

Modeling Economic Growth in Contemporary Greece

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Modeling Economic Growth in Contemporary Greece

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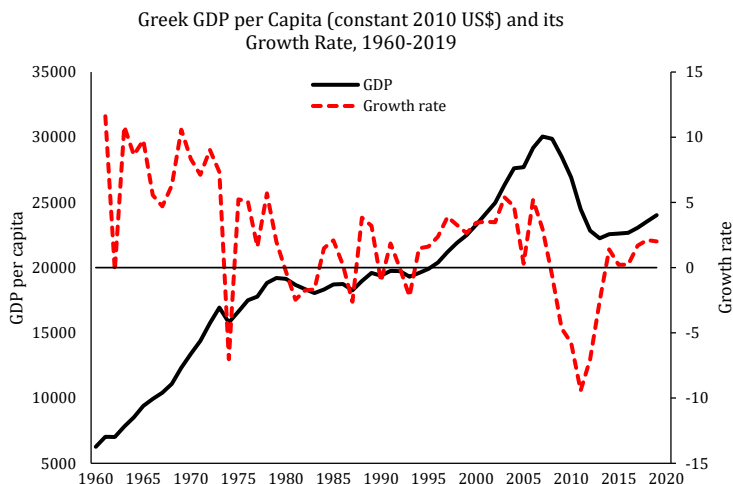
Foreword

Apostolos Serletis
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As Alogoskoufis (2021) puts it in his Abstract, during the past two centuries (from the war for independence in 1821 to the present day), Greece and its economy “have been radically transformed. Compared to the first Greek state, Greece managed to almost triple its national territory, to increase its population by almost 15 times and to increase its real GDP per capita by another 15 times. From the margins of south-eastern Europe, it has moved to the core of today’s European Union.” Today, Greece is the 16th largest economy in the European Union and the 51st largest economy in the world.

Alogoskoufis argues that the evolution of Greece and its economy during the past 200 years can be analyzed in the context of three major historical cycles. The first cycle is that of “state and nation building,” and covers the period from the declaration of the war of Greek independence in 1821 to the establishment of the International Financial Audit Commission in 1898. The second cycle covers the period from 1898 to the end of the civil war in 1949 and is characterized by “national expansion and consolidation.” This cycle is also characterized by persistent instability due to continuous wars and internal conflicts. The third cycle, from 1950 to the present, is the cycle of “economic and social development.”

The figure below shows the evolution of Greek GDP per capita (in constant 2010 US\$) and its growth rate, from 1960 to 2019, using data from the World Bank (see <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD?locations=GR>). As can be seen, per capita GDP increased (by more than a factor of five) from \$6,259 in 1960 to \$30,054 in the beginning of the global economic recession in 2007. However, per capita GDP increased unevenly during this period, with the average annual percentage growth rate being 9% from 1960 to 1973, 4% from 1974 to 2007, and –4% from 2008 to 2016. During this period, Greece experienced an economic growth miracle from the end of the civil war in 1950–1973, a long economic slowdown from 1979 to 1993, the restoration of democracy in 1974, full participation in the European Union in 1981, a major external debt crisis in 2010 and the “great depression” of 2008–2016, and the most recent COVID-19 crisis.



There is no need to go into more detail in this brief *Foreword* about the determinants of the economic and social transformations of modern Greece. In what follows, the editors, Vasileios Vlachos, Aristidis Bitzenis, and Bruno Sergi, present a collection of papers related to the forces that shaped the Greek state and its economy during the third historical cycle of economic and social development. Whether you are an academic economist or simply interested in understanding the forces shaping economic growth around the world, you will find *Modeling Economic Growth in Contemporary Greece* timely and relevant.

Reference

Alogoskoufis, G. (2021). *Historical cycles of the economy of modern Greece: From 1821 to the present*. Hellenic Observatory Papers on Greece and Southeast Europe, GreeSE Paper No. 158.