected the Greek economic crisis. Several adverse aspects in business and financial institutions trigger the economic turmoil in many countries worldwide. Almost all states countrywide are experiencing an economic crisis. Still, the difference comes with the level whereby countries like Greece are positively impacted, unlike the United States, which is less affected by the economic crisis. The Greek economic crisis began in 2007 as part of the world economic crisis (Visvizi 2012). The Greek economic crisis worried the European Economic Community because it seemed like the Greek crisis could impact the value and volatility of the euro. Due to Greece's exposure to marginal assets at that period, Greece seemed to have a positive growth in the years 2007 and 2008 and also seemed unaffected from the rest of the world. In May 2010, Greece requested financial assistance (110 billion euros) from the International Monetary Fund and the European Union. Greece requested additional assistance in 2011 (Visvizi, 2012). Greece's need for economic assistance packages worried the European Economic Community which realized that Greece was unable to support itself.

Greek economy after the 2007 crisis

Greek financial debt, debt crisis

To Greece, the debt crisis in 2007-08 is a problem that paralyzed its economy for a long time. One of the eminent effects of the crisis is unemployment. FDI is among the pertinent factors that helped the country address the situation. Therefore, an evaluation of how the foreign investments helped the country address the various adverse effects of the debt crisis is critical.

Greece joined the European Union (EU) in 1981 to protect democracy in the country. The country had suffered a great deal of political instability, and the EU felt responsible for improving the country's democracy and the rule of law. However, this move was made without considering the economic ramifications of adding such an unstable country to an economic block made up of well-developed countries recount that this failure to observe a vital aspect of an economic partnership was repeated in 1981, 1999, and 2001, when Greece became a full member of the EU (Ioannides and Pissarides 2015).

It was clear that the country was not in any position to compete in the new market block. The fall in demand for local goods led to a sharp decline in employment, as Ioannides and Pissarides (2015) indicate. There was a rise in the number of unemployed people and, therefore, contributed negatively to the national economy.

To address the problem, the EU supported the country to have more time to repay the loans to sustain its economic operations. The debt kept increasing between 2008 and 2018. However, in 2010, Greece learned of the negative ramification of joining the EU (Belkin & Jackson, 2015). The country wanted a way out, but it would be harsh to the people in the country. However, this alert by the government was answered by even more debt to the country. It is important to note that these loans come from various European authorities and private investors worldwide.

It is also important to note that in 2009, the country indicated a budget deficit of 12.9%. This is more than the average 3% in many European countries (Oldani & Savona, 2010). This rate raised the alarm among many potential debtors, and the country's credit rating was greatly affected. This report's negative result is that it raised the interest rate of any future loans granted to the country.

This situation was later confirmed when the country indicated that it might default on the loans it was sufficing at the time. The situation was quickly graduating from bad to worse. The debt situation was becoming an overwhelming burden to the country, and the government came to the point of uncertainty (Mah et al. 2014). The debt had grown from 112.9% in 2008 to 179.6% by 2013 (Mah et al., 2014).

Impact of the Debt Crisis on the Country

The first impact of the debt is the considerable interest that amounts after years of serving the loans. The government often took more loans to service the interest of the old loan. As Michelis (2011) indicates, this is only a short-term solution since the new loan will have to be paid. This cycle would mean that the country would remain in a loan crisis. This situation was a problem to the land that ideally needed to reduce its loan progressively.

Another problem that Greece grappled with is imposed austerity measures. These measures have come to harm the country on several fronts. The first problem is that many families felt the impact of reduced spending in the form of reduced pension. The country experienced a 22% less GDP due to restrained government spending (Mantalos, 2015). Many families in Greece rely on pension plans, and they account for a considerable fraction of government spending. Therefore, these families were left with little to nothing to rely on for their economic welfare.

There was less money in circulation since many projects undertaken by the government were brought to a halt. The reduced expenditure led to reduced cash in circulation of the economy. Unemployment rate increased by 21% due to the shrunk economic activities, more people ended up jobless since government projects were stopped (Mantalos 2015).

The country's debt crisis has seen the country face trying political times. The government has cut the pension available to many families and increased the taxes levied on essential goods. This move has angered many people who feel that the government should be excused from paying some of the debt by the EU lenders. Michelis (2011) points out that debt haircuts can effectively save Greece from the current debt burden. The crisis has been used as an essential pointer to the discussions among leaders.

FDI in Greece

The importance of it to the Greek economy and economic growth.

Foreign Direct Investment (FDI) is an essential driver of the economic development of any country. In collaboration with other economic factors, FDI helps nations develop and improve the welfare of their citizens. Additionally, FDI helps nations overcome some of the vital challenges it may face as it attempts to overcome an economic crisis that recently hit them. The global financial crisis in 2007-08 is an example of a crisis that economically affected many nations (Ozturk & Sozdemir, 2015).

Foreign Direct Investment (FDI) was a promising alternative IMF and EU bailouts for Greece, whose spending rate was significantly reduced. There were positive results from FDI, however, there are some concerns associated with FDI.

Positive Impact of FDI

Greece can benefit from FDI because foreign investors can alleviate government budget shortfalls. Greece can benefit from the foreign resources injected into the economy as the country struggles to regain economic stability, and more people will be saved from poverty. FDI adds to the tax revenue. However, Greece must be careful not to overwhelm investors with too high taxes, (Baltas, Tsionas & Baltas, 2018).

Greek residents benefit from FDI through employment. Greece is suffering from the austerity measures, so there are fewer government projects in progress, which led to a significant reduction in employment. Specifically, for every 3% decrease in investment, a 1% increase in unemployment is reported. The austerity measures caused high unemployment. Therefore, FDI will provide new job opportunities and reduce unemployment (Karfakis, Katrakilidis, and Tsanana 2014).

Sales of locally produced goods will also help Greece achieve a balance between the exports and imports (Pegkas & Tsamadias, 2016). Foreign investors will sell their products Greece, and foreign (i.e., non-EU)high technology goods are better positioned to compete with Europe’s goods. Therefore, the government can have some locally produced goods that meet the regional market quality and prices. This benefit will have a long-term value to the country, primarily as it seeks to realize economic stability to match the developed countries in the region.

Another vital benefit of FDI for Greece is the advanced technological skills and workforce that foreign investors bring. Usually, local people learn more skills and techniques from foreigners (Pegkas & Tsamadias, 2016). Technology and the new skills bring vital benefits to the country, including improved work efficiency and better-quality products. These benefits are crucial benefits to the country, as it attempts to match fellow European countries' standards.

Major Concerns Associated with FDI

One disadvantage of FDI is that it may exploit the local resources and market. Most private investors in foreign countries seek means of tapping the unexploited resources and demand. This situation means that foreigners benefit from the local resources more than the local people and the local government, which could eventually worsen the country's economic situation.. (Monastiriotis, 2011).

Occasionally, local businesses are jeopardized by the operation of foreign investors because local entities often have fewer resources, and lower quality products. As a result, foreign investors can negatively affect the local firms trying to grow and improve their quality of products. Therefore, the foreign entities can jeopardize the local firms' future (Eimers, Nouwens, and Toorman, 2005). The government must intervene and find innovative methods to protect the local firms while attracting foreign investors.

Occasionally, foreigners do reinvest profit into the local economy. However, if foreigners have a parent company in another country, their operations within Greece would be limited to only exploiting the available commercial opportunities, and profit goes back to their parent company. Greece could experience the same problem if companies are not interested in having extensive operations within Greece and instead take their earnings back to the developed countries (Vlachos & Bitzenis 2018). Greece stands to lose much more resources and revenue if the foreign investors take all the country's profit.

Investments made over the years in different sections of the economy

For anyone who likes risky investments, Greece is the most convenient place for investing. The most convenient way to invest in Greece is through The Exchange Traded Fund (ETF) such as GREK[1]. In this chapter, we will focus on some of the significant investments that have been in Greece to prove that it is fit for investing.

Tourism

Greece is one of the most renowned major tourist attractions and destinations in Europe since the 1960s. From the research results, it should be clear that Greece's tourism industry is one of the sectors that has positively contributed to the country's economic growth. Although, Greek tourism as well as the shipping sector of the economy got huge losses in the greek crisis years after 2007 but found its way to get back to the top contributor of the economy (Visvizi, 2012) . This fact has influenced large masses of people to invest in this sector. For instance, the effects of tourism on Greece's gross domestic product are estimated to be 20.6 percent (Buhalis & Deimezi, 2016). It is a clear indication that one out of five euros spent in Greece came from the tourism and travel industry. It is making it one of the most invested industries in the nation.

As a result, this sector has promoted the economy of Greece. If the country laid even more emphasis on its Tourism sector, it would be sure to experience more development and increase its economic growth rate. Some other benefits of the tourism industry in Greece are that it has provided a good number of employment opportunities to both the citizens of Greece and those of foreign countries. Therefore, this provides citizens with an additional

[1] "GREK tracks a market-cap-weighted index of about 15 Greek firms" (GREK ETF Report)

source of income, especially during the summer months, adding to the well-being of Greek households. However, some challenges are known to hinder tourism by lowering the number of tourists in the country. Among these challenges is climate. Climate plays a big role in the Greek tourism because tourists always want a nice place with nice weather to go to for their vacation, especially in the summer. If the climate is not perfect for vacation (if there is rain and cold), this could be a big issue for the tourists and they would rethink their decision of going to Greece for their vacation, but this is something that the climate in Greece has never let happen in the summer months . Therefore, it is right to say that the tourism industry is one of Greece's sectors that has historically performed exceptionally well and, hence, is always a positive weight in the efforts of raising the GDP of Greece (Buhalis & Deimezi, 2016). Also, it would be even more effective if more people opted to invest in the field.

Shipping

Shipping has always been one of Greece's most important sectors of the economy and possibly the most profitable one. Greece is a nautical country and shipping is considered to be its oldest form of occupation. The shipping sector of the Greek economy took a big hit after the 2007 crisis (Visvizi, 2012). Therefore, the results obtained from the research should indicate that shipping is Greece's most fundamental industry. In 2018, the shipping industry in Greece was worth $ 21.9 billion (Kapros & Panou, 2017). As a result, many people have opted to venture into the shipping industry, making it one of Greece's most invested fields.

The Greek shipping industry is strongly internalized, and it holds 18% of the world market in that sector, which is very high for a small country like Greece (GIG, 2020). The shipping industry has therefore provided many job opportunities to many people enabling them to earn their income, and as a result, they are better able to rely on themselves. However, some challenges are known to affect the effectiveness of the shipping industry's performance. Some of these challenges include security risks - shipping services are prone to insecurities such as pirating whereby certain terrorist groups may kidnap them - and weather since many times the ships and their crew have to endure very bad weather conditions.

UN related topic selection

During my research at the United Nations website, I found some very interesting facts about unemployment globally under their subject 8 “Decent work and economic growth”. IMF predicts a worse global recession than the one in 2009 due to Covid 19 and that the damage in the economy will be huge in the years 2020 to 2021 globally (UN, 2020). Unemployment rate hit 5.6 percent in 2017 globally which was better than the unemployment rate of 6.4 percent in 2000 (UN, 2020). On Greece’s side, unemployment rate was much higher in the rate of 9.6 percent in 2009 and reached its peak in 2013 with 27.5 percent but it seems to be declining in the prediction rates of 2020 and 2021, 16.4 and 16.6 percent, but again this prediction rates might change at the end when they come out because of the Covid 19 global pandemic, financial and economic damage (IMF, 2021). UN set target goals for the next years as well as Greece did and every other country in the world for the upcoming years. Their goals is to achieve full and more productive employment for both men and women by 2030, but not limited to economic productivity increasement and higher GDP (UN, 2020).

Hypotheses

H1: The 2007-2009 recession caused Greece's debt to increase.

H2(a): The 2007-2009 recession caused Greece's unemployment rate to increase.

H2(b): The 2007-2009 recession caused Greece’s unemployment to be higher than unemployment in other countries.

H3: The 2007-2009 recession caused Greece’s inflation to increase.

Method

Subjects

The subject of the thesis is Greece. Industries examined include tourism and shipping.

Measures

The variables measure aspects of the Greek economy. The thesis will examine the economic crisis of 2007 in Greece, the impact on the economy, Gross Domestic Product, public and private debt, the unemployment rate, and inflation, debt, and foreign direct investment (FDI).

Table 1: Components of Study						
	Variables					
Data	GDP	Inflation	Unemployment	Greek crisis	FDI	Debt
Instrument	Greece's GDP over the years	Inflation in Greece after the 2007 crisis	Greece's unemployment rates after the 2007 crisis	General information on the Greek financial crisis in 2007	Importance of FDI in Greece	Greek Financial debt
Data Source	Visvizi(2012), Ioannides, y., & Pissarides, c. (2015), Karfakis, c., Katrakilidis, c., & Tsanana, e. (2014), Pegkas, P., & Tsamadias, C. (2016)	Data sources	Karfakis, c., Katrakilidis, c., & Tsanana, e. (2014), Mantalos, P. (2015).	Michelis, L. (2011). Mantalos, P. (2015), Oldani, C., & Savona, P. (2010), Ioannides, y., & Pissarides, c. (2015), Karfakis, c., Katrakilidis, c., & Tsanana, e. (2014),	Baltas, N., Tsionas, M. G., & Baltas, K. (2018), Eimers, N., Nouwens, J., & Toorman, J. (2005), Monastiriotis, V. (2011).	
Type of data gathered	Quantitative	Quantitative	Quantitative	Quantitative	Qualitative	Quantitave
Adapted from: Rudestam, K.E. & Newton, R.R. (1992). Surviving Your Dissertation. Newbury Park, California: Sage Publications, Inc. page 140.						

Table 2: Hypothesis, Instruments, and Statistical Analysis						
	Instrument					
Hypothesis	GDP	Inflation	Unemployment	FDI	Greek crisis	Statistical Analysis
H1: The 2007-2009 recession caused Greece's debt to increase.	GDP after the crisis			FDI after the 2007 crisis and its importance	Greek debt over the years after the 2007 crisis	Graph for GDP

H2(a): The 2007-2009 recession caused Greece's unemployment rate to increase.			Greece’s unemployment rates			Graph for unemployment
H2(b): The 2007-2009 recession caused Greece’s unemployment to be higher than unemployment in other countries.			Greece’s unemployment rates compared to other countries			
H3: The 2007-2009 recession caused Greece’s inflation to increase.		Inflation rates after the 2007 financial crisis				Graph for inflation
Adapted from: Rudestam, K.E. & Newton, R.R. (1992). Surviving Your Dissertation. Newbury Park, California: Sage Publications, Inc. page 138.						

Procedure

Literature Review

The research depends on statistical data sampled by many articles, websites and books found during this research. Lastly, data collection aims at reflecting the reality of ordinary life and also analyzing the combination of the Greece economy with the sociological elements.

Database: Business Source Premier

Google Scholar
Articles and books from the Wagner college Library
JSTOR
EBSCOhost

Search Terms:

2007 Greek crisis, inflation in Greece, unemployment in Greece, Shipping in Greece, Tourism in Greece, Greek financial debt, Greece after the crisis, Greek GDP, FDI in Greece.

Date: 1 March 2021 - 1 April 2021

Results

Analysis of the GDP, inflation and unemployment over the years.

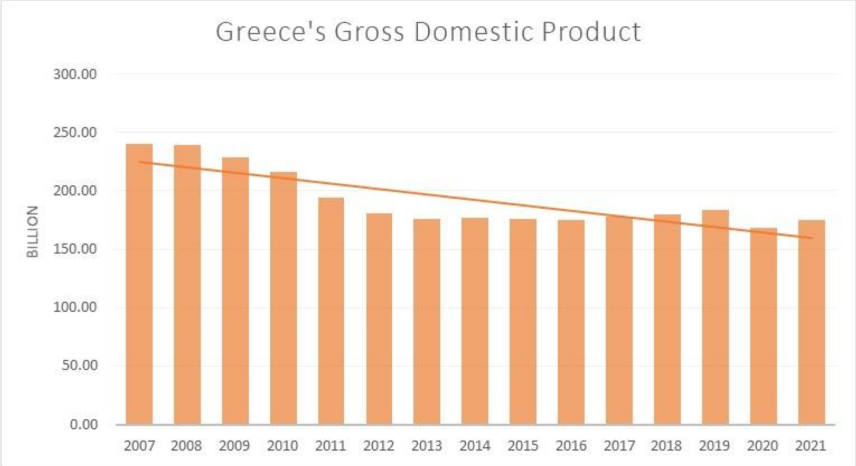
Gross Domestic Product

The onset crisis that has been experienced by Greece has played a significant role in the decline in trade that is evident in the region and this has subsequently affected the gross domestic product (GDP) of the country. Between 2007 and 2008, Greece had a steady GDP which showed potential for a steady economic growth, however, this slowly declined after 2008 and the only increase in the GDP was witnessed in the years 2018 and 2019 and declined thereafter. Table 3 and Figure 1 contain data on Greece's Gross Domestic Product from 2007 to 2021. During this time, GDP declined from 240.04 billion Euros to 174.80 billion Euros, a decline of 27.2%.

Table 3: Greece's Gross Domestic Product

Year	Gross Domestic Product	
	Euros	% change
2007	240,04	
2008	239,23	-0,3%
2009	228,95	-4,3%
2010	216,28	-5,5%
2011	194,33	-10,1%
2012	180,56	-7,1%
2013	175,61	-2,7%
2014	176,84	0,7%
2015	176,11	-0,4%
2016	175,25	-0,5%
2017	177,49	1,3%
2018	180,26	1,6%
2019	183,61	1,9%
2020	168,46	-8,3%
2021	174,80	3,8%

(IMF. 2021)



(IMF, 2021)

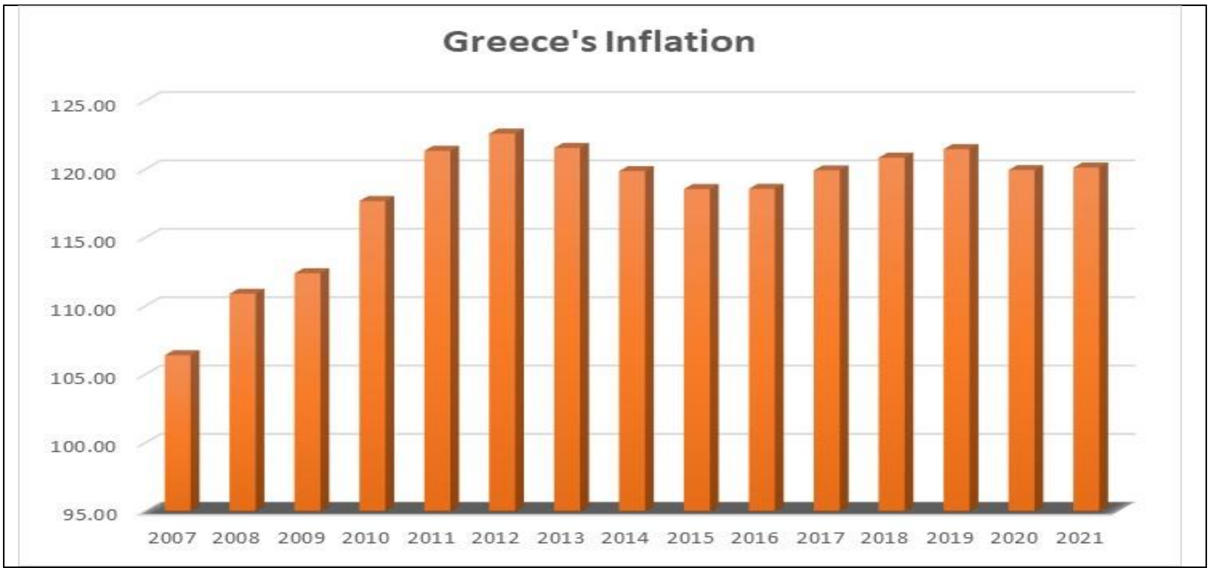
Inflation Rate

The inflation rate in Greece has witnessed a downward trend in terms of its inflation rate and this has been attributed by various factors. Some of these factors are inclusive of the higher food prices, increased oil price, and a higher rate of domestic consumption taxes. Between 2001 and 2009, the competitiveness of the Greek economy declined by 20 percent when measured using the consumer price, while the unit labor resulted in a decline of 25 percent. Table 4 and Figure 2 detail the past, current, and projected Greek inflation rates from 2007 to 2021. During this time, GDP increased from 106.4% to 120.13%, an increase of 13.2%. The rate increased from 2007 to 2011, then remained steady.

Table 4: Greece's Inflation

Year	Inflation	% change
2007	106,4	
2008	110,9	4,2%
2009	112,4	1,4%
2010	117,7	4,7%
2011	121,4	3,1%
2012	122,6	1,0%
2013	121,6	-0,9%
2014	119,9	-1,4%
2015	118,6	-1,1%
2016	118,6	0,0%

2017	119,9	1,1%
2018	120,9	0,8%
2019	121,5	0,5%
2020	119,9	-1,3%
2021	120,1	0,2%
(IMF. 2021)		



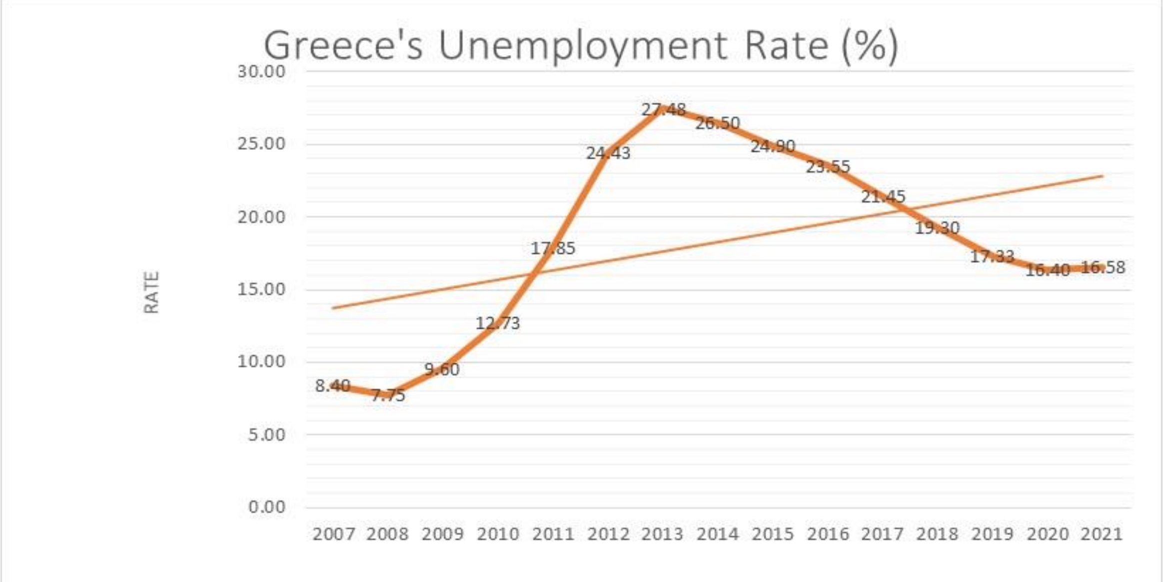
(IMF, 2021)

Unemployment Rate

Table 5 and Figure 3 contain data on Greece's Unemployment rate from 2007 to 2021. During this time, GDP increased from 8.4% 16.58%, an increase of 97%. The rate increased from 2007 to 2013, then declined. From Figure 3 below we can also see that unemployment reached its peak in 2013 and after that it started to steadily coming down. The Greek labor market is directly linked to the structure of the economic system and the improvements made within the public sector based on the activities conducted by the private sector which leads to increased tax rates for both indirect and direct taxation. The unemployment rate in Greece has been outlined in Table 5 and further translated in Figure 3 where the projections for 2020 and 2021 have been included.

Table 5: Greece's Unemployment Rate

Year	Unemployment Rate (%)	% change
2007	8,4	
2008	7,8	-7,7%
2009	9,6	23,9%
2010	12,7	32,6%
2011	17,9	40,2%
2012	24,4	36,9%
2013	27,5	12,5%
2014	26,5	-3,6%
2015	24,9	-6,0%
2016	23,6	-5,4%
2017	21,5	-8,9%
2018	19,3	-10,0%
2019	17,3	-10,2%
2020	16,4	-5,4%
2021	16,6	1,1%
(IMF. 2021)		



(IMF, 2021)

In table 6 I have included important information about Greece's exports over the years 2014 to 2020 (in millions of $) and their percentage change. As you can see exports had a small increased till 2019 in comparison to the exports in 2014.

Table 6 : Greece's Exports		
Year	Exports in Millions $	% change
2014	35960	
2015	28554	-20,6%

2016	28151	-1,4%
2017	32627	15,9%
2018	39502	21,1%
2019	37907	-4,0%
2020	35094	-7,4%
(WTO. 2021)		

In table 6 I have included important information about Greece's imports over the years 2014 to 2020 (in millions of $) and their percentage change. As you can see in the graph, imports had a small increase in 2019 in comparison with the imports in the year 2014.

Table 7 : Greece's Imports

Year	Imports in Millions $	% change
2014	61983	
2015	46786	-24,5%
2016	46809	0,0%
2017	53495	14,3%
2018	63877	19,4%
2019	62510	-2,1%
2020	55513	-11,2%
(WTO. 2021)		

Discussion

Gross Domestic Product

During the financial crisis, Greece experienced a decline in trade that subsequently affected Greece's gross domestic product (GDP). Between 2007 and 2008, Greece had a steady GDP which showed potential for a steady economic growth, however, GDP slowly declined after 2008, and the only increase in the GDP was in 2018 and 2019, and GDP declined thereafter. The GDP in 2009 was reported to have a -4.3 percent change, however, this significantly contracted to a staggering low rate change of 0.7 percent in the year 2014. In 2019 it seems that the GDP percentage rate changed by 1.9 percent, however in 2020 the percentage changed by -8.3 percent and it is projected to change again in 2021 by 3.8 percent.

During this period, Greece's imports and exports had almost the same percentage changes in the years 2014 to 2020. Although, as we can see at Tables 6 and 7 Greece has definitely improved the import and export in terms of millions of dollars per year from 2014 to 2021.

Some decline occurred in hourly productivity, and productivity in Greece declined more than productivity declined in other European countries. This productivity decrease indicates Greece is performing poorly when compared to other European countries. The main contributors towards the Greece GDP include tourism services, shipping services (two sections of the economy that discussed about in my literature review), food and beverages, industrial products, petroleum, and chemical products where its key export markets are mainly the European countries (i.e., Italy, Germany, Bulgaria, Cyrus, and the United Kingdom), Turkey, and the United States of America. Greek GDP in 2020 was recorded at a -8.3 percent change which was a decrease from the 2019 GDP rate of 1.9 percent. It is, however, predicted that this GDP will contract to 3.8 percent change at the end of the fourth quarter of 2021. Table 3 and figure 1 highlight the Greek GDP rates from 2007 and further portrays the predicted rate that accounts for the year 2021.

Inflation Rate

The inflation rate in Greece increased due to various factors (i.e., higher food prices; increased oil prices; and a higher rate of domestic consumption taxes which resulted from the deficit experienced from the 1990s until 2009 where the inflation rate subsided from a rate of 4.2 percent to 1.4 percent in the year 2009). Greece's membership in the Eurozone allows Greece to receive loans with lower interest rates because bankers and investors perceived that the Euro currency effaced the differences that existed between Greece and European countries prior to the introduction of the Euro.

Furthermore, this provided increased capital inflows, however, these capital inflows have influenced the inflation experienced in Greece reports that between 2001 and 2009, the competitiveness of the Greek economy declined by 20 percent when measured using the consumer price, while the unit labor resulted in a decline of 25 percent. prior to 2009, Greece developed and implemented a monetary policy that aimed to fight against inflation which led to a transition from a high inflation rate to a moderate one which was at 11 percent.

Unemployment Rate

Since its membership into joining the European countries in 1981, the Greek labor force has been ranked as the leader in terms of the working hours per year across the European countries. From 2007 until 2013 the unemployment rate in Greece increased significantly but then started to decline again after 2013.

Also, from Table 5 we can see that 2008 was the year with the lowest unemployment rate (7,75%) but then it started to increase and as of 2021, has not yet reached that low of a rate. From the Figure 3 we can also see that unemployment reached its peak in 2013 and after that it started to steadily coming down.

The Greek labor market is directly linked to the structure of the economic system and the improvements made within the public sector based on the activities conducted by the private sector which leads to increased tax rates for both indirect and direct taxation. The unemployment rate in Greece has been outlined in Table 5 and further translated in Figure 3 where the projections for 2020 and 2021 have been included.

Conclusion

Greece has encountered a vast economic slump since it joined the EU. The problem resulted from the unmatched economic might of the rest of the EU nations that Greece could not compete. As a result, the country has amassed a considerable debt and comes to defaulting the loans. To solve the problem, the government has worked closely with the EU member countries to regulate its economic operations, make efficient investment decisions, repay the debt and even monitor its overall financial performance. Various policies imposed against Greece have seen the country struggle with the debt and regain its economic power. FDI is an alternative that has been commended as an ideal way of helping the country regain some economic strength. The investments from foreigners have helped the country in fundamental ways, but they still leave specific financial gaps. Therefore, despite the resources injected into the economy, the government has much to do to ensure that the country gets back on track towards prosperity.

From various investment projects introduced in Greece, such as tourism and shipping, the Government has seen a transformation in the growth of its economy. Some of significant investments that have been launched in Greece are in the field of Medicine, Tourism, and Shipping. These sectors, mainly tourism and Shipping could be referred to as the main Greek sectors because they are the backbone of its Economy. Besides, Greece is also advancing in other fields such as food and tobacco processing, textiles, chemicals mining, petroleum, and metal products. Therefore, it is right to say that if many people citizens and dual citizens took it to their responsibility to invest, even more, the Greek Economy would transform for good, and Greece would turn to be one of the wealthiest countries in the world. For instance, as we can see at table 5 unemployment rates have went down almost 10 percent from the years 2013, where unemployment reached its peak in Greece, till today, 2021, with a prediction of 16,6 percent unemployment by the end of the year. Those investment sectors that I mentioned above definitely opened up more job positions during the past years for Greek citizens to work and unemployment to go down.

In recent years, the economy of Greece has shown clear signs of recovery and improvement. For instance, the GDP growth in Greece in the year 2020 was around 183 billion euros and focusing on the new tax bill and reformation program that has been introduced to the country by the new Government, the GDP is expected to grow to 2% before the end of next year if Covid-19 doesn't slow down even more the global economy. All this been said and analyzed, I came to a conclusion that Greece would be a good idea for someone to invest, due to the country's economic growth and rehab. After the 2007-2008 financial crisis Greece seems to start to be standing on its feet again and more and more people to trust the Greek economy for future and current investments.

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