

# GREECE

Greece's economic freedom score is 61.5, making its economy the 77th freest in the 2022 *Index*. Greece is ranked 38th among 45 countries in the Europe region, and its overall score is below the regional average but above the world average.

A sharp downturn in 2020 has wiped out Greece's economic growth over the past five years. However, a five-year trend of expanding economic freedom has continued. Aided by significantly higher scores for rule of law (**property rights**, **judicial effectiveness**, and **government integrity**), Greece has recorded a 6.5-point overall gain in economic freedom since 2017 and has now secured its ranking in the "Moderately Free" category after being ranked "Mostly Unfree" for more than a decade. Monetary freedom and **trade freedom** are solid, but excessive **government spending** continues to burden the economy.

**IMPACT OF COVID-19:** As of December 1, 2021, 18,234 deaths had been attributed to the pandemic in Greece, and the government's response to the crisis ranked 3rd among the countries included in this *Index* in terms of its stringency. The economy contracted by 8.2 percent in 2020.

WORLD RANK:

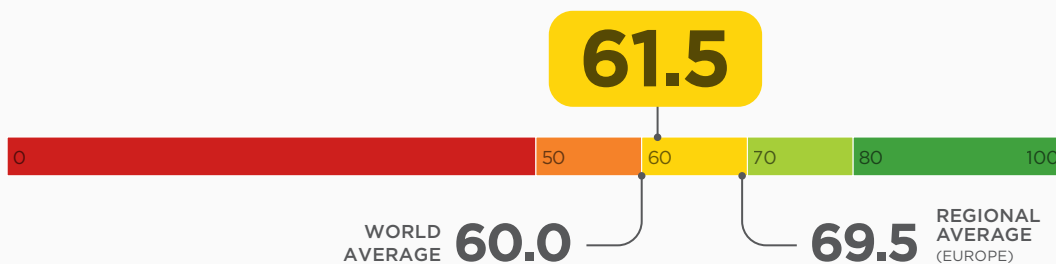
77

REGIONAL RANK:

38

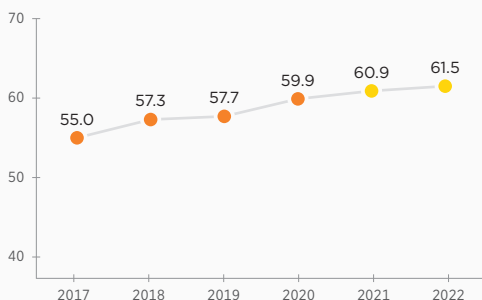
ECONOMIC FREEDOM STATUS:  
MODERATELY FREE

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.7 million

**GDP (PPP):**  
\$307.9 billion  
-8.2% growth  
in 2020  
5-year compound  
annual growth -0.8%  
\$28,748 per capita

**UNEMPLOYMENT:**  
16.9%

**INFLATION (CPI):**  
-1.3%

**FDI INFLOW:**  
\$3.6 billion

**PUBLIC DEBT:**  
213.1% of GDP

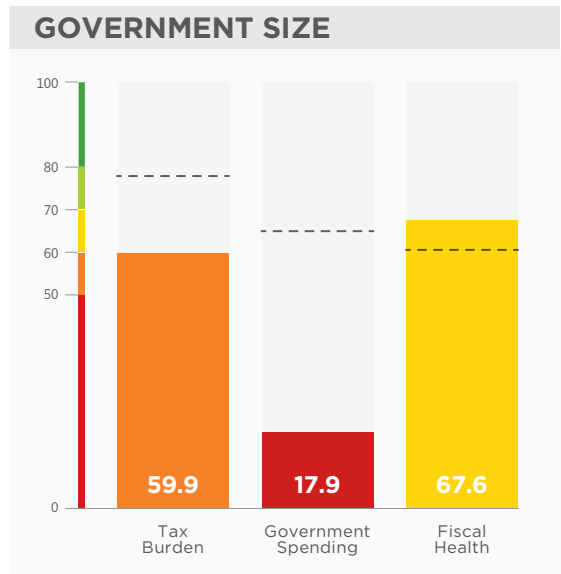
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** Independent from the Ottoman Empire since 1830, Greece became a member of NATO in 1952, joined the European Union in 1981, and entered the eurozone in 2002. The center-right New Democracy Party's Kyriakos Mitsotakis has been prime minister since 2019. Recent labor reforms passed by his majority were met with protests and strikes. In 2018, Greece exited from an eight-year bailout program that was conditioned on economic reforms and deeply unpopular austerity measures. Tourism, which saw a precipitous drop in 2020, and shipping are Greece's most important industries. Unemployment and public debt remain high. Significant Chinese investment includes a controlling stake in the port of Piraeus. Disagreements with Turkey regarding overlapping claims to hydrocarbon resources in the Mediterranean remain potentially combustible.

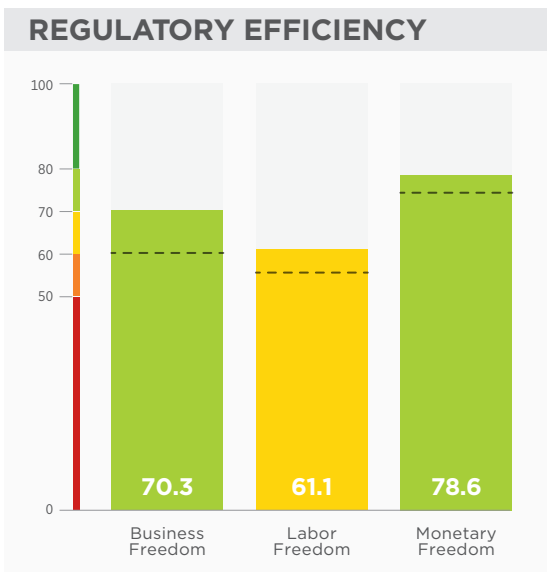
# 12 ECONOMIC FREEDOMS | GREECE



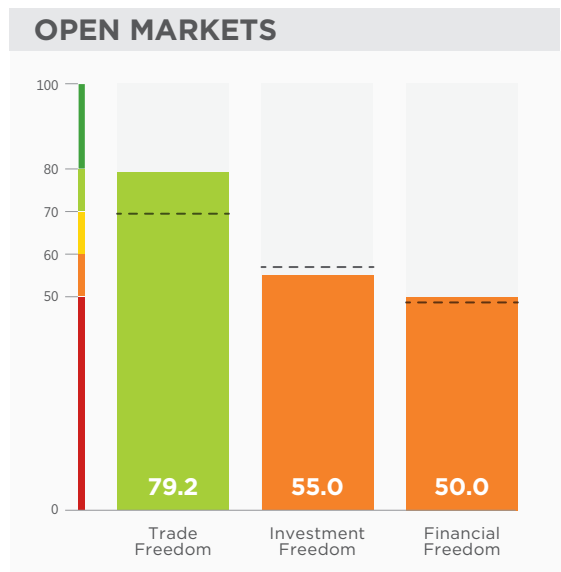
Secured interests in property are recognized and enforced, but modernization of the land registry is behind schedule. Bureaucratic delays in the judicial system weaken enforcement. The judiciary is independent but inefficient, slow, and understaffed. According to one survey, one-third of Greeks indicate that they perceive corruption as widespread among local government officials, especially in health care. The anticorruption apparatus is fragmented.



The top individual income tax rate is 44 percent, and the top corporate tax rate is 24 percent. The overall tax burden equals 38.7 percent of total domestic income. Government spending has amounted to 52.3 percent of total output (GDP) over the past three years, and budget deficits have averaged 2.8 percent of GDP. Public debt is equivalent to 213.1 percent of GDP.



The process for starting a business is relatively straightforward, but financing can be difficult to obtain. The unemployment rate has fallen over the past two years but remains high. Greek state-owned and subsidized enterprises are active in utilities, transportation, energy, media, health, and the defense industry.



As a member of the EU, Greece has 46 preferential trade agreements in force. The trade-weighted average tariff rate (common among EU members) is 2.9 percent with 640 EU-mandated nontariff measures in force. Foreign and domestic investors are generally treated equally, but bureaucratic barriers undermine investment. Although the financial system has regained stability, the level of nonperforming loans in the banking sector remains high.