

## GREECE

In recent years, economic growth has been robust, with significant increases in per capita income. However, Greece remains one of the lowest-income countries in the OECD, with slow employment growth, low labour productivity and weak competitiveness. The challenge is to expand the country's growth potential and improve productivity, so as to boost employment and quality of life.

Greece's research, technological development and innovation strategy focuses on innovation as the key factor in restructuring the economy towards knowledge-intensive sectors. At present, agriculture is still an important component of the economy, while manufacturing is dominated by sectors with low technological and innovation intensity. The lack of large companies with strong research performance that could encourage the development of supplier networks and demand for technology, constrains the overall performance of the innovation system.

At 0.57% of GDP, gross domestic expenditure on R&D (GERD) lags the OECD and EU averages, even though in absolute terms real expenditure grew by 82% from 1997 to 2006. Funding from abroad is high, mainly from EU Structural Funds and the Framework Programme for Research and Technological Development. Public research organisations are the main actors in the innovation system, absorbing more

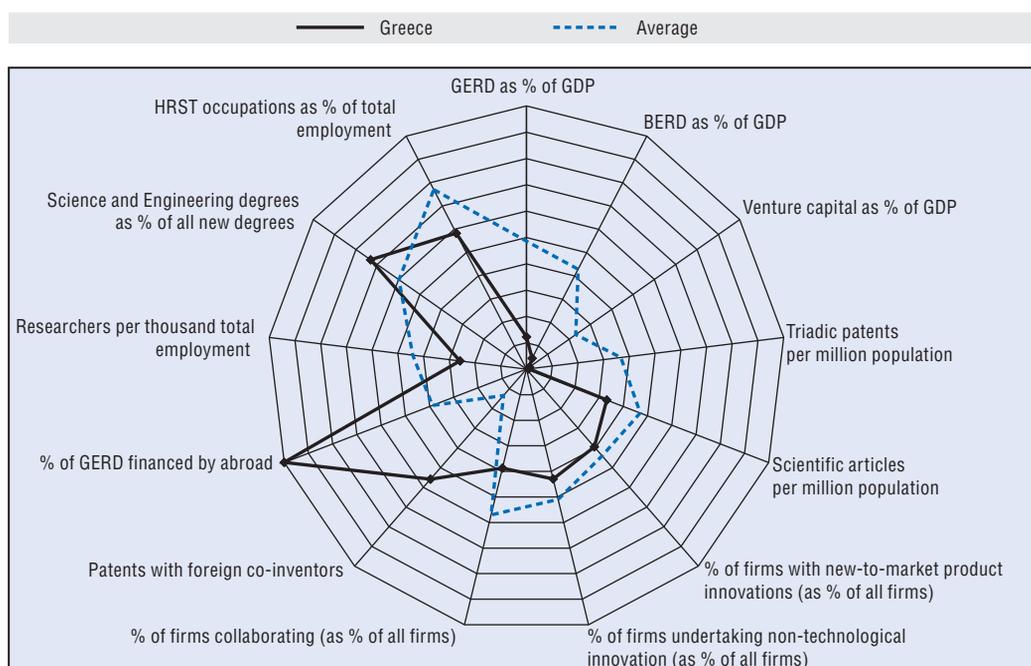
than 90% of government appropriations for R&D and performing 67% of R&D. The government's objective is GERD of 1.5% of GDP by 2015, of which 40% would be funded by the private sector.

From 1995 to 2005, R&D personnel grew at an annual average rate of 6.8%, although they represent a small share of overall employment. The number of business researchers grew more dynamically, by more than 10% a year over the decade. In terms of research outputs, both publication and patent activity are below average, although patenting at the European Patent Office grew more rapidly than the OECD and EU25 average over the period.

Greece's Strategic Plan for the Development of Research, Technology and Innovation 2007-13 emphasises innovation in a regional context. Five regional innovation poles have been established, as have new multi-disciplinary public research centres. Other policy initiatives include a new law, recently ratified by Parliament, to reform the structure, governance and operation of higher education institutions in Greece.

The key policy challenges for Greece revolve around boosting innovation capability in the business sector and improving the absorptive capacity of firms, enhancing and better utilising scientific personnel, and continuing to build international linkages for knowledge transfer.

### Science and innovation profile of Greece



StatLink <http://dx.doi.org/10.1787/452717013445>

### Enterprises with innovation activity, by size and sector, 2002-04

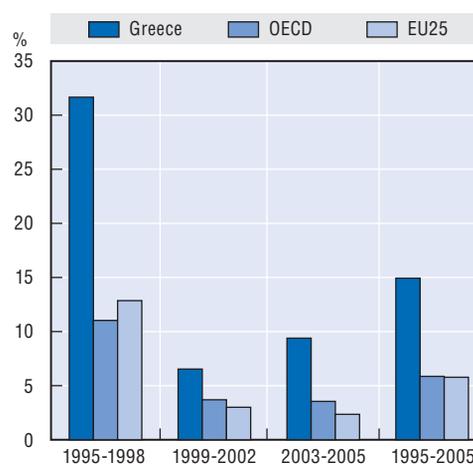
As a percentage of all firms

	Innovative activity	Technology innovation
<b>Total</b>	<b>35.8</b>	<b>35.1</b>
Small (10-49 staff)	33.9	33.1
Medium (50-249 staff)	43.1	43.1
Large (250+ staff)	66.6	66.6
Industry	35.1	34.3
Services	36.7	36.2

StatLink <http://dx.doi.org/10.1787/452725482472>

### Patent applications to the European Patent Office, 1995-2005

Average annual growth rates



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