Group 2: Greece’s Political System

PMGT 612 Leading Projects Across Boundaries

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Abstract

Greece is an ancient country situated in south eastern Europe with the Mediterranean Sea to its southern most border. Albania, Macedonia to its north; and Turkey to its east. Greece has a rich cultural heritage that has been lauded over by historians for centuries. Evidence of early fortifications of Greece dating back to 3400 BCE (Greece Timeline, n.d). This paper will provide a concise history and discuss Greece’s modern day political system in the context of Enterprise Environmental Factor that will affect the execution of the project Group 2 is obligated to internationally. Greek’s civilization, seem to evolve from monarchies, to oligarchies, tyranny, then finally developing into its first democracy or republic around 500 BCE (TCI, 2016). However, in the Common Era, Greece had most recently transitioned back into democracy in the mid 70’s after ending abolishing authoritarian rule (Cook, 2003).
Introduction

Determining the political environment that the project will exist within is especially important for international projects. As project managers, the PMBOK guides us to follow industry tested standards and best practices. Defining and assessing risks or uncertainties is one of the specified purposes of the project charter in the Project Integration Management Knowledge Area, but also has elements specified in the Project Quality Management as well as Project Risk Management Knowledge Areas. Documenting the assumptions and constraints associated with operating a project internationally is paramount. A study that sought to determine if there was any correlation between the political environment and foreign direct investment behavior of Japanese Multinational Companies, from the years 1995-2012, concluded that “Japanese MNCs may tolerate a slightly higher political risk and exchange risk in developed countries to obtain higher profits while they are not ready to tolerate higher level of those risks in developing countries (Deseatnicov & Hiroya, 2016).

This is understandable, it’s easy to see that there are different risks associated with running a project operating out of Syria than there is conducting one in Mexico. Indeed, identifying the political climate or environment is a part of the Initiating Process Group (PMI, 2013). The PMBOK specifies that political climate is an Enterprise Environmental Factor. Enterprise Environmental Factors are referred to as “conditions not under the control of the project team, that influence, constrain or direct the project […] are factors that are considered as inputs to most planning processes, that may enhance or constrain the project management options…” (PMI, 2013).
Political Environment

Greece was rewarded entrance into the European Union in 1981 ahead of Portugal and Spain because of the social reforms the country had enacted to help it transition into democracy. Greece is currently a parliamentary republic, that holds elections every 4 years (Government and Politics, 2016). Both the President of the Republic and the Parliament exercise legislative power; executive power is exercised by the President of the Republic and the government; Judicial power is vested in the courts. These separation of powers bares resemblance to the government of the United States. The country espouses populist values.

The Gross Domestic Product is one of the primary indicators used to gauge the health of a countries economy (Investopedia, 2016). Greece’s GDP for 2015 was 195.2 billion. Greece’s approximate population is 10.8 million people. Other notable attributes to the Greek economy is that (Greece, 2016):

- Greece is the 63rd largest export economy in the world and the 54th most complex economy according to the Economic Complexity Index (ECI).

- In 2014, Greece exported $33.2B and imported $60.8B, resulting in a negative trade balance of $27.6B. In 2014 the GDP of Greece was $235B and its GDP per capita was $26.9k.

- The top exports of Greece are Refined Petroleum ($10.5B), Packaged Medicaments ($1.24B), Aluminum Plating ($705M), Non-fillet Fresh Fish ($548M) and Other Processed Vegetables ($458M), using the 1992 revision of the HS (Harmonized System) classification.
• Its top imports are Crude Petroleum ($13.3B), Refined Petroleum ($4.24B), Packaged Medicaments ($2.88B), Passenger and Cargo Ships ($2.53B) and Petroleum Gas ($1.19B).

• The top export destinations of Greece are Turkey ($4.16B), Italy ($3.08B), Germany ($2.27B), Bulgaria ($1.67B) and Cyprus ($1.62B). The top import origins are Germany ($6.24B), Russia ($5.66B), Italy ($4.76B), Iraq ($4.75B) and China ($3.39B).

Although Greece had an early entry into the European Union than its other European counterparts, but the Greek’s have experienced significant financial turmoil, which led the country to default on its loans to its creditors. The International Monetary Fund has insisted to members of the European Union that Greece’s financial situation will require assistance in the form of debt relief from its creditors. Germany has been outspokenly reluctant to subsidize the Greece government. A compromise was reached, but Greece will not begin to receive debt relief until 2018 (Alderman & Kantor et al, 2016). Greece was authorized to receive 8.4 billion euros to pay their bills, with the conditions of enacting difficult changes and financial reform. Many things are said to have contributed to the the Greek economy collapsing. In a paper written for the Journal of Democracy, contributor Takis Pappas postulates that the default of the Greek economy was as a result of the government for decades allowing the Greek people to act illegally against the state’s interests without punishment. Rampant tax evasion, construction and pension fraud, and extending legal immunity to its citizens likely lead to its downfall. Accountability may be an issue for our Greek counterparts.
References


