

Двосторонні економічні відносини

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**UKRAINIAN-GREEK
ECONOMIC RELATIONS:
DEVELOPING NEW DIRECTIONS**

Abstract

The paper substantiates the idea of common expansion of Greece and Ukraine on the world market. The economies of both countries are such that they can complement each other. The services of Ukrainian dentists and physiotherapists could be in high demand in western countries. The development of trade in educational services stipulates for both the education of Ukrainian migrants and their children in Greece, and the creation of joint international educational establishments to educate citizens of third countries. The author assumes that under condition of uniting the consulting and marketing specialists, we can figure on sizable commercial success of Greek-Ukrainian firms at the educational services market of post-soviet area. The author proves the feasibility of fostering in Ukraine the educational tourism to Greece, which can also be integrated in the educational business, as well as draws the promising future for the joint business of Ukrainian and Greek tourist firms in development of travels to ancient cities located in Ukraine (Chersoneses, Peloponnesus, etc.).

Key words:

Ukrainian-Greek economic relations, export, import, services of Ukrainian physicians, business services, trade in educational services between Ukraine and Greece, tourism, science-intensive services.

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The economic relations between Greece and Ukraine develop as a constitute part of integration processes between Ukraine and the European Union. This problem is under the research of Ukrainian and Greek scientists, especially O. I. Amoshna, O. M. Dyomina, N. J. Konishcheva, Y. V. Makohon, O. A. Sli-sarenko, N. A. Terentyeva, S. V. Myakushko, E. Siskos. Some results of the research were summed up at the International Scientific-Practical Conference «The Development of the Hellenes in Ukraine from the 18th to the 21st Century» held on 21–23 of May, 2007, in Mariupol (Ukraine) [4].

Meanwhile, it is worth to admit that the absolute majority of scientific publications are mainly of ascertaining and informational type. In these publications, trade statistics and investment activity between the countries are shown and structural components detailed. In the majority of works, it is noted that the biggest export volumes from Ukraine to Greece are in such industries as energy materials, oil and oil refining products, irons, grain, wood and wooden products. Among imports, we can distinguish tobacco, aluminium and products, salt, sulphur, stucco materials, cement, plastics, pharmaceutical products, cauldrons, autos, instruments and mechanical devices.

If to assess Ukrainian exports to Greece critically, then, even on the Ukrainian economic scale, it is scanty – less than 0.5% of all Ukrainian exports. Imports from Greece are even smaller – approximately 0.2% of all Ukrainian imports [1: 126]. All this is accompanied by almost no investor interest in the Ukrainian market.

The development of Ukrainian-Greek economic relations should be built with consideration for peculiarities of their economies (Table 1). First, we should take account of the fact that Greece belongs to the developed economies, while Ukraine is the country with transition economy, where the entire generation (of managers and population) had lost their entrepreneurial traditions and had been brought up with the habit to live by directives from the centre and on social support. Second, Ukraine is an export-oriented country (exports make 60% of GDP), in contrast to Greece where the share of exports is 20%. Greece has industries which are leaders on the world market: in particular, Greek sea shipping and international tourism are on the world's top five lists. For Ukraine these industries are less typical, but it can be referred to the world's largest traders in black metals, sunflower seeds, sunflower-seed oil, and grain.

*Table 1***Peculiarities of Greek and Ukrainian economies**

Greece	Ukraine
1. Market economy	1. Transition economy
2. Import-oriented country	2. Export-oriented country
3. Presence of world leading industries	3. Absence of world leading industries
4. World market leadership in sea shipping and international tourism	4. Belongs to the group of large traders in steel, sunflower seeds, sunflower-seed oil, and grain, but not to the leading traders

Thus, the development of economic relations between Ukraine and Greece should found on the conditions arising from the need for transition to post-industrial economy, with new economy (knowledge economy) at its core. This means that both countries should direct the development of their economic relations at the sphere of science-intensive services and assist in this process. Some basis for these relations has already been built. From 2000 effective is the intergovernmental treaty between Ukraine and the Republic of Greece about co-operation in the sphere of education, science, and culture. This provided the opportunity to exchange scientists and specialists and conduct common research in the spheres of mutual interest. Each year, the Greek side grants scholarships to Ukrainian citizens who wish to have higher education and post-diploma study in Greece. During 2005–2007, 16 science-research Ukrainian-Greek projects have been financed.

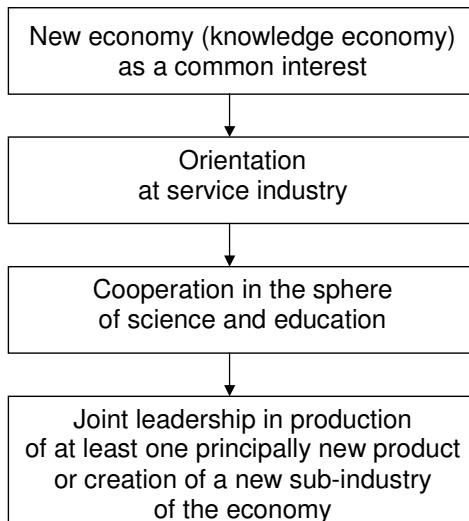
It seems that today emerges a need in transition to a qualitatively new stage of relations, – when the cooperation in science and education takes on the form of large-scale programs. They should be oriented at significant qualitative changes in the economic and export structures of both countries, as well as leadership on the world market in at least one new direction or at least one new product capable of generating high demand. For this, the countries should define the sphere in which it is possible to make a significant breakthrough in science and technology, and to find all the needed recourses for common organizational, personnel, and financial support of the project (Table 2).

The Organization for Economic Cooperation and Development (OECD) defines the following four industries as science-intensive: aerospace industry; computer and office equipment manufacturing; production of electronic mass media; and pharmaceutics industry [2]. A more detailed classification of science-intensive technologies and products is provided by the US Statistical Department. It contains ten items: genetics-based biotechnology; medical technology other than biotechnology (nuclear resonance imaging, echocardiography, etc.); optoelectronics; computers and telecommunications; electronics; flexible automated production modules and machine-lines with computer numerical control,

robots, automated transport vehicles; new materials including transistors, optical fibres and cables, videodisks, composites; aerospace; armament and nuclear technologies [3: 12].

Table 2.

The Basis for Development of Economic Relations between Ukraine and Greece



However different the European and American classifications of science-intensive technologies and products are, either of them includes the pharmaceuticals and medicine spheres. Considering the achievements of Ukraine and Greece in science and practice, we can assume that the large (probably the largest) probability of joint leadership based on mutually favourable cooperation of both countries is in this sphere. Unfortunately, the pharmaceutical and medical issues were not covered by the joint Ukrainian-Greek research projects to be financed in 2005–2007. Apparently, in the new treaties, this direction should be a priority. For this, it is necessary to assess the available (manpower and scientific) potential of the two countries, formulate the world-market-oriented aims, and create favourable financial conditions for their realization.

Not less attractive is the development of cooperation of Ukraine and Greece in the sphere of international science-intensive services, which according to OECD classification include five industries: modern types of communica-

tions, financial services, education, public healthcare, and so-called business services, which include software engineering, contracted research and research work, consulting, marketing, and other services used in business organization and management. For example, the services of Ukrainian doctors in the sphere of dentistry and physiotherapy could have significant success in western countries. Today ex-Ukrainian citizens often request such services as they are well acquainted with their quality and price level.

We should also pay attention to business services. Exports of services from Ukraine to Greece currently constitute less than 2% of total exports, which is obviously lower than our country's potential. Let's make only one assumption: if we could unite and coordinate consulting and marketing specialists, we could figure on sizable commercial success of Greek-Ukrainian enterprises on the services market of post-soviet area. The competitive advantages of such enterprises could be built on the availability of skilled personnel in the sphere of economics and entrepreneurship in the first place. Second, such international enterprises could have a synergetic effect from good knowledge of the CIS market specifics by Ukrainian specialists and of European and US market specifics by the Greek specialists. Besides, both countries are interested in the sources of quick growth of wages for able-bodied citizens, which is typical of science-intensive industries.

Certainly, as in the case of any new large-scale project, such a proposal can rouse objections. One argument could be the circumstance that other countries have already succeeded in restructuring their economies in favour of science-intensive industries, – the recognized technological leaders the USA, Japan, Great Britain and two Asian countries from among the so-called New Industrial States – South Korea and China, – which gives little chances for success to new players. We can agree with this statement only in the part that these countries did really achieve much success in trade of science-intensive goods and services. At the same time, the new-economy market is developing so fast that a great number of niches are free, and even more are appearing. They will be occupied by those with the highest readiness.

The structure of trade in services between Ukraine and Greece shows almost fully undeveloped no trade in educational services. This is true even under condition that many higher and secondary educational establishments have direct contacts and find much useful in the educational systems of each country. Therefore, exports and imports of educational services within the frames of Ukrainian-Greek relations, including exports to third countries, is a very perspective though very poorly developed direction. Consider the most evident arguments in favour of this assertion:

First, there are several hundred thousands of Ukrainian citizens on temporary work in Greece who need to have education in certain specialities on condition of receiving two diplomas – the Ukrainian and the Greek one. Similar practice is spread in the relations between Ukraine and Germany, which can be adapted to Ukrainian-Greek relations.

Second, labour migrants from Ukraine are interested in educating their children in Greece according to double-diploma system. This provides an opportunity to choose upon graduation a place of work in one of the two countries depending on economic, political, family and other circumstances. We can state with great likelihood that the graduates of higher educational establishments with developed Ukrainian-Greek curricula could become the «driver» of economic relations between the two countries.

Third, Ukraine and Greece have enough potential of high-skilled scientific and pedagogical workers in order to create curricula and set up educational establishments to offer educational services to third countries. At the same time, the faculties could be formed on the international basis, the place of study can be set up in the country with less cost for students and educational establishments, and the language of study can be English (predominantly). Such educational establishments will undoubtedly become popular among the native youth.

A new approach should be worked out and realized in the sphere of tourism. In 2005 Ukraine accounted for \$1.0ml of exports and \$3.5ml of imports of statistical item «travels» in Greece. It seems that the majority of these receipts come from labour migrants. At the same time, Greece is not among the Ukrainians' popular tourist destinations and v.v., the evidence of it being the prevailing demand of Ukrainian tourists for tourist offers to Turkey and Egypt.

Especially little cultivated in Ukraine is the so-called educational tourism to Greece, which can be easily integrated in the educational business. For example, the study of ancient history with the aim of passing an exam for pupils and students can be organized in Greece. For this, one should develop certain curriculum, select pedagogical personnel, work out the route, and set the price policy so as to make the service affordable for parents.

Perspective enough could be the common business of Ukrainian and Greek tourist firms on organizing tours to ancient Greek cities located in Ukraine (Chersoneses, Peloponnesus, etc). The market for such tours could be quickly advertised with tourists spending vacations in Greece. As for economic relations of Ukraine and Greece as a historically continuous process, we should admit that they always served to economic development of both countries. In the XXIst century, global community is solving the problems of building post-industrial society, which changes the system of international economic relations. Thus, economic relations between Ukraine and Greece should develop with consideration for new global development tendencies, especially those connected with formation of the knowledge economy.

Greece and Ukraine often hold significant intergovernmental forums where important treaties are signed. A new meeting of presidents is currently being prepared. We can hardly imagine how it will be able to solve the problems that will fundamentally change the shape of common cooperation in the economic sphere. Nevertheless, already today we should realize that common economic, historical and spiritual roots in the development of the two countries need to be worked through, and a large-scale cooperation program should be realized

with sufficient financial, political and organizational support in order to cardinally change the size of mutual benefit.

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