

Highlights of Greek Corruption research paper:

MAIN COSTS OF CORRUPTION TO GREECE

1. Lost tax revenue- An estimated \$83.6 billion in lost economic activity to the shadow economy resulting in \$28 billion in lost tax revenue. p-35
2. Population decline- Over 360,000 of Greece's best educated and trained have emigrated since 2009 and two thirds of them have college degrees. p-42
3. Inequality is growing- Over one third of Greeks are below the poverty line and the percentage in extreme poverty went from 2% in 2009 to 15% by 2015. p-38

OTHER KEY FACTS

- Back taxes are growing by over \$1.2 billion a month and in 2016 €115 billion was still owed by 4,146,483 citizens of which 839,056 have had enforcement measures imposed on them.
- 1/3 of all work in Greece is unreported. p-15 & 19
- 83% of non-salaried workers reported earning less than \$12,000 in 2011, while only 42% of salaried employees and pensioners reported income of less than \$12,000. p-40
- The tax code is constantly changing in Greece; from 2002 to 2016 there have been 37 major tax law changes, 722 new tax authorizations, 273 changes to regular provisions and 109 new transitional provisions. p-17
- Greece has seen unprecedented rising levels of cash in circulation, from €21 billion in 2009 to €45.4 billion in 2016 representing 28% of their GDP well above the 10% Eurozone average. p-16
- Government spending is 9% higher as a percentage of GDP than it had been in 2000, while QoG dropped by 60% during that same time. p-32
- Greece has a much higher percentage of self-employed companies; 32% (contrasted with 14% in the EU) p-19 and 64% of Greece's self-employed workers declared an average income of only €4,300. This group of 2.8 million taxpayers paid around €60 million in income taxes, a mere €21.40 apiece on average. p-40
- In 2012, 150,000 tax dispute cases were pending, and it can take from 7 to 10 years for a citizen to receive a decision from Greece's tax courts. p-47
- Since 2001 more than 50 new installment plans, or tax amnesties programs have been offered with increasingly easier repayment terms. As a consequence, taxpayers defer paying their taxes in anticipation of more favorable terms in the future. p-47-48
- Studies of Greek auditing practices have shown the number of tax offenders decreases by 4-9% for every 1% increase in the number of audits and found that a 10% increase in annual VAT audits yielded an additional €251 million in revenue. p-48

FOUR INDICES USED

1. CPI- Greece has gone from a 30th world ranking in 1995 to 69th in 2017. p-23
2. GCB- Greece was the worst performer in 7 of the 12 institutions surveyed. p-25
3. GCI- Greece has gone from 37th world ranking in 2002/03 to 87th in 2017/18. p-26
4. SCI- Greece was ranked 41st out of 41 countries on overall performance in 2017 and 39th out of 41 on executive capacity. p-28

REFORM RECCOMENDATIONS

The paper highlighted 35 reform recommendations taken from the suggestions made in other research studies on Greek corruption. The top highlighted items include: p-47-52

- Simplify tax code, conduct more audits and increase penalties for cheaters. p-49
- More protection for whistleblowers, eliminate immunity for high officials, prohibit government workers from participating in political campaigns. p-52