Madalina Papahagi & Tommaso Rooms
Subnational Doing Business
Athens, 13 November 2019
Resolving a commercial dispute through the courts: also Greece
”Global” and “Subnational” Doing Business: what are the differences?

- Demand driven
- Go beyond the largest city
- Selected DB indicators relevant at subnational level
- Replicable local good practices
- Tailored reform recommendations
- City stories
- 500+ cities in 76 economies

Global Doing Business

- WBG annual flagship
- Largest business city used as proxy
- 11 indicators
- International good practices
- 190 economies
- More than 3,000 recorded reforms
- Country stories

Subnational Doing Business

Doing Business in the European Union 2020: Greece, Ireland and Italy
Subnational *Doing Business* studies in EU member states

- Two studies published, covering 47 cities across 7 EU member states.
- Current study includes 24 cities from 3 EU member states.
- Next study will cover cities in Austria, Belgium and the Netherlands.
Which cities and indicators are measured in Greece?

6 cities

5 Doing Business indicator areas:
• Starting a business
• Dealing with construction permits
• Getting electricity
• Registering property
• Enforcing contracts

PLUS 5 cities in Ireland and 13 cities in Italy
Four different cities at the top in the five areas measured

<table>
<thead>
<tr>
<th>City</th>
<th>Starting a business</th>
<th>Dealing with construction permits</th>
<th>Getting electricity</th>
<th>Registering property</th>
<th>Enforcing contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandroupoli</td>
<td>1</td>
<td>96.25</td>
<td>5</td>
<td>66.03</td>
<td>2</td>
</tr>
<tr>
<td>Athens</td>
<td>2</td>
<td>96.00</td>
<td>3</td>
<td>69.53</td>
<td>3</td>
</tr>
<tr>
<td>Heraklion</td>
<td>2</td>
<td>96.00</td>
<td>6</td>
<td>63.99</td>
<td>5</td>
</tr>
<tr>
<td>Larissa</td>
<td>2</td>
<td>96.00</td>
<td>1</td>
<td>70.85</td>
<td>4</td>
</tr>
<tr>
<td>Patra</td>
<td>2</td>
<td>96.00</td>
<td>4</td>
<td>69.09</td>
<td>1</td>
</tr>
<tr>
<td>Thessaloniki</td>
<td>2</td>
<td>96.00</td>
<td>2</td>
<td>70.13</td>
<td>6</td>
</tr>
</tbody>
</table>
There is significant variation in regulatory performance among Greek cities in 4 out of the 5 areas benchmarked.
Recent reforms made Greece the EU champion on starting a business
Transferring a property title is fastest in Patra...

<table>
<thead>
<tr>
<th>City</th>
<th>Time to register property (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heraklion</td>
<td>134</td>
</tr>
<tr>
<td>Thessaloniki</td>
<td>130</td>
</tr>
<tr>
<td>Alexandroupoli</td>
<td>33</td>
</tr>
<tr>
<td>Larissa</td>
<td>31</td>
</tr>
<tr>
<td>Athens</td>
<td>26</td>
</tr>
<tr>
<td>Patra</td>
<td>24</td>
</tr>
</tbody>
</table>
...but the quality of the land administration system is highest in Thessaloniki
Trial time varies from 17 months in Larissa to just under 4 years in Athens

<table>
<thead>
<tr>
<th></th>
<th>Filing and service</th>
<th>Trial and judgment</th>
<th>Enforcement of judgment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU average</td>
<td>40</td>
<td>459</td>
<td>132</td>
</tr>
<tr>
<td>Larissa</td>
<td>35</td>
<td>510</td>
<td>270</td>
</tr>
<tr>
<td>Thessaloniki</td>
<td>60</td>
<td>610</td>
<td>265</td>
</tr>
<tr>
<td>Alexandroupoli</td>
<td>50</td>
<td>635</td>
<td>275</td>
</tr>
<tr>
<td>Heraklion</td>
<td>45</td>
<td>690</td>
<td>265</td>
</tr>
<tr>
<td>Patra</td>
<td>40</td>
<td>665</td>
<td>305</td>
</tr>
<tr>
<td>Athens</td>
<td>60</td>
<td>1400</td>
<td>251</td>
</tr>
</tbody>
</table>
Athens and Thessaloniki exhibit the most judicial good practices
The construction permitting process can be completed 4 months faster in Larissa than in Heraklion.
Athens and Patra have the strictest qualification requirements for professionals that review and verify building plans.
Getting electricity takes the least time in Alexandroupoli but the supply is most reliable in Patra.
How to improve? Emulation of local good practices

Dealing with Construction Permits

ALEXANDROUPOULOS’ construction permitting procedures
LARISSA’s efficient processing time
THESSALONIKI’s relatively low cost
ATHENS & PATRA’S strong building quality control mechanisms

A city combining these best practices would climb 42 places in the ranking on this indicator (from 86 to 44)
How to improve? Emulation of local good practices

Enforcing contracts

LARISSA’s relatively fast trial time

PATRA’s lower litigation cost

ATHENS’ judicial good practices

A city combining these best practices would climb **87 places in the ranking** on this indicator (from 146 to 59)
Significant potential for improvement through the emulation of local good practices

If Athens adopted each city’s best practices, Greece would climb 18 places on the overall ease of doing business, from 79 to 61.
How has peer-to-peer learning worked in other member states?

What did they learn?

- Registering electronically is four times as fast and half as costly as registering on paper
- Inspired by Poznan (best practice), they promoted electronic registration and trained their staff how to use the system
- Inspired by Gdansk (paper registration, but more efficient), they improved document handling
- They consulted with the registry authority in Bialystok on how to handle seasonal spikes in demand and reduce backlog

What was the result?

- Share of online registrations grew faster in Kielce and Rzeszow than in the rest of the country

What did the Polish cities with the least efficient business registration learn from their peers with better practices?