



Press Release

Panagiotis Kapopoulos at the Delphi Economic Forum 2025: “We need bold entrepreneurship that makes use of opportunities”

Strengthening labor supply, entrepreneurship and combating undeclared work

Alpha Bank’s Chief Economist Panagiotis Kapopoulos, speaking at the panel titled “*Navigating Demographic Shifts: Ensuring Sustainable Social Insurance Systems*” of the Delphi Economic Forum, highlighted the development policies that will bolster Greece’s economic growth, focusing on entrepreneurship and the stimulation of labor supply, as well as on the effort to eliminate undeclared work.

Work, Capital and Entrepreneurship

In his intervention, Mr. Kapopoulos pointed out that the sustainability of a distributive system on a long-term horizon is linked to the dynamics of economic growth. “*These dynamics are determined by three factors. **The quantity and quality of work. The quantity and quality of the capital and how they work together, i.e. the productivity. But above all, entrepreneurship, which manages these factors. So, there we have a national objective. A bold entrepreneurship, taking risks and making use of opportunities,***” he said.

Regarding the **labor market**, he stressed that “*the employment rate in Greece is among the lowest in the euro area, in spite of the fact that Greek workers work more hours per week.*” In this respect, he emphasized the need to increase labor supply by **increasing the participation in the labor force of young people, women and the elderly, reducing structural unemployment, reversing the brain drain of the past decade and curtailing undeclared work.**

On the issue of investment, Mr. Kapopoulos noted that “*between 2011 and 2021, gross fixed capital formation fell short of depreciations, leading to the erosion of the natural capital.*” He also stressed the importance of the Recovery and Resilience Facility (RRF) in filling the investment gap, especially in the areas of green transition and the digital economy. “*In order for investment to further grow in the future, reforms **such as speeding up the administration of justice, further reducing non-wage costs, and introducing incentives for mergers and partnerships of small and medium-sized enterprises** must be continued,*” he added.

According to Mr. Kapopoulos, “*micro, small and medium-sized enterprises are the backbone of the Greek business sector, yet their small size hampers productivity growth. The private sector has a critical role to play by improving corporate governance, strengthening the research and development culture, and expanding extroversion into markets beyond those of the Western world, to countries such as China and India.*”

Tackling undeclared work is a priority target

As regards **strengthening employment and tackling undeclared work**, Mr. Kapopoulos set as a target the **reduction of the gap with the European average employment rate.** “*Today, the rate is 70% in Greece against 76% in Europe and a targeted 78% by 2030. This gap translates into approximately 400 thousand more workers.*”

In this direction, he proposed measures such as “*increasing public and private sector spending on childcare and care for the elderly to facilitate the participation of women; **adopting in-work benefit***”



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*schemes paid directly to low-income workers, either through transfers or tax benefits; tackling structural unemployment, particularly in view of the transition to artificial intelligence, by redesigning education programs and corporate training; and **assisting the elderly wishing to work after their retirement with for flexible arrangements**, tax exemptions and the option of gradual retirement.”*

Alpha Bank’s Chief Economist stressed that “*reducing undeclared work is obviously the job of the control mechanisms; but it is also **a social responsibility of small businesses and self-employed professionals**, whose share in Greece is among the highest in the EU member states. Of course, we should try to remove the cause of the phenomenon, which is none other than the excessive tax burden, as declared work should be made more attractive.*”