



GREEK-BRITISH
SYMPOSIUM

17-19 October 2019, Nafplion, Greece

UK-Greece: Building on the past, embracing the future

Summary Paper

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Friday, 17 October 2019

Session 1: Opening Plenary

There are enormous challenges facing the world today, from turbulence in the Middle East to the United States-China trade war. The UK must navigate its departure from the EU in that context.

Britain's position in the European Union has long been different to that of other member states. While for many EU countries the bloc provided a new set of identities to escape the horrors of the past, this was not the case for the UK. Britain already had a distinctive sense of identity and continuity.

Brexit will undoubtedly have an effect on the dynamics in the EU, with the key relationship to watch being that between France and Germany. It is possible that the two European heavyweights will intensify their cooperation in future to influence their other partners.

For the UK, Brexit will influence domestic politics around the Union and have differing sectoral impacts – while financial institutions and education may continue to thrive, 'industrial Britain' could fare less well. The UK's impact as a global player might also be affected.

Nevertheless, the UK and the EU are bound to cooperate in the future.

In a rapidly changing world, Europe has to revisit its policies and overall approach. The Old Continent sits between the US and China, as one of the three economic superpowers. And yet none of the world's top 40 companies are in Europe; no key technology platforms are based there either; and in research and development, fragmentation and regulation may cause Europe to fall behind in the crucial 5G race.

Europe also faces demographic challenges, with fast ageing populations reducing the proportion of the people of working age. Meanwhile migration from Africa, which experiences a population surge, requires immediate policy responses in order to be managed effectively. In this context, the sustainability of the current European social security system is doubtful.

In response, Europe must promote its strengths, i.e. a social market economy, underpinned by a set of key values: individual freedoms, social cohesion and cultural diversity. This unique European model can provide the basis for the Continent's reinvention. The ongoing energy revolution, transformative climate change and large-scale technology-induced change require innovative approaches that Europe will need to develop as a matter of urgency.

Session 2: Energy and Geopolitics

Greece's commitment to greening the economy, while also conforming to social requirements, forms the backdrop for all contemporary domestic energy discussions. The country has pledged to end lignite

consumption by 2028 and reach its 35% renewables target by 2030 – both very welcome and ambitious goals.

For the present, natural gas is emerging as the main transitional energy source away from coal and towards renewables. It is 50% cleaner in terms of emissions generated when compared to coal, is found abundantly in the Eastern Mediterranean, is cheap and seems to currently offer the best prospects in terms of meeting the 2050 carbon neutral targets. In addition, a globalised gas market already exists.

The key role of natural gas in the current energy mix also provides Greece with an opportunity to consolidate its position as a regional energy hub. Geographically, the country is well placed in the Eastern Mediterranean relative to the Balkans. In addition, its increasing cooperation with Egypt, Israel and Cyprus has a strong energy aspect to it.

Clearly, while growth in the renewables sector is accelerating, this trend must be weighed against the requirement for energy sustainability, affordability, but also access and security, notwithstanding regional antagonisms. To mention but one example, the private sector relies on governments to keep geopolitical risks at bay – oil and gas companies will not drill where there are battleships.

As Greece takes forward its energy agenda, there is considerable scope for a UK-Greek collaboration. The UK's technological expertise, its model for public-private partnerships, and its role as a huge source of capital are all essential for Greece, once an innovator in the energy sector. 30 years ago it pioneered wind power on its islands. It is now time for the country to reclaim that status.

Session 3: Shipping

Understanding Greece's long-term success in shipping calls for a multifactorial approach. Undoubtedly, history and location remain key. However, parameters such as the ability to respond rapidly and innovatively to changing circumstances, relocate to areas where trade is flourishing, integrate into industrial elites worldwide while binding together the dispersed diaspora through strong family ties, seem to account more convincingly for how a rather small nation gave rise to shipping dynasties that control such a big share of European and global shipments.

The gradual expansion of Hellenic maritime presence in modern times dates back to the early 18th century, when Greek families started to take over the developing sea trade routes connecting the Black Sea to the West. After WWI Greek shipping further took advantage of the post-Second World War recovery period and it was at this time that Greek ship owners firmly established themselves in London.

In 1938 the British shipping fleet was the largest in the world. Over the last half-century this has, however, changed and it is now Greece's – flying under numerous flags across the world. Though London remains firmly on the map for Greek ship owners, changing tax domicile laws and IT developments have seen business redirected to Athens. And as the UK shipbuilding industry has declined, Greek shipping is moving eastward for orders.

Today, new challenges present themselves to the sector. Environmental concerns require cleaner and more efficient fuel. Meanwhile, the threats from global trade conflicts and preference for protectionism persist. Concerns over shipping safety and access to international waters are particularly pronounced in the face of the Syrian crisis. In addition, Britain's EU Exit has been directly linked to business loss in international maritime services due to the uncertainty it has created.

Greek shipowners based in both Greece and the UK seek reassurance that the City will remain a major financial centre after Britain leaves the EU and that the UK is actively seeking to remain their preferred partner of choice for doing business in this key sector.

Opportunities to strengthen and solidify the bilateral relationship in the maritime sector do present themselves. The UK's leadership in innovative practice in shipping-related financial services and across other areas of shipping R&D and technology, including in automation and technical expertise in shipping decarbonisation, blends well with Greek shipowners' current strategic priorities.

Session 4: Education

Education has been the backbone of the Anglo-Hellenic relations since the 19th century and is now a crucial pillar of our strong people-to-people links. The contributions made by the British Council, the British School of Athens and many others are essential in this respect.

Reforming the education system to become more outward-facing and tailored to the needs of today's students is a key priority for Greece. Notably, the new government is keen to a) enhance trans-national education, b) increase the offering of joint-dual degrees, and c) support research collaboration. All of these are deemed necessary in order to mitigate under-employment and the particularly harmful brain drain, but also to ensure that Greece is well placed to develop into an attractive international higher education hub.

The new national policy priorities in education also present opportunities for Greece to deepen ties to Britain, especially through the implementation of flexible internationalisation strategies that go beyond validation and franchise by building on robust bidirectional educational contributions. There is ample room for constructive synergies, given the mutual interest for increased collaborations and the joint willingness to overcome regulatory and other complexities and uncertainties.

Regrettably, and despite the overall healthy picture of Greek-British academic collaboration in terms of recruitment, staff and student mobility, not enough young Greeks are aware of the prestigious and high-quality offerings of UK institutions via trans-national education. The latter present excellent opportunities especially for talented but less-privileged students who are unable to finance a degree in the UK or USA. It will be important to safeguard this service as far as possible now that the UK is leaving the European Union.

Reception and Formal Dinner: Culture and Creativity

Soft power - the ability to align values, norms, objectives and ultimately behaviours through attraction and persuasion – is crucial to effective global engagement in a multi-polar and growingly interdependent system. Against this backdrop, countries with the ability to successfully mobilise different types and constellations of actors and networks through soft power resources are more likely to drive long-lasting change and shape international trends and developments in the future.

Though states have long been aware of the significance of soft power in promoting their policy objectives and forging constructive relations and international partnerships, some fare better than others. The UK is considered a world leader, not least according to the Soft Power 30 index – the world's most comprehensive comparative annual assessment of global soft power. Greece ranks considerably lower, still outperforming heavyweights like China and Russia that earmark vast amounts of funds to that effect.

Culture is certainly one of the most effective soft power tools. Indeed, there is great value in sharing the wealth of human achievement, especially when this endeavour is coupled with support for cross-pollination and the deeper respect for other cultures.

Despite initial concerns around the impact of Brexit, the UK seems to have since gained in appeal as a partner in cultural collaborations. And the Science Museum is certainly a protagonist in this respect. Through its projects it offers citizens' all over the world access to new knowledge, including a view to sometimes unknown parts of their own past and present. The Science Museum's exhibition on the Soviet space program (2014-2015) is a case in point. Another example is the Museum's Illuminating India season (2017), which was visited by Indian PM Modi himself.

Through culture the Greek-British relationship can also be strengthened considerably. The Science Museum's 2020 exhibition on Ancient Greece will undoubtedly further enhance the close and productive bilateral partnership ahead of the 2021 commemorations.

Saturday, 19 October 2019

Session 5: Research and Technology

Persistent low productivity growth in Greece is being attributed to a number of longstanding, mutually reinforcing structural weaknesses. To name but a few: the country's limited innovative capacity and weak export activity, its small manufacturing sector and the overall introversion and fragmentation of the production system the 'missing tax base' (tax evasion), the lack of an investment-friendly regulatory environment, a low degree of competition, the absence of long-term economic planning, a misalignment between educational supply and labour market needs - all compounded by poor demographics.

A deeply ingrained aversion towards risk, directly linked to a collective fear of and inability to constructively cope with failure, seems to lie behind many of the systemic barriers to Greek economic growth.

Experts claim that this attitude accounts to a large extent for the traditionally inadequate investment in research and development, the predominance of lower knowledge- and technology-intensive sectors, weak international competitiveness and/or export potential (the Greek economy is one of the most closed in the EU), and a disinclination towards the process of creative destruction, which is necessary to innovation and progress.

Risk aversion also impedes change, as 'reform' is still seen as a dirty word – for many it evokes the threat of losing a job or sustaining income loss. Bankruptcy laws are a good example: Reform attempts have been extremely hard to push through. As a result, a swamp of underperforming zombie companies continue to characterise certain industries, while innovative and outward-looking entrepreneurial activity and research are lacking the impetus to thrive.

Greece would greatly benefit from higher numbers of skilled workforce and volumes of capital, respectively, so as to achieve an upgrade in its economic performance. Here it might profit from looking toward the UK. Britain is the top-rated major European economy for attracting and retaining global talent. This allows the country to increase its stock of high-performing human capital. The UK is also one of the largest recipients of inward investment in the world.

With Brexit looming, more opportunities to strengthen the bilateral relationship will emerge. Synergies in areas such as machine work for shipping, high tech and research look promising. Among

others, a cluster might form around mathematics (cryptography/coding), big data, and nanotechnology, which are starting to flourish in Greece, while stronger bilateral ties in research would not only guarantee a steady flow of tech transfer but also ensure the UK's ongoing access to pan-European awards and missions (such as those supported by the EU research and innovation funding programme Horizon 2020).

Session 6: Philanthropy

Research shows that philanthropy played a role in the Greek crisis, though it is too soon to evaluate the quality and scope of its impact. Ironically, the very word 'philanthropy' has negative connotations in the Greek context (*it carries the meaning of charity*) and is therefore not widely used.* Overall, philanthropic foundations enjoy a higher level of trust than other institutions in Greece. However, the average citizen is mostly unaware of their objectives and scope of activities, as philanthropies tend to shy away from media exposure. It is also safe to say that, despite the strong philanthropic sense among Greeks (e.g. through the church and local communities), there is a notable disinclination towards formal collective action.

Notwithstanding these trends, behind the scenes philanthropy in Greece is becoming more strategic, longer-term, and less limited to within families. Increasingly, foundations are working together to identify social needs, develop synergies and share best practise. Ensuring transparency and accountability as a way to build public trust is equally a priority; an emphasis on impact measurement aspires to serve this goal. Foundations in Greece are also increasingly collaborating with the government for financing and project planning/ delivery. This latter trend remains controversial; it will, leastwise, take time to see how, and whether, it succeeds. One area in which the government could, in any event, surely do more is in offering financial incentives for philanthropies (e.g. tax exemptions).

In the UK philanthropy has a centuries-old history and has played a vital role in shaping the modern British society. A recent trend gaining ground is the gradual replacement of grant giving by more sophisticated approaches and services, including mentoring, networking and advocacy support. As is the case in Greece, trust remains an issue: the British are mistrustful of private power and highly value transparency and accountability. In this context, NGOs increasingly functioning as delivery agencies for government departments do raise the issue of their overall independence.

Today the UK and Greece partner in philanthropy in several sectors, with a particular focus on social enterprise and education. It is encouraging that there is much scope for fruitful future collaboration. The Greek foundations can especially profit from UK expertise in capacity building, including in the areas of non-profit organisation (NPO) management, effective fundraising and funds absorption, branding and visibility, qualitative and quantitative impact assessment. Respectively, Greek shipping foundations could work with British organisations to share their know how in marine technology and entrepreneurship.

**Preference is given to the Greek term 'κοινωνοφελές ίδρυμα', meaning 'public welfare organisation'.*

Closing lunch: The Greek Diaspora

Throughout history, the reception of migrants in most countries has brought about mixed feelings and their level of integration has varied. However, Greeks in the UK form a vibrant part of their local communities and the diaspora, notably in Liverpool, Cardiff, Manchester and London.

Historically, the UK was the main destination of Greek students, with their numbers peaking in the late '90s at around 30,000 each year. This has fallen to 10-12,000. Since the crisis there has been a large upswing in the number of Greeks in the UK, more than doubling over the last seven years to reach over 80,000. More are also choosing to settle in the UK permanently.

The new additions to the UK-based Greek diaspora are a very young population – more than 70% aged less than 45 years – and with a balanced gender distribution. Significantly, 75% of them are university graduates, against an average of 34% back in Greece. Meanwhile they integrate successfully into the labour market – over 60% are in professional jobs; the UK average is 30%.

Regarding those newcomers' feelings of identity, they are closer to Greek culture than British, though this difference is not very pronounced. They form ethnically diverse social groups and as such feel citizens of the world and staunchly European – only a minority identify as migrants. Their sentiments about Greece extend from disappointment and sadness to nostalgia and warmth. The UK is mostly associated with feelings of hope, gratitude, interest and loneliness.

In Greece there is indeed an ingrained mentality of movement. This trend has been long driven by economic hardship exacerbated by diverse factors such as war, political upheaval/ persecutions, extended periods of acute recession and limited opportunities to better one's life.

Early migration flows from the country to the United States were massive (c. 1 million people). After WWII Germany became the main country of destination for Greece migrants. In both cases the movement of return was strong.

With the EU facilitating the free movement of persons, the UK became a popular destination for Greek students and workers alike. Living in Britain proves beneficial to Greece, as its diaspora becomes socialized in risk-taking and trust. Greece, on the other hand, can export happiness, linked to the more outgoing, relaxed southern Mediterranean way of life and overall philosophy.