
Editorial

Miriam Kennet*

The Green Economics Institute,
6 Strachey Close, Reading, RG8 8EP, UK
Email: greeneconomicsinstitute@yahoo.com
*Corresponding author

Dimitrios Drosos and Nikos Tsotsolas

Technological Education Institute of Piraeus – Business School,
Management Information System & Innovation Lab,
Petrou Ralli & Thivon, 250 Aigaleo, Greece
Email: drososd@teipir.gr
Email: ntsotsol@unipi.gr

Biographical notes: Miriam Kennet is Founder, Co-Director, and CEO of The Green Economics Institute and Editor of *The International Journal of Green Economics*. She has authored 100 papers and 28 books and has taught in the UK Treasury, Cabinet Office and National Government School for Officials. Her book *The Greening of Global Finance*, 2013 was launched by the BBC and another book *The Green Transport Revolution* was launched in the House of Commons, Parliament in the UK, with the Head of the Transport Select Committee in July 2013. She was named as one of the 100 most powerful women globally by the Charity, One World Action.

Dimitrios Drosos is a Lecturer at the Technological Education Institute of Piraeus, Business School. He holds a Diploma in Business Administration from Technological Education Institute of Piraeus, Business School and a Masters in Business Administration from Cardiff Metropolitan University, Cardiff School of Management. Since 2009 he has been a member of the Board of the Hellenic Operational Research Society (HELORS).

Nikos Tsotsolas holds a Diploma in Production Engineering and Management from the Technical University of Crete, Greece (1997), a MSc in Operational Research (2001) and a PhD in Statistical Science (2009) from the University of Piraeus. The Greek Ministry of Education in the field of Post-Optimality Analysis (multiple and near-optimal solutions) in Linear Systems has funded his research. His research interests fall into the areas of multi-criteria analysis, decision support systems, service quality, and post-optimality analysis in mathematical programming.

1 Introduction and rationale for this issue

Greece is a high-public-debt EU country, which has become the epicentre of the European Union (EU) and global attention. Being the seat of the origins of democracy

and of *oikonomia*, the events in Greece are of particular importance and have much wider implications and hence this present journal issue will examine some lesser known aspects of the crisis there.

Due to the importance of the crisis in Greece, Miriam Kennet, the Editor in Chief has invited the two guest writers to compile a set of papers outlining and highlighting some detailed concerns of academics and researchers in the contemporary Greek setting. The papers in this current issue, therefore, are all compiled by Drosos Dimitrios of the Technological Education Institute of Piraeus, Business School, in Athens. The papers illustrate the kinds of concerns they are facing and which Greece, as a whole, is finding challenging, both in terms of its overall economic health and also its late realisation of what Green Economics can bring to help in this situation.

2 Greece and the crisis

The 2008–2009 global financial crisis has taken a heavy toll on the Greek economy, albeit in a different manner from other EU economies. Greece and its troubles were unfortunately catapulted into the global limelight in 2010 and has not recovered yet.

In 2008, the Greek economy was regarded as the 27th largest economy around the world in terms of its nominal Gross Domestic Product (GDP) with 32,100 USD GDP per capita (Eurostat, 2010). As a result of the international financial crisis and the local unrelenting spending, Greek citizens then began to face serious socioeconomic turmoil.

Greece slid from 35th to 71st position in the global competitiveness scale between 2003 and 2009, (Eurostat, 2010). For years to come, Greece could be facing prolonged stagnation, unless the necessary reforms are carried out. These include the reform and de-escalation of the public debt and deficit, pension system overhaul and combined supply-side reforms for enhancing productivity and competitiveness (Pagoulatos, 2010).

During 2011, the profile of the Greek economy appeared to become the gloomiest of all. Gross Domestic Product declined further to –6.1%, whereas unemployment rates increased from 6.6% in June 2008 to 16.6% in June 2011. At the same period, the debt has grown from 105.4% in 2007 to 160.9% of GDP in 2011 (239.4 billion euros to 328.6 billion euros) (Eurostat, 2010).

The fallout of the global economic crisis, whose roots are to be traced to the United States' (US) financial crisis of 2008, has severely impacted Greece, as a 'high-public-debt country' of the European Union (EU) and this country has become the epicentre of global attention. Negotiations with the troika of international lenders – consisting of the European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF) – are in continuing and centres of global economic influence are still forecasting that Greece will default on its debt (Lekakis and Kousis, 2013).

3 Background challenges for Greek business, which are driving the need for Greece to implement a Green Economy in order to solve its economic and financial problems

The economic and business environment is changing radically, due to new socio-political and economical conditions, globalisation, and rapid advances in technology and sciences. In such a context, firms have to continuously develop new products in order to stay

competitive. In this respect, firms have been trying to develop new initiatives and models and starting to implement some of more environmentally friendly components, for instance, waste management, environmentally business management practices, renewable energy, green buildings and water management. The development of a firm's ecological consciousness, as well as the emergence of other top environmental issues is causing organisations' to set new priorities, some of which we examine in more detail in this issue.

Top managers are beginning to realise the need for greener entrepreneurship which offers important advantages: saving energy, reducing greenhouse gases, providing green jobs, additional profits low costs, and business development. Green entrepreneurship offers an important competitive advantage through product or service differentiation. On the other hand, greener activities offer an improvement to the bottom line for firms and serve the objective of addressing sustainability targets.

Harmonizing human needs and natural systems to make firms' economies flow more benignly is an attractive part of the greening the management of firms. This requires strategic planning and innovation. The European Union has focused on innovation and greener activities at the heart of its blueprint for competitiveness. In an age of economic interdependence and increasing environmental cooperation, we are all investing in each others' welfare. This is an important element of the EU's 2020 Strategy, adopted by the European Council in June 2010, which aims to achieve jobs and smart, sustainable and inclusive well-being as well as the prosperity of its citizens. The specific role of 'GDP growth' is increasingly questioned by green thinkers (and some governments), as it is regarded as a very raw and unrepresentative indicator, neither helpful in well-being nor in a healthy economy, therefore newer alternative indicators are being introduced.

The awareness of the improvements that the use of better environment policies can provide has, in some ways, helped inform the way the industry operates today. Stakeholders in all fields of industry have to address Green issues that concern their area of operation, with some affected more than others. Environmental impact factors related to the physical environment (both the natural and built environment) are affecting Greek industry. In recent years, there have been increasing concerns and attempts to raise awareness about environmental issues. Businesses and organisations wanting to become involved in world industry have had to adjust their operations in this new era of 'Green Issues' and to conform to certain constantly improving standards, continuously being reviewed at local government level, on a European level and also on a global level by the committees associated with the UN (Evans et al., 2006).

Industry is paying heavy premiums due to 'Green' related issues. A backlash from critics even suspects that the 'APD' tax increase, simply used the environment just as an excuse to justify its introduction. However such initiatives have actually provided a much needed 'wake up call' illustrating the need to solve pressing environmental problems.

For example, the environmental impacts on the tourism industry, although already visible, will start to be an important issue for the future. Within the 'Tourism 2023' report by the 'Forum for the Future', published in October 2009, it was stated that 'Climate change will also have dramatic impacts on how, where and when (and even if) people travel, and will reshape the industry over time' (Forum for the Future, 2009).

According to a European Tourism Report (European Travel Commission, 2013), Climate Change is one of the most important issues that will influence tourism in the long run. It is thought that climate change will result in the loss of quite a number of destinations which attract business, due specifically to their natural environment. Low

lying coastal destinations will be the first to experience this, as can already be seen in the case of Venice and it is clear that the Greek coastal areas may experience similar problems). Nevertheless the impacts of the environment on tourism are not only confined to physical and direct affects.

In addition, there are social impacts, tour operator TUI admitted that there is no 'quick fix' to the problem of carbon emissions emitted by the airline industry and in particular by their own fleet. TUI CEO Peter Long said that they have plans to reduce their carbon footprint by 6% by 2014 and announced that TUI is already expecting delivery of new and 20% more fuel efficient aircraft. It is evident that the environment has forced TUI to address Green issues by improving their existing fleet, replacing it, improving hotel efficiency and operations overall (Travel Weekly, 2009).

4 The Greek Crisis and the opportunities for Green Economics to lead Greece out of its crisis

The current economic crisis is seen as a major opportunity for governments to the boost the public-spending component of environmental policies, with a focus on socially profitable investment in natural capital and its preservation (Bowen and Stern, 2010).

It allows countries to use Green Economics to build a foundation of a secure economy and public finances for the 21st century, as many of the more successful economies today are doing, especially in Asia and China (Chichilnisky et al., 2013; Kennet and Kamarrudin, 2012).

The economic crisis in Greece makes it imperative that any green development strategy, to be implemented by the government, will have to prioritise new investment and job creation through green jobs. Greece may be able to use the crisis as an opportunity to increase public spending in Greener activities, especially in green investment and increasing Greece's already abundant natural capital. Similarly, conversely, Greece may be able to solve its problems using the opportunity provided by Green Economics.

Environmental policy concerns only appeared on the Greek government's agenda fairly late in the day and quite recently, which explains the country's disappointing sustainability policy record overall. A country so generously endowed with sun and wind is trailing behind other EU countries, such as Austria, Denmark and Germany, but also Portugal and Spain, in the use of renewable sources of energy (RSE) and other environmental indicators (Pagoulatos, 2010).

Greece's financial fragility and recession will mean that both the budgetary aspects and the job-saving dimensions of any green development policies will naturally tend to predominate any green strategy. This may actually impede the speed and effectiveness of transition to a green economy. If this were to continue, it will mean that Greece retains some of the existing economic structural weaknesses and may not wholly make a wholesale ecological and social transformation towards the new landscape of embracing Green Economics in a systematic manner.

This collection of papers begin to discuss some of the issues with some detailed analysis of lesser-known initiatives and practical changes which are beginning to happen in Greece and the implications of some of the wider aspects of decision making, which will need to shape Greece's much needed recovery.

References

- Bowen, A. and Stern, N. (2010) 'Environmental policy and the economic downturn', *Oxford Review of Economic Policy*, Vol. 26, No. 2, pp.137–163.
- Chichilnisky, G., Kennet, M., Yee, C. and Gale de Oliveira, M. (2013) *The Greening of Global Finance*, The Green Economics Institute, Reading, UK.
- European Travel Commission (2013) *Trends & Prospects (Q3/2013)*. Available online at: <http://www.etc-corporate.org/> (accessed on 25 November 2013).
- Eurostat (2010) *Report of the revision of the Greek Government deficit and debt figures*, Eurostat.
- Evans, N., Campbell, D. and Stonehouse, G. (2006) *Strategic Management for Travel and Tourism*, Elsevier, Oxford.
- Forum for the Future (2009) *2023 – creating a sustainable tourism industry*. Available online at: <http://www.forumforthefuture.org.uk/> (accessed on 25 November 2013).
- Kennet, M. and Kamarrudin, N. (2012) *The Greening of Asia and China*, The Green Economics Institute, Reading, UK.
- Lekakis, N.J. and Kousis, M. (2013) 'Economic crisis, troika and the environment in Greece', *South European Society and Politics*, Vol. 18, No. 3, pp.305–331.
- Pagoulatos G. (2010) *The Greek Economy and the Potential for Green Development*, Friedrich Ebert Foundation.
- Travel Weekly (2009) 'Long. There is no quick fix for Carbon Emissions', *Travel Weekly*, 12 November 2009.