TEAM HUB!
Delivering sustainability to the e-commerce supply chain

Country Fiche GREECE

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Introduction

The *Team Hub!* project is a two-year project supported by the European Commission, Directorate-General for Employment, Social Affairs, and Inclusion, receiving funding under the call for proposals SOCPL-2021-IND-REL aimed at improving expertise in the field of industrial relations. Running for 24 months (August 2022 – July 2024), *Team Hub!* combines desk and empirical research, as well as mutual learning and networking activities, in order to analyse features and challenges of the e-commerce supply chain in a set of selected countries, namely Belgium, Estonia, France, Finland, Germany, Greece, Italy, Poland, Spain.

The *Team Hub!* project brings together a consortium of universities, research institutes and trade unions from nine EU countries to jointly address the complexities and challenges of e-commerce supply chains, especially with regard to storage and delivery activities. The aim of *Team Hub!* is to analyse the implications of the e-commerce boom, following the COVID-19 pandemic, and to equip trade unions with the knowledge and skills necessary to propose a sustainable reshaping of business models and work organization in the supply chain, also in view of the digital revolution and environmental sustainability objectives.

The first phase (Study) of the *Team Hub!* project consists of a preliminary literature review aimed at producing country-level analysis of the e-commerce and logistics national panorama. The goal is to identify and assess existing information and data about key trends and features in the e-commerce supply chains at national level, with a particular focus on key market players and dominant business models, working and employment conditions, social partners activities, and the geography of the supply chains in the covered countries.

The present Country Fiche, part of a series of nine similar papers, contains the results of the national-level analysis. The Country Fiches are aimed at feeding an EU-level comparative analysis to be included in the Background Report, which will equip the consortium with adequate background information for the following phases of the project.

Country Fiches are based on a common methodology agreed and shared in advance with the project's consortium. The research was realised by national experts appointed by the project partners. Experts developed their research on the basis of a common template, whose structure shapes the Country Fiche below. With a view to guaranteeing homogeneity and comparability of results, guidelines were shared with regard to sources and references to be used for the completion of the country fiches' template. In particular, the following categories were designated: scientific literature, administrative data, surveys, general press, interviews with relevant stakeholders.

Country Fiche

Macro-analysis on trends and developments in the e-commerce sector

Sales, use of online channels by consumers and shops, market shares and presence of dominant players, employment and wage trends in the supply chain

E-commerce is not as advanced in Greece as in other EU Member-States (DESIO 2022), because the country underwent a long and severe economic crisis in the previous decade, while it also falls behind other countries on ICT indicators (Greece's DESI score is 39; EU average: 52).
However, the value of online sales in Greece in 2022 occupied 7.7% of GDP, down from 8.1 in the previous year, but up from 2.7 % in 2017 (Hellenic Competition Commission 2022, Table 2). The corresponding turnover in 2022 in euros was 15.8 billion, a threefold increase over 2017.

E-commerce revenue in Greece is particularly extensive in the following sectors (International Trade Association 2022): fashion (31%), electronics & media (25%), food & personal care (19%), toys, hobby & DIY (16%) and furniture & appliances (9%). In contrast to many EU countries, in Greece the share of platforms in the transportation sector is relatively small (European Centre of Excellence 2021: 11).

Greece is characterized by an abundance of small and very small businesses (0-9 employees), active in e-commerce. Demand for their services increased after the onset of the Covid-19 pandemic (Huliaras and Sotiropoulos 2020). Still, large chain stores dominate this sector (Hellenic Competition Commission 2022). They sell both on site and on line (brick-and-click). Yet, small and very small business quickly adapt to e-commerce challenges, as 70% of them have internet access (INEMY-ESEE 2020).

In E-commerce, major players exist in taxi services ("Beat"), food delivery ("Wolt", "E-Food", "BOX", "Bolt Food", "Uber Eats"), household services ("Douleftaras.gr", "Paramana.eu"), marketplace or shopping search services ("Skroutz.gr"), and other services such as translations, transcriptions, tagging ("Freelancer.gr") (European Centre of Excellence 2021: 14).

In logistics, a major player is the Piraeus Port Authority, a privatized, formerly state-owned company, currently owned by the Chinese company COSCO[1], but there are many other large players which are owned by other private entrepreneurs. Examples are the companies "SARMED", "Diakinisis", "APM", and "GC Lymperpa", among others.

In commerce (but not specifically E-commerce) official employment data show that in 2020 about 435000 people were employed in H47 sector. About 139000 businesses were active in the sector (https://www.statistics.gr/el/statistics/-/publication/SDE03/-). In the same year the average annual labour cost (including social insurance contributions) was about 8300 Euros. While the actual number of exclusively e-commerce businesses is not reported, over time there is a trend for businesses in a physical site to expand on e-commerce too.

1 https://www.olp.gr/en/

In logistics, official employment data show that in 2020 about 46.000 people were employed in H52 NACE sector and about 17000 people in the H53 NACE sector[2]. There were 5370 businesses in H52 and 1235 in H53 but the vast majority of them (90% in H52, over 80% in H53) were very small, employing 0-9 persons. In 2020 the average annual labour cost (including social insurance contributions) in H52 was EUR 30.900, whereas in H53 it was EUR 20.200[3].

Qualitative analysis on the different types of existing business models

Overview of the existing types, in particular concerning the relationships with workers and in the supply chain

The predominant e-commerce business model is domestic B2C model, followed by the B2B and cross-border e-commerce model (Privacy Shield 2018; Hellenic Competition Commission 2022, 198, 204, 207).

In logistics, the prevalent type of employment is full time, but there is also a fluctuating share of employees who are contracted-out by other companies to large businesses. For example, the COSCO company in Piraeus reportedly has about 4000 employees (Kroustalli 2022). However; fewer than 1000 among those appear on the company's payroll (Piraeus Port Authority 2021, 110).

Regarding E-commerce, based on a sample survey of the association of owners of E-commerce businesses (GRECA 2021), the largest share of employees (82%) work full time.

There is a dearth of data on work in platforms, because Greece (along with a few other countries) was not included in EU-wide surveys of platform work (personal communication with labour economist, Athens, 06.01.2023). However, one can discern different types of employment status in platforms: self-employed workers, occasional workers (intermittent labour that can be compensated up to 10000 Euros per worker per year), informal workers (unregistered, working illegally) and dependent self-employed workers. The latter have an uncertain status. While they are independent workers, they provide services to up to three employers or obtain three-fourths of their annual income from one employer. They obviously face job insecurity, while in practice they are tied to a single employer. Owing to the labour mobilization (strikes) of dependent employees of food delivery platform workers, the latter category have obtained additional rights regarding health and safety and compensation for using their own scooters and equipment to deliver food to customers (Iefimerida 2022). Further strikes of food delivery workers of the platforms "Wolt" and "E-food" in September 2022 and December 2022 in Greece acquired wide publicity (efsyn.gr, Kathimerini.gr).

In storage and delivery, the prevalent type of employment is dependent labour (wage-work) and is not at all technologically advanced. Among those employed in storage and delivery 83% have low- or middle- level skills. In fact, 50% of workers ae drivers of transportation means and 22% as office workers (Filinis 2021).

Generally speaking, storage, delivery and e-commerce activities are not as developed in Greece as in othrer EU Member-States. The primary reasons for this underdevelopment lie in the comparatively low use of modern technologies in supply chains (Filinis 2021) and in the restraint which Greek banks exercised throughout the last few years in providing loans for business development. While small companies are often not technologically advanced, larger players are and have invested in ICT (Alpha Bank 2021).

2 https://www.statistics.gr/el/statistics/-/publication/SME27/-

3 https://www.statistics.gr/el/statistics/-/publication/SME27/-

Labour market and working conditions

Emerging issues in terms of employment, working conditions, and health and safety of workers involved in storage and delivery activities for e-commerce major players

In logistics the covid-19 pandemic disrupted the supply chain. Shippers and 3PL providers faced shortages in operational labour, personnel protection equipment. While generally logistics experienced a heavy decline owed to falling demand, courier, express and parcel companies experienced an all-time-high in demand for their services (Alpha Bank 2021).

There is extensive bogus self-employment in platforms. Dependent labour terms are not reflected in contracts of employees supplying services in platforms. There is particular concern over legal igal impediments for recognizing dependent labour in food delivery platforms (personal communication with labour economist, Athens, 06.01.2023). Legislation passed in June 2021 (Law 4808/2021 (articles 69-72) requires many and strict conditions in order to recognize contracts related to platform work as dependent labour (personal communication with labour union official, Athens, 05.11.2022).

In transport and logistics there is concern over health and safety issues, after two industrial accidents (one of which was fatal) in the premises of the Piraeus Port Authority in October 2021 and April 2022 (Kathimerini.gr, 26.10.2021; efsyn.gr, 28.04.2022).

Geography of the e-commerce supply chain and presence of nodal points

The geography of e-commerce and logistics in Greece follows the pattern of centripetal economic development of the country. Business activity evolves around the two largest urban centres, Athens and Thessaloniki.

There is some geographical variation regarding E-commerce, which is developed in several large cities where on site shops have expanded their business activities to include e-commerce. Athens, Thessaloniki, Heraklion (Crete), Patras and cities in Northern Greece, as well as smaller cities in the Eastern Aegean islands are locations bustling with e-commerce activities (Hellenic Competition Commission 2022, 221-222).

Regarding logistics, there is a geographical concentration of companies in the suburbs of Athens and Thessaloniki (Alpha Bank 2021). Specifically in the Greater Athens Area logistics companies are located in the western suburbs (the former industrial area) as well as in the south eastern suburbs of Athens.

Social partners positions and main actions

The General Confederation of Workers of Greece (GSEE) covers all salaried and wage-labour in the private sector and the state-managed or owned- enterprises (SOEs) but not the civil servants. The GSSE has noted that the Covid-19 pandemic has increased teleworking and e-commerce investments which in turn have had negative effects on labour. Precarious employment increased, while the purchasing power of employees declined. Overall, the quality of work has been downgraded (INE-GSEE 2021: 6).

The association representing commercial businesses (ESEE) has noted that while e-commerce grew immediately after the start of the pandemic (February 2020) larger businesses were more ready to adapt to demand for e-sales. The association has warned that there is a risk of a widening gap between large and small businesses involved in e-commerce, as the latter enterprises lag behind in terms of financial resources, skilled personnel and storage space (INEMY-ESEE 2020: 2).

In a recent report (November 2022), the Hellenic Competition Commission[4], a state-run independent authority, noted that there are several associations competing for the representation of businesses active in e-commerce (Hellenic Competition Commission 2022, 245-247). For instance, there is the "Hellenic Union for E-commerce and Multi-channel Commerce" (ENEPAM[5], comprising 11 large retail companies) and the "Greek e-Commerce Association (GRECA[6] comprising about 500 companies). Their interests are not necessarily incompatible, but the former association is older (it was founded 20 years ago).

A sample survey of e-commerce companies, conducted in 2022, revealed that respondents (company representatives or managers) considered that there was relatively low concentration in their specific e-commerce sectors (e.g., food and personal care, sports equipment). In brief, e-commerce companies do not have significantly large market shares (Hellenic Competition Commission 2022, 257-258).

4 https://www.epant.gr/

5 NEA (enepam.gr)

6 https://www.greekecommerce.gr/

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