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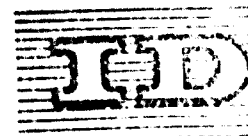
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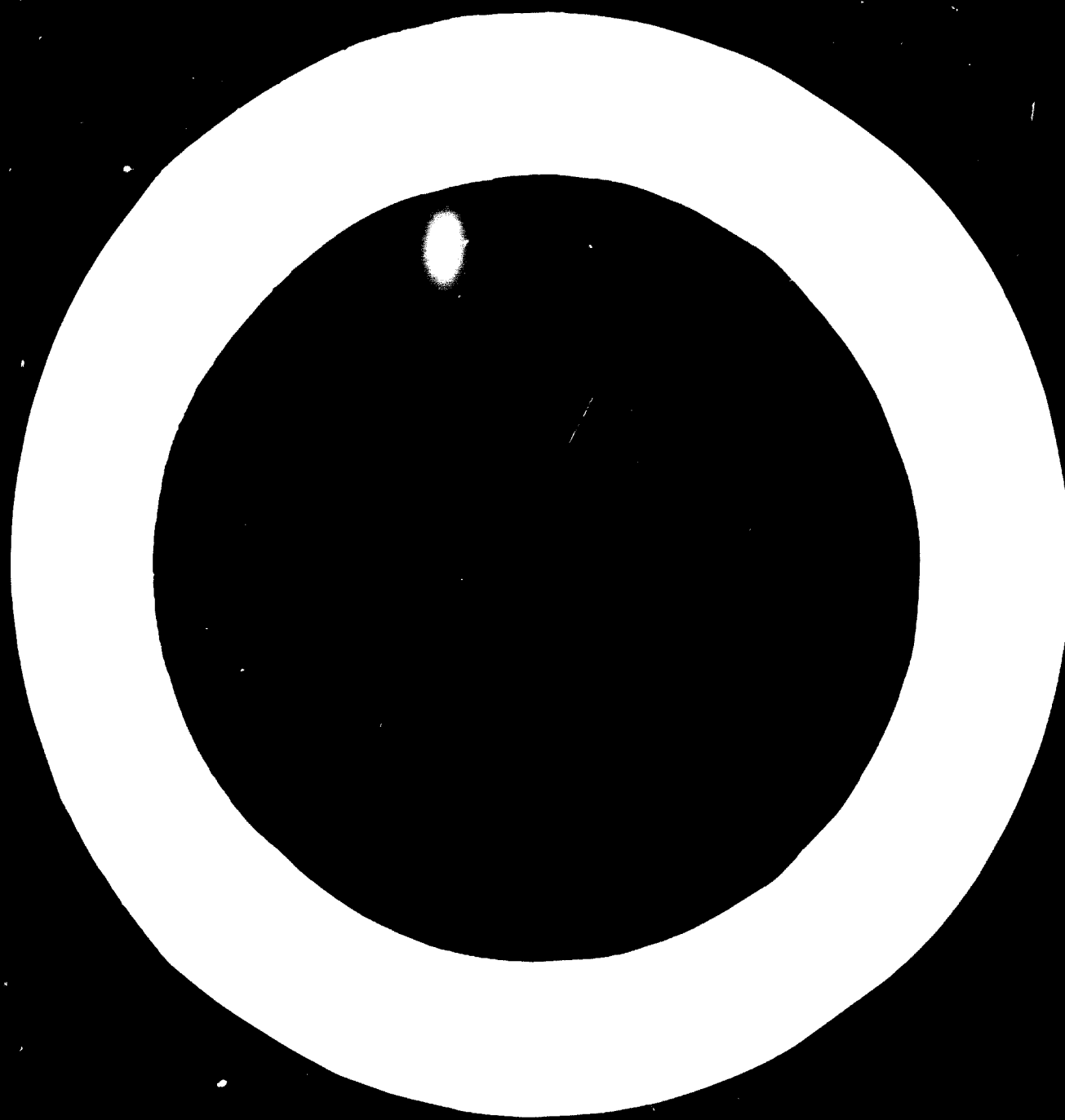
SUB-CONTRACTING IN GREECE ^{1/}

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SUB-CONTRACTING IN GREECE

A brief Report

Sub-Contracting, being a recent regime, could not grow up within developing countries, since the technical progress degree, substantial factor to that purpose, was in rather low levels. The lack of organisation in small industry plants was but a serious obstacle, too.

Besides, this regime has started systematically improving within developed countries only since the last few years, irrespective of the fact that it has been adopted long before.

In Greece, due to the Second World War circumstances, rehabilitation begun after 1950 and the industrial development was only then undertaken.

The results obtained so far are really considerable.

By comparing the industrial production figures, ranging as from 1958 through 1967, we could easily realize the huge progress achieved in the course of that period.

As a mere indication, we give hereunder the following particulars:

<u>YEAR:</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
IN MILLION DRACHMAS AND 1958 REGULAR PRICES:	13738	14025	15431	16520	17419
	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
	19318	21175	23052	25653	26239

(Source of Information: National Accounts Department,
Ministry of Co-ordination).

The aforesaid development in Industry resulted in a restricted use of the Sub-Contracting system, and not in a well set up but incidental way, under the pressure of some weak points, say, for example, untimely deliveries, lack of suitable mechanical equipment at the workshop that has to carry out production for spare parts, or parts of its own products, etc.

Nowdays, plants manufacturing refrigerators entrust the making of plastic parts to specialised firms. Toy small industries do much the same for the mechanical parts of their products, giving work to workshops equipped with the required machinery and having the necessary skill.

The above examples are given as a mere indication, for, we could state much more similar cases.

For the first time, Sub-Contracting started being seriously considered by our Ministry of Industry as from 1964, because of the movement that arose then in Europe, namely in France, in view of a systematic, rationalistic organisation of the Sub-Contracting regime, as by that time it has been ascertained that it constitutes an important co-efficient towards industrial development.

One of the major problems we have to solve, through sub-contracting in Greece, is under-occupation of machinery within small industries, which, for the lack of that regime, they all tend to import it to meet their own needs, while other enterprises have got it, but only partially used. This, of course, leads to waste of currency and to the cost price of products.

In applying the policy pertaining to the matter, the Small Industry Department, of our Ministry of Industry, named "CERTES", Centre d'Etudes et de Réalisations Economiques et Sociales, to delegate qualified experts at the Société Française de Coopération Technique own expense, with the purpose of searching conditions and possibilities that would allow a rationalistic setting up of Sub-Contracting, within industrial and small industry firms.

During the preliminary contracts that the French Expert Mr. Holtz has had (in 1965) along with Industrialists and Craftsmen concerned, a minute lay out and an analysis were then made in Athens, Piraeus, Volos, and Thessaloniki of the system in course, ever since 1960 in France, by Sub-Contracting Offices, or Agencies (Bourses de Soustraitances) on the successful results performed so far, in favour of individual enterprises and of the National Economy, as a whole.

Later on (in 1966), "CERTES" sent to Greece Mr. Cuny, Manager of the Sub-Contracting Office, of Nancy, who had proceeded then to the preliminary steps for gathering and elaborating the required statistic data and had final contacts with officials involved.

The above research proved that the establishment of a Sub-Contracting Office in Greece (in Piraeus) was possible. Its staff would consist of a Mechanical Engineer, to act as a director, of an assistant and of a private secretary, who would have to carry out the job of organising Sub-Contracting in firms dealing mainly with metal works, supply proper information and put into contact parties concerned. The preparatory work stepped well forward; a budget has been set and decision taken that the Greek State should take on its own forty per cent of the required funds, while the balance would have to be undertaken by the Greek Industrialist Association, Athens.

However, in spite that performance, the materialisation of the project was postponed, due to reservist point of view, formulated by certain authorities, insofar successful work at the Offices, the lack of adequate organisation within small scale enterprises and the complete up-dating in their mechanical equipment, are concerned.

In other words, it was deemed preferable in postponing the whole operation, since eventual failure at the first steps, would affect its growing for long.


Hence, it was decided to take several steps with the scope of bringing the equipment modernisation up to nowadays' levels, such as the extension in the validity of the Law, with regard to Customs duty free import of machinery, tools, and s.o., the State warrant to financing institutions, in connection with loans granted to small industry enterprises.

Meanwhile, it has also been decided the establishment of a Centre (Institute), the task of which being to help small industries in improving production techniques, rationalistic organisation and their keeping up with technological developments.

Furthermore, the U.N.O. has approved an application submitted by the Greek Government for assistance in favour of the establishment of the said Institution and sent a project, that has been signed by the Greek Government.

Experts of the U.N.O. International Labour Office are now in Athens to effect a search on the prevailing situation, wherefrom a Law is to be issued very shortly, governing the foundation of that Institute for Small Industries.

As the Institution's operation will be going forward, will also be established then the first "Sub-Contracting Office", on the successful function of which will, of course, depend the setting up of more similar Offices. So, we hope, the experience acquired within industrially developed countries is going to help us in the appropriate handling of the matter.





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