

Evidence-based public policies for SMEs

Handicrafts and artisanship remain crucial sectors of manufacturing because of their cultural and creative entrepreneurial dimension. Professional activities are based on cultural values or other artistic individual or collective creative expressions, which are internationally included in the broader sector called "Creative Industry" or "Cultural and creative industries".

Since the closure of the Hellenic Organization of Small and Medium Sized Enterprises and Handicraft (EOMMEX) S.A (Articles 16 and 17 of Law 4038/2012) its responsibilities have been transferred to the Directorate for Entrepreneurship and SMEs of the General Secretariat for Industry.

SUBPROJECT 3

STUDY FOR THE MAPPING OF THE HANDICRAFTS AND ARTISANSHIP SECTOR

Taking into account the developments at EU and international level and the need for sector restructuring, the Directorate for Entrepreneurship and SMEs implemented Subproject 3 "Study for the mapping of the handicrafts and artisanship sector" through the Action "Adaptation of the National Observatory for SMEs to the needs of the new Development / Industrial Policy 2020-2030 and the policy for SMEs - Development of monitoring and information services and tools", co-funded by Operational Programme Competitiveness, Entrepreneurship and Innovation 2014-2020 (EPAnEK).

The results of the Subproject 3 are posted on the official website of the General Secretariat for Industry at the following

link: https://www.ggb.gr/el/sme_observatory/map_handcraft_smes.

RESULTS

Around 11,000 handicraft enterprises have been registered, distributed in twenty-five (25) separate economic/professional activities with their detailed NACE codes, as well as within their geographical distribution and their special characteristics.

The vast majority of enterprises in the handicraft sector are managed by self-employed persons with an overwhelming 77.02%. “Partnership” constitutes the second most frequent form with 10.21%, “private limited company” form is 4.97%, while other corporate forms gather significantly lower percentages. Within the scope of the project, a digital tool (interactive dashboard) was developed to examine the spatial distribution by region and geographical unit.

The primary field research was conducted in 500 of the approximately 11,000 enterprises. It identified a series of specific challenges the handicraft sector in Greece is facing, such as:

- Most handicraft enterprises are micro ones, with less than 10 employees, having a small turnover (up to €30,000). This makes it difficult to compete with large enterprises, since they have limited access to resources and markets. The volume of financing needs has been estimated to be up to €50,000.
- Grants and tax exemptions are the most popular form of support.
- Handicraft enterprises often lack the training and skills necessary to compete in the global market. This is because they may not have access to the same training and development programs as large ones. The need for specialization of human resources in terms of technical skills as well as general and digital skills has been identified. Emphasis is placed on elements such as relevant professional or previous experience, technical skills and certified education and training for selecting new employees.
- The main problems of the sector focus on the economic dimension. Lack of liquidity, cost, reliability of access to raw materials, limited access to finance, and the increased internal and external competition stand out.
- The main solutions sought were the purchase of equipment to improve production, improving the conditions for supply of raw materials, digital promotion, and financial instruments such as grants or repayment schemes to settle debt.
- The need to promote handicraft products through private websites (e-shop and social networks).
- The need to introduce recent technologies and know-how transfer to the natural environment of handicrafts (local catering), with appropriate use of new technologies to tackle the lack of qualified staff.
- Request for public aid focuses on support through financing, subsidy and cash-flow support Programmes, participation in international networks for the promotion and extroversion of businesses, information and support on financing issues and current developments in the sector internationally, and the development of networks at sectoral level in cooperation with third parties.
- Concerning desired public interventions, enterprises identified as most critical those related to technology transfer and its financing, training and skills upgrading and the creation of an appropriate legislative framework.

Among others, the study also identified a set of potential solutions through public policy, such as:

- The creation of a registry of handicraft businesses.
- Provision of financial support to handicraft enterprises to help them grow, expand, and become more competitive.
- Provision of training and skills development Programmes (technical and digital upskilling) to develop the necessary skills to compete in the global market.
- Promotion of handicraft enterprises through international trade fairs and other events to assist in reaching new markets and increasing their sales.

These initiatives could improve the competitiveness of the handicraft sector, but there is still work to do to ensure its long-term viability.

Conclusion

The handicraft sector is a critical for the Greek economy, as it contributes to country's GDP, employment, and exports. Nevertheless, it faces a series of challenges:

- Small size: Most handicraft enterprises are micro ones, with less than 10 employees.
- Lack of access to finance: Handicraft enterprises often face serious difficulties in accessing finance, since they are considered by the banking sector as “high-risk” entities.
- Lack of access to markets: Handicraft enterprises often face difficulties in accessing new markets, as they are not well-known and do not have the available resources to compete with large ones.
- Lack of training: Handicraft enterprises often lack adequate training and skills necessary to compete in global markets.

Public sector should play a key role in supporting handicraft enterprises. By addressing the above challenges, it could help the sector grow, expand, and create more jobs.

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