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THE EFFECTS OF LIBERALIZATION OF PROFESSIONAL REQUIREMENTS IN GREECE

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ABOUT KEPE

The Centre of Planning and Economic Research (KEPE) is a leading economic research institute in Greece with over 50 years of experience in applied research focusing on the Greek Economy.

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Contents

Executive Summary.....	6
Introduction	7
1. A description of the reforms liberalizing professional requirements	9
1.1 Main categories of regulations on professions and their potential economic impact	9
1.2 The reform process in general	11
1.3 Reforms in each of the selected professions.....	13
1.3.1 Lawyers, Law firms.....	13
1.3.2 Notaries, Notary firms	15
1.3.3 Auditors, chartered accountants	17
1.3.4 Accountants, tax consultants	18
1.3.5 Dentists, dental practices	19
1.3.6 Physiotherapists, physiotherapy centres	22
1.3.7 Taxi drivers, taxis	24
1.3.8 Shipping agents	25
1.3.9 Tourist guides	26
1.3.10 Chartered valuers (now certified valuers)	27
1.3.11 Real estate agents	28
1.4 An overview of the implementation of the reforms in the selected professions.....	29
2. Analysis of the effects of the reforms.....	33
2.1 Analysis of the effects on employment	34
2.1.1 Background.....	34
2.1.2 Datasets and methodology.....	38
2.1.3 Results from counterfactual employment evolutions	42
2.1.4 Results for each of the selected professions	48
2.1.4.1 Lawyers, Law firms.....	48
2.1.4.2 Notaries, Notary firms	49
2.1.4.3 Auditors, chartered accountants	50
2.1.4.4 Accountants, tax consultants	51
2.1.4.5 Dentists, dental practices	53
2.1.4.6 Physiotherapists, physiotherapy centres	54
2.1.4.7 Taxi drivers, taxis	55
2.1.4.8 Shipping agents	56
2.1.4.9 Tourist guides	57
2.1.4.10 Chartered valuers (now certified valuers)	58
2.1.4.11 Real estate agents	59
2.1.5 Conclusions on employment effects.....	60

2.2	Analysis of the effects on prices.....	61
2.2.1	Background.....	61
2.2.2	Datasets and methodology.....	64
2.2.3	Results from the counterfactual evolution of prices.....	65
2.2.4	Results for each of the selected professions.....	72
2.2.4.1	Lawyers, Law firms.....	72
2.2.4.2	Notaries, Notary firms.....	73
2.2.4.3	Auditors/chartered accountants.....	74
2.2.4.4	Accountants, tax consultants.....	75
2.2.4.5	Dentists, dental practices.....	76
2.2.4.6	Physiotherapists, physiotherapy centres.....	78
2.2.4.7	Taxi drivers, taxis.....	80
2.2.4.8	Tourist guides.....	83
2.2.4.9	Chartered valuers (now certified valuers).....	84
2.2.4.10	Real estate agents.....	85
2.2.5	Conclusions on price effects.....	87
2.3	Effects on service quality.....	88
2.3.1	Main issues and methodology.....	88
2.3.2	Potential impact on quality from specific aspects of the legislative reforms.....	90
2.3.3	Quality on the basis of survey results.....	90
2.3.4	Quality on the basis of educational qualifications.....	94
	Summary and conclusions.....	97
	Annex 1: Main legal acts in the process of implementation of Law 3919/2011.....	102
	Annex 2: Summary of key regulations and their amendments for each of the selected professions.....	104
	References.....	117

Glossary

CPI	Consumer Price Index
ELSTAT	Hellenic Statistical Authority
ELTE	Accounting and Auditing Commission
EOT	Hellenic Tourism Organisation
GDP	Gross Domestic Product
G.E.MI.	General Commercial Register
GSIS	General Secretariat of Information Systems
HBS	Household Budget Survey
KAD	Business Activity Code
KEPE	Centre of Planning and Economic Research
LFS	Greek Labour Force Survey
MD	Ministerial Decree
MPI	Market Performance Index
NTUA	National Technical University of Athens
OEE	Greek Economic Chamber
SOE	Body of Chartered Valuers
SOEL	Body of Chartered Accountants
TEI	Technological Educational Institution

Executive Summary

From 2010 Greece undertook an extensive legislative reform aimed at the lifting of restrictive entry and conduct regulations in a large number of service sector professions/economic activities. The process of implementation of this complex reform has now been largely completed, bringing about the abolition or drastic reduction of market entry and conduct restrictions in a wide range of service sector professions/activities.

The present study aims to assess the effects of the reform on employment, prices and service quality, focusing on 11 professions/activities: lawyers-law firms, notaries-notary firms, auditors-chartered accountants, accountants-tax consultants, dentists-dental practices, physiotherapists-physiotherapy centres, taxi drivers-taxis, shipping agents, tourist guides, chartered valuers and real estate agents. Our analysis utilizes data from many different sources and employs comparisons between developments in the regulated professions affected by the reform and other professions or occupational groups that were not affected by the reform.

With respect to the effects of the reform on employment, our analysis provides indications of positive effects for the regulated professions as a whole, as without the reform the recession-induced reduction in their employment would have been larger, and the subsequent slight recovery in their employment would have started with a delay. Furthermore, focusing on specific occupational groups, our analysis identifies positive employment effects in the Medical and Finance professions, positive effects with a significant lag in the Legal professions and ambiguous effects in the cases of Travel attendants, conductors and guides, Car, van and motorcycle drivers and Business and administration associated professions. Finally, concerning the 11 professions examined in the present study, our results point to positive employment effects in the cases of notaries, auditors, tourist guides, and certified valuers and no clear effects in the remaining professions.

With respect to the effects of the reform on prices, our analysis does not provide any clear evidence on a positive or adverse effect for the regulated professions as a whole. Focusing on individual professions, our results provide a strong indication of a decrease in prices as a result of the reforms in the case of real estate agent services and some indications of a decrease in prices as a result of the reforms in the cases of legal services, accounting and tax consulting services and physiotherapist/physiotherapy centre services.

With respect to quality there are some indications of possible positive effects of the reforms in the legal and accounting services, taxi services, charter valuer services and real estate services. In the case of tourist guides, our analysis on the basis of educational qualifications does not provide evidence of a change in service quality as a result of the reforms.

Introduction

Until recently, access to and practice of a large number of professions/economic activities of the service sector in Greece were subject to extensive restrictive regulations. Many of these regulations were considered to pose significant barriers to competition, without being justified in terms of public interest protection. Furthermore, some of these regulations were in conflict with the spirit of Directive 2006/123/EC for the elimination of unjustified restrictions to the supply of services in the EU internal market.

In the framework of the above concerns and given the need to conform to the provisions of the Memoranda of Economic and Financial Policies, Greece proceeded from 2010 onwards to an extensive revision of the legislative framework regulating professions/activities of the country's service sector. The revision process proved lengthy and complex and involved the adoption of several new laws and the issuing of a vast series of Presidential Decrees, Ministerial Decisions and circulars. Thus far, the largest part of the necessary reforms has been completed, bringing about the abolition or drastic reduction of restrictions in a wide range of service sector professions/activities.

The liberalisation of professions/activities of Greece's service sector presents an interesting case for study, due to both its extraordinary scale and to its flagship status in the framework of the country's economic adjustment programme. In the present study we aim to analyse the effects of this important structural reform on employment, prices and service quality, focusing on the 11 professions/activities listed in Table 1. It is noted that the choice of these professions was made taking into account a combination of criteria, including their economic importance, the intensity of applicable regulations prior to the reforms, the extent of their subsequent liberalisation, the timing of the reforms and data availability.

Table 1: List of the selected professions/economic activities

	Profession/economic activity
1	Lawyers, law firms
2	Notaries, notary firms
3	Auditors, chartered accountants
4	Accountants, tax consultants
5	Dentists, dental practices
6	Physiotherapists, physiotherapy centres
7	Taxi drivers, taxis
8	Shipping agents
9	Tourist guides
10	Chartered valuers
11	Real estate agents

More specifically, with respect to the importance of the selected professions¹ for the Greek economy, each of the professions appears to possess one or more of a number of properties, such as (a) a large number of persons practicing the profession, (b) a marked importance for consumers and (c) a significant role for competitiveness, due for example to the fact that the services provided by the profession constitute important inputs in production and/or investment, or serve as complements to the products/services of major sectors of the Greek economy, such as tourism and shipping.

With respect to the intensity of regulations, the list of selected professions consists mainly of professions that were heavily regulated prior to the reforms, but also includes certain professions with a moderate degree of prior regulation². Furthermore, the list includes both professions that were radically liberalised as a result of the reforms and professions that maintain significant regulatory requirements following the reforms thus far implemented.

Regarding the timing of the reforms, the selection of professions for the purpose of the present study was necessarily restricted to professions for which critical steps in the reform process have been -even partially- implemented at least a few months before assignment of the study. Thus, professions for which implementation of crucial reforms was still pending at the time of assignment were necessarily excluded, as in their cases it would not be possible to provide even a preliminary assessment of the effects of their liberalisation³.

The study is structured as follows. Chapter 1 outlines the main categories of regulations in Greece, presents a general description of the reform process, and discusses in more detail the course of the reforms in the 11 professions/activities examined in the present study. Chapter 2 provides an analysis of the impact of the reforms on employment and prices in these professions, also discussing the effects of the reforms on service quality. Next follows a summary of the main conclusions of the study. Furthermore, Annex 1 presents the main legal acts in the process of implementation of Law 3919/2011 and Annex 2 provides for each profession a Table listing the key regulations applied prior to the reforms and amendments to these regulations as a result of the reforms

¹ The study of KEPE (2013) includes a discussion of the economic importance of selected regulated professions in Greece, providing information on employment, turnover and production for sub-sectors encompassing the services of some of the professions examined in the present study.

² Athanassiou et. al. (2013) measured the intensity of regulation in 90 professions and economic activities in Greece, including the 11 professions examined in the present study, both for the regime before and for that after the reforms.

³ For example, the engineering and architectural professions, which were highly regulated prior to the reforms, are excluded from the present study, because the implementation of the reforms specified in article IC12 of law 4046/2012 was set to begin on 1.1.2015.

1. A description of the reforms liberalizing professional requirements

1.1 Main categories of regulations on professions and their potential economic impact

Regulations in professions/activities of the service sector can be distinguished in two main categories (Paterson et. al., 2003):

- a. regulations on *market entry* and
- b. regulations on *market behaviour* or *conduct*

Typical market entry regulations are professional qualifications requirements (i.e. certificates such as university degrees, compulsory practicing and/or professional examinations), compulsory registration or membership in a professional body, reserved practice (i.e. exclusive rights for one - or sometimes more - professions to offer specific services or goods on the market), restrictions in the number of licences granted by administrative authorities (e.g. via quotas or economic needs tests) and technical requirements for facilities.

Typical forms of market conduct regulations include the regulation of prices and fees (e.g. fixed prices, minimum and/or maximum prices), the regulation of advertising and marketing, the regulation of location and diversification (e.g. population or geographical restrictions on offering services, restrictions on establishing branch offices), restrictions on inter-professional cooperation, and restrictions on business form or structure (e.g. restrictions on incorporation).

Serious objections and reservations are often expressed in the literature with respect to the grounds for and potential economic consequences of most of the aforementioned forms of regulation (e.g. KEPE, 2012; Commission of the European Communities, 2004; Cox and Foster, 1990; Barone and Cingano, 2010). Unjustified regulations on market entry and conduct are argued to have significant damaging effects on competition, while especially in the framework of the EU, they are regarded as a serious barrier to the development of the internal market for services. Given the importance of increased competition for the improvement of economic performance, the encouragement of business growth and the reduction of the cost of goods and services in the economy as a whole, regulations that violate the conditions required for competitive labour markets (e.g. by disrupting freedom of entry into professions, limiting the number of enterprises and professionals, applying discriminatory practices and preventing the free flow of information) are considered as a serious impediment to growth⁴.

⁴ A review of the relevant literature is included in KEPE (2012).

In the case of Greece, the main forms of market entry and conduct regulations applicable to professions/activities of the service sector are listed in Table 1.1. Before the extensive revision of the relevant institutional framework, the presence of these regulations was widespread. Indeed, in several cases, the mix of applicable restrictions was such as to render a wide range of professions virtually ‘closed’. Many of the so-called closed professions secured a minimum level of income for professionals and were therefore particularly attractive to the youth, thus being characterised by excessive labour supply. More generally, in the case of Greece restrictions in professions led to significant labour market imbalances, which, especially under the unfavourable economic conditions of recent years, may have imposed significant obstacles to growth (KEPE, 2012). Thus, the lifting of such restrictions is foreseen to have a positive effect on the economy (KEPE 2012; Council of Economic Advisors, 2011; IOBE, 2010, 2014)⁵.

Table 1.1: Main forms of market entry and conduct regulations in Greece

Market entry regulations	Conduct regulations
<p>Licensing</p> <p>Professional Qualifications Requirements</p> <ul style="list-style-type: none"> • Specialised university education • Mandatory practicing • Professional examinations • Compulsory registration in a professional body <p>Quotas/Economic needs tests</p> <p>Technical Requirements</p>	<p>Regulations on prices and fees</p> <ul style="list-style-type: none"> • Non binding reference prices • Maximum prices • Minimum prices <p>Regulations on location</p> <ul style="list-style-type: none"> • Prohibition of practice outside of geographical district • Imposition of minimum distances <p>Regulations on diversification</p> <ul style="list-style-type: none"> • Prohibition of establishment/practice in more than one facility • Exclusive right to or prohibition of the supply of services from a specific category of professional facilities <p>Regulations on business form/structure</p> <ul style="list-style-type: none"> • Restrictions on business form • Restrictions on joint practice/co-location • Restrictions on the participation in the share capital on the basis of the profession • Obligation of owner to belong to a specific profession in order to provide the service <p>Regulations on advertising</p> <p>Other restrictions</p>

⁵ According to IOBE (2014) reforms increasing competition in the non-tradable sector in Greece may result in the GDP exceeding its steady state baseline by 6.5% in the long run.

The significant consequences of restrictions in professions/activities in Greece, combined with the fact that the improvement of competition may contribute considerably to the recovery and growth of the economy, point to the high necessity of the relevant reforms and to the potentially substantial short-term and long-term economic benefits from their implementation. It is worth noting that, with respect to these benefits, their significance is strengthened by the fact that the services supplied by the relevant professions are important for consumers, and are also key for competitiveness, as they constitute inputs in the production process of other goods and services.

1.2 The reform process in general

The process for the liberalization of professions/activities of Greece's service sector was initiated in 2010, with the adoption of *Law 3844/3.5.2010* on the 'Adaption of the Greek legislation to the Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market and other provisions' (OG 63A'). This law lifted all restrictions on commercial communications, including restrictions on advertising, subject to compliance with community law and with the rules guarding professional dignity, impartiality and secrecy.

Next came the omnibus *Law 3919/2.3.2011* on the 'principle of freedom of profession, repeal of unwarranted restrictions on the access to and exercise of professions' (OG 32 A'). This Law represented the main legislative act in the framework of the reform process and aimed at liberalizing market entry and conduct in a wide range of professions/activities of the service sector by abolishing all unjustified restrictions to professional freedom. According to a general rule introduced by the Law, within four months from the Law's publication in the Official Gazette (i.e. up to 3/7/2011), a large part of existing measures restricting access to and exercise of professions/activities would become automatically void. Special provisions by exception to this general rule were allowed by the very same Law for a number of specific professions (notaries, lawyers, architects and engineers⁶ and chartered accountants), while pharmacies and commercial road transport were explicitly excluded from the scope of the Law's implementation. Notably, the Law provided for the right to exceptions from the general rule for additional professions/activities, via individual acts to be adopted within the four month transition period, with any restrictions thus maintained having to be justified on the basis of compelling evidence that this would serve public interest.

⁶ See footnote 3.

More specifically, the market entry and conduct restrictions abolished by Law 3919/2011 were the following:

- Restrictions (quotas) on the number of individuals granted an administrative license to practice the profession throughout the country or in a particular geographical district, whether this number was stated directly or was indirectly determined on the basis of population or other criteria.
- Dependence of the granting of an administrative license to practice the profession upon the administrative authority's assessment of the need to do so (economic needs test), on the basis of whether the existing social demand for the profession's services was satisfied by the supply of these services by professionals already licensed, either throughout the country or in a particular geographical district.
- Prohibition of practicing of the profession beyond the limits of a specified geographical district.
- Imposition of minimum distances between the premises of practitioners.
- Prohibition to a person to establish more than one facility (branches) or to practice in more than one facility.
- Exclusive right to or prohibition of the supply of services from specific types of professional facilities.
- Restrictions on the business forms (e.g. types of legal entity) allowed to practice a profession, or prohibition of practicing under any business form with only practicing by a single natural person being allowed.
- Imposition of constraints on equity participation, based on criteria relating to the professional status of the participants.
- Imposition of mandatory minimum prices, whether these were directly set or were derived indirectly via a profit margin or other percentage rate.
- Imposition of obligation to the practitioner to offer together with their services other specific services.

Beyond the lifting of the above restrictions, the Law also abolished the requirement for the issuing of an administrative license to practice a profession/activity, replacing this with a simple notification of commencement of activity accompanied by the necessary supporting credentials. If within three months of a notification the relevant authority does not prohibit practicing on the grounds of non-compliance with a legal requirement, then the profession/activity may be practiced freely. In this case also, a Presidential Decree was

required for maintaining a licensing process by exception; otherwise within four months from the Law's publication licensing was repealed automatically.

The implementation of Law 3919/2011 entailed the adoption of a series of further acts, the most important of which are summarized in Annex 1. Some of these acts were directly anticipated by the Law, while others emerged as necessary in the course of the Law's implementation, in order to lift inconsistencies with the Law identified in the pre-existing legislation. Thus, the implementation process proved in practice much more complex than initially anticipated, resulting in considerable delays beyond the four-month transition period provided by the Law. Thus far, and following the adoption of several new laws and the issuing of a large number of Presidential Decrees, Ministerial Decisions and circulars, the implementation process has been completed for the vast majority of professions/activities under liberalization. Nevertheless unresolved issues still remain in certain cases, as highlighted in the subsequent more detailed presentation of the reforms pertaining to the 11 professions/activities examined in the present study.

1.3 Reforms in each of the selected professions

In order to provide a clear picture of the liberalization process for the 11 professions/activities examined in the present study, the sections that follow present the legal framework regulating these professions/activities prior to the reforms, and the revisions to this framework on the basis of Law 3919/2011 and subsequent acts. Notably, a summary of this discussion is presented in Annex 2, which provides for each profession a Table listing the key regulations applied prior to the reforms and amendments to these regulations as a result of the reforms.

1.3.1 Lawyers, Law firms

Market entry regulation of lawyers

The profession of lawyer is subject to a licensing procedure according to the terms and conditions defined in the Code of Conduct of Lawyers (Law 4194/2013). With respect to market entry, the practice of the profession requires: (a) a degree from a domestic or an acknowledged foreign higher Institution, (b) 18 months practical training, (c) Greek or EU country citizenship and (d) examinations carried out by the Ministry of Justice. Lawyers must be registered with the regional Hellenic Association of Lawyers in order to practice their profession. After successful examination, lawyers are appointed by the Ministry of Justice to the Court of First Instance in the region in which they are registered.

Presidential Decrees 258/87, 52/93 and 152/2000 aligned the legal framework of the profession to the obligation of EU countries with respect to the recognition of EU degrees and

the free establishment of legal practices within the EU internal market. The Greek state allows free practice of the legal profession regardless of the EU country in which the license was obtained.

Conduct regulation of lawyers

Prior to the implementation of Law 3919/2011, the legal framework (the Code of Conduct of Lawyers, articles 44 and 54 of Law 3026/1954) defined geographical restrictions in the practice of the profession. With respect to criminal cases, lawyers had the right to practice their profession before the Criminal Court regardless of their region of registration. With respect to civil and administrative cases, lawyers had the right to practice their profession only in the region in which they were registered. Lawyers could appear before the Court in other regions of the country if they were accompanied by a local regional lawyer.

Law 3026/1954, article 92 and Law 2753/1999, article 2 paragraph 2 defined mandatory fixed and proportional prices/fees with respect to contract values, mandatory minimum prices/fees for the Hellenic Association of Lawyers and mandatory proportional deductions for the social security organization of lawyers and the Association.

With the implementation of Law 3919/2011, lawyers are permitted to practice throughout the country, but must establish their offices in the region in which they are registered. With regard to the determination of prices/fees, clients and lawyers can freely negotiate and agree in writing upon prices. This written agreement may concern all kinds of lawyers' services. In the case where a written agreement has not been signed, there is a provision for 'legal prices/fees' which are defined in the Code of Conduct of Lawyers (Law 4194/2013). Depending on the case, 'legal prices/fees' amount to the minimum prices/fees defined in the regime prior to the reforms, or are determined as a percentage of the contract value with a descending scale.

Lawyers must pay in advance contributions to the Hellenic Association of Lawyers, calculated, depending on the nature of the services provided, as percentage on relevant 'reference fees' or 'reference percentages' defined in the Ministerial Decree no. 1117864/2297/A0012/7.12.2007 and Law 3919/2011. Law 3919/2011 provides for the possibility of adjusting these reference fees and percentages and defines the necessary process.

After the implementation of Law 4093/2012, paragraph IC.1, sub-paragraphs 7 and 8, the mandatory presence of a lawyer (exclusive rights) in the negotiation, agreement and signing for the establishment of a company was abolished. The presence of a lawyer was set to be mandatory until January 1st, 2014 only, from the buyer side, for cases of establishing, transferring, altering, amending or repealing property rights and only for contract values

above €80,000, regardless of the location of the property. From January 1st, the presence of a lawyer in the above cases is voluntary for all parties.

Market entry regulation of law firms

Two or more lawyers, who are members of the same Association, can establish a law firm according to Civil Law (Presidential Decree 81/2005). The headquarters of the law firm must be located in the region where one of the firm associates is registered (Law 4038/2012 and Law 4194/2013, article 49).

Conduct regulation of law firms

After the implementation of Law 3919/2011, Law 4038/2012, article 6, paragraph 4, and Law 4194/2013, article 49, law firms have the right to establish branch offices nationally according to the terms and conditions of the Code of Conduct of Lawyers and branch offices abroad according to EU legislation. The establishment of law firms in each region is dependent upon the total number of law firms and offices (individual lawyers) operating in the specific region. The establishment of a new law firm is allowed when the total number of law firms and offices is equal to or greater than seven (7). The establishment of a new branch by a law firm does not require the approval of the Association but only its announcement to the Association.

The main restrictions defined by the Presidential Decree 81/2005 were not abolished. Law firms are prohibited from establishing a firm with other natural persons or legal entities (notaries, bailiffs or other professionals) who are not lawyers. Law firms must follow a specific legal structure (that of the civil court) and are not allowed commercial and capital structure. Each partner of the law firm can participate in only one law firm and is prohibited to act simultaneously as an individual lawyer or for individual interest.

Article 6 of Law 4038/2012 and article 40 of Law 4194/2013 conform to the European Directive and allow the publicity and promotion of the activities of individual lawyers or law firms both within Greece and in the rest of the world in accordance with the status and the dignity of the legal function. The publication of a business web site must be announced to the Association in which the lawyer or the firm is registered.

1.3.2 Notaries, Notary firms

Market entry regulation of notaries

The notarial profession is subject to a licensing procedure according to the terms and conditions defined by the Code of Conduct of Notaries (Law 2830/2000). Entry into the profession requires: (a) a degree from a domestic or a certified foreign higher education Institution, (b) age between 28-42 years, (c) two years experience as a lawyer, judicial bailiff or unpaid registrar and (d) examinations carried out by decision of the Ministry of Justice.

After success in the examinations, it is mandatory for notaries to attend seminars organized by the Hellenic Association of Notaries. The cost of licensing is 60 Euros for the participation of notaries in the examinations (Ministerial Decree 95610/2012). Notaries must be registered with the regional Hellenic Association of Notaries in order to practice their profession.

Conduct market regulation

The legal framework, until the implementation of Law 3919/2011, contained regulations defining: (a) prerequisites for the market conduct of newly established notaries, (b) geographical restrictions relating to the location and the number of offices per notary, (c) fixed and proportional fees/prices with respect to the value of the contract, (d) exclusive rights on the provision of services, (e) the establishment of notary firms under Civil Law, (f) prohibitions in cooperating with other professionals (e.g., lawyers, judicial bailiffs, accountants, etc.) and (g) prohibitions on advertising.

The implementation of Law 3919/2011 and the subsequent Presidential Decree rationalizes the proportional notary prices thus reducing the transaction cost for consumers, increases the number of new entry notaries and defines advertising terms and conditions according to European Directives (Law 3844/2010). The implementation of Law 3919/2011 does not affect regulations such as the economic need tests for practice of the profession, geographical restrictions and the exclusive rights of notaries.

Notaries practice in the region of the County Court in which they are registered. By exception, notaries who are registered in municipalities of Attica may practice in other regions of Attica if their services are requested, and these extra-regional notary services must be carried out in a client's house, office or health care unit. Notaries must establish only one office in the region in which they are registered. Joint notary practices/offices are prohibited from establishing a firm with other natural persons or legal entities who are not notaries. Agreements or contracts are allowed only with notaries from other regions or with lawyers, judicial bailiffs or other professionals aiming at the provision of notarial services.

With the implementation of Presidential Decree 114/2011, the number of available notary positions increased annually to 400 for the years 2013 and 2014. The law defines mandatory minimum prices for the practice of the notary profession because of the distinctive nature of the profession. Ministerial Decree 111376/2012 defines fixed prices for cases referring to family and corporate law and proportional prices with respect to the transaction cost on a descending scale for real estate acts. Notaries are remunerated by fixed prices for 70% of their total acts and by proportional prices according to the value of the contract for real estate acts. The adoption of proportional prices on a descending scale could be viewed as a significant change in the direction of minimum fees rationalization, especially for high value

real estate transactions. More specifically, we observe significant reductions in proportional prices for transactions higher than 2 million euro during the period 2009-2013. However, proportional prices for the largest volume of transactions remain at 1% of the contract value, while fixed prices and copies fees are not affected, limiting the positive effects for consumers.

According to the European Directive (Presidential Decree 95/2011), notaries may publish information about their office identity on the website of the Hellenic Association of Notaries and in the European Register of Notaries. Such information may relate to the office address, operation hours etc.

1.3.3 Auditors, chartered accountants

Chartered accountants are supervised by the Accounting and Auditing Commission (ELTE), which was established by Law 3148/2003 as a legal entity. ELTE has taken over all the responsibilities and jurisdiction from the Body of Chartered Accountants (SOEL). ELTE has the supervision and control of the professional examinations, while their organization and execution is assigned to SOEL. ELTE is also responsible to check the legality of all actions of SOEL. Moreover, ELTE is the competent authority for authorization to pursue the profession.

In accordance to Law 3693/2008, to receive the license of an auditor, the candidate must meet all of the following conditions: a) completion of statutory education level for admission to an educational institution of higher education, in this case secondary education, b) successful completion of professional or special professional examinations, c) completion of a three year internship in the case of University or TEI (Technological Educational Institution) graduates and six years in all other cases, with at least two years of this training carried out under the supervision of a tenured auditor and d) fulfilment of the necessary criteria of integrity in accordance with Law 3693/2008.

To exercise the auditor profession there are no quantitative or geographical access restrictions. With Law 3693/2008, the Directive 2006/43/EC on the statutory audits of annual accounts and consolidated accounts was incorporated into the national legislation.

Law 2231/1994 provided for the existence of a statutory minimum hourly fee. In particular, the Supervisory Board of SOEL, and subsequently ELTE, with general or special orders, set the minimum hours for the conduct of each statutory audit, the minimum hourly compensation and the maximum annual hours of employment of the auditors and the audit auxiliary staff. Furthermore, it was provided that the remuneration for the audit would not exceed one tenth of all revenue received by the selected auditing company or consortium during the preceding twelve-month fiscal year.

Law 3919/2011 replaced licensing by an announcement of commencement of activity. Furthermore, the Law 3919/2011 repealed minimum fees. The negotiation of the audit fee ceased to be a disciplinary offense and the fees of auditors and audit firms for all types of audits were set to be determined by free agreement with clients. Furthermore, auditors were allowed to post indicative hourly fees and criteria for the calculation of the audits on their website.

On the other hand, and according to the explanatory memorandum of Law 3919/2011, it was deemed necessary to preserve powers to determine, by general or special orders, the minimum hours required for carrying out statutory audits. These hours were set to be determined by the Board of ELTE, upon the recommendation of the Supervisory Board of SOEL, taking into account indicative criteria. In addition, according to Law 3919/2011 and its explanatory memorandum, it was deemed necessary to preserve powers to determine, via the same procedure, the maximum annual employment hours per auditor, with the possibility of diversification of hours by ranking (senior auditor, assistant auditor, probationary or trainee auditor) and equivalent to that experience. These decisions were justified on the grounds of ensuring the adequacy and quality of controls.

To sum up, with the recent reforms licensing was replaced by an announcement and the determination of the fee is now a result of free trading. However, restrictions on the minimum hours required for the completion of the statutory audit and the annual employment hours for auditors are still in place, substantially weakening the price liberalization.

1.3.4 Accountants, tax consultants

For the profession of accountant - tax consultant a special permission is required, which is granted by the Greek Economic Chamber (OEE) or the appropriate Local Department of OEE. Holders of a license are granted a professional identity, which until recently was renewed annually. The professional license is administered only to individuals, not legal entities, and had four classes, while Law 4152/2013 merged them in two. Obtaining the identity depends on the degree of the candidate, the type and length of his experience and whether he holds a certificate of attendance of educational seminars on accounting and tax issues organized by the OEE. Until recently, in order for the license to be valid, the professional identity had to be renewed annually. The accountant is required to submit to OEE, within the first two months of each year, a solemn declaration, stating that he practices the profession of accountant and that he has not been irrevocably sentenced for the offenses referred to in Article 14 of the PD. 340/1998 as well as that he has not committed a disciplinary offense under the Code of Conduct of accountants and tax consultants and that he has undergone all the necessary training that corresponds to the level of professional ranking

provided by the OEE. If he does not submit the declaration within the first two months, he is not included in the Register of Tax Accountants of OEE and his professional identity is not valid until he submits the necessary documents. The submission has a small fee, which is decided by the Minister of Development.

The recent reforms and especially Law 4093/2011 and the additional to it legislative acts made significant changes to the profession of accountant-tax consultant. In summary, we should note the following:

- The licensing process was replaced by an announcement for the profession of accountant and is now very fast, since OEE is obliged to respond within one month.
- Although the renewal of the professional identity is repealed, the accountant must annually submit a sworn statement to OEE, which costs fifteen euros. This is an indirect method of subscription to OEE.
- In order to upgrade his professional card (i.e. from B to A class) one should attend training seminars organized by OEE, which are available only for its members.
- From 1.1.2014 it is not mandatory to be registered with the OEE in order to exercise the profession of accountant. This does not necessarily mean that an accountant should not be a member of any other chamber. According to the existing laws for specific actions it is still necessary to be a member of a chamber. However, as mentioned before, to upgrade the professional identity one needs to be a member of OEE.
- Anyone who has the appropriate qualifications (high school diploma for B class and an economics degree and three years experience for A class) can freely exercise the profession of accountant- tax consultant. The large number of firms operating in the industry proves that.

1.3.5 Dentists, dental practices

Market entry regulation of dentists

The profession of dentistry is subject to a licensing procedure according to the terms and conditions defined in the Legislative Decree 4111/1960, article 6. With respect to market entry, the practice of the dental profession requires a degree from a domestic or a certified foreign higher education Institution. After the acquisition of the license, dentists may apply for the dental specialty which requires 3-4 years education/training and examinations. Article 41 of Law 1397/1983 defines that for the preservation of a dental license, dentists are required to complete an 80-hour postgraduate course every 5 years (the course program is determined by the authorized Educational Committee) and a 20-hour seminar freely chosen by the dental practitioner.

With the implementation of Law 3919/2011 and Ministerial Decree Y.A.7/G.P./6701/2012 dentists can freely practice their profession after posting a market entrance announcement and submitting the required supporting documents. The administrative authorities audit/validate the above supporting documents to ensure that the dentist has fulfilled all the requirements. After the completion of the audits, the administrative authorities grant certification within a period of three (3) months. According to article 35 of Law 4025/2011, the Hellenic Dentistry Federation is authorized to grant, suspend, revoke and/or cancel practice and specialty certification.

Dentists must be registered with the regional Hellenic Association of Dentists in order to practice their profession (Law 1565/1939 article 49, as supplemented and amended by Law 1843/1951, Law 2049/1952, Law 3418/2005, article 35, Presidential Decree 39/2009, article 49). Each dentist is registered with only one branch of the Hellenic Association of Dentists. The members of the association pay an annual fee which is readjusted every year by the Board of the Association.

Dentists who are EU citizens can establish themselves and can practice dentistry in Greece, after posting a market entrance announcement according to the terms and conditions of Greek legislation. These dentists may not be registered simultaneously with domestic and foreign associations or be established both in Greece and in another country (Presidential Decrees 98/1986 and 240/2004).

Conduct regulation of dentists

According to the Code of Conduct for Dentists, a dentist can practice his/her profession in private dental practices/clinics located in the regional area of the association in which he/she is registered (exceptions are defined only for island regions). Dentists are prohibited from providing services (paid or non-paid) outside their regional area. Dentists are not allowed to participate in medical, pharmaceutical or health related companies and/or to advertise them.

Articles 21-26 of Presidential Decree 39/2009 prohibit any kind of direct or indirect advertising (newspaper, flyers, e-advertising etc.), apart from the name of professional on the main entrance of the building.

Law 3623/1956, as supplemented and amended by Presidential Decree 161/1990, 157/1991 and Ministerial Decree EMP5/2012 defines minimum prices for the services provided by dentists. Article 39 of the Code of Conduct for Dentists prohibits any kind of payment lower than the predetermined price. These prices are valid only for the reimbursement of the dentists from the social security organization while in private transactions the prices are agreed upon freely.

Market entry regulation of dental practices

Private dental practices/clinics are properly arranged and equipped areas in which licensed dentists practice their profession. The required supporting documents for the operating license of dental practices/clinics are: certification that the dentist has met all the necessary qualifications for the practice of the profession, certification of specialty, registration with the regional association and public treasury fees equal to €200. Joint dental practices are comprised of at least three dental practices located in a single and independent area used exclusively for dentistry. Joint dental practices require an extra license for establishment and public treasury fees equal to €400. Presidential Decree 84/2001 defines the necessary “technical and equipment requirements” for the operation of dental practices.

Article 35 of Law 4025/2011 defines that certification is awarded by the regional Hellenic Association of Dentists. After the implementation of Law 4039/2012 and Ministerial Decree 3β/G.P./oik.130/2012, the provision of an “establishment and operation licence” for dental practices was redefined as “operational certification”. The administrative authorities after the completion of audits issue certification within a period of three months. The dental practice operates freely without further notice after the end of this period.

Conduct regulation of dental practices

Article 28 of Law 3846/2010 defined that the establishment and operating license of dental practices shall be granted to: (a) natural persons-dentists, (b) legal entities-any kind of corporate structure and (c) co-operatives of professionals operating under Civil Law with a specific corporate structure. The beneficiaries are not allowed to hold more than one license, to establish more than one branch or to operate in a non-adjoining building.

The Scientific Director of the dental practice must be a fully qualified dentist registered with the regional association. Also, the Scientific Director is not allowed to authorize or provide services in more than one dental practice (Law 3846/2010, paragraph 5).

The implementation of Law 3919/2011 overrides some of the aforementioned regulations related to the establishment, operation and corporate partnership of dental practices. According to the Law, the operating certification is granted to (a) natural persons who are licensed to practice dentistry (b) natural persons with the requirement that the Scientific Director of the dental practice satisfies the professional pre-requisites and is qualified, and (c) legal entities. The dental practices can establish branches and have more than one operating certificate. The Scientific Director is not necessarily registered with the regional association in which the dental practice is located.

Law 2194/1994, article 6 and Presidential Decree 84/2001, article 15 prohibit any kind of advertising (newspaper, e-advertising etc.) apart from the use of simple signposts with the name of dental practices.

1.3.6 Physiotherapists, physiotherapy centres

Market entry regulation of physiotherapists

The physiotherapy profession is subject to a licensing procedure according to the terms and conditions defined by the Legislative Decree 775/1970, which was amended by Law 167/1975, Ministerial Decree 1273/1986, paragraph 5 (2, 5, 6) and Presidential Decree 90/1995. With respect to market entry, the practice of the physiotherapy profession requires a 4-year degree from a domestic Technological Educational Institution or an equivalent degree from a certified foreign Institution including one semester of practical experience.

With the implementation of Law 3919/2011 and Ministerial Decree 7/G.P./6701/2012, physiotherapists can freely practice their profession after posting a market entrance announcement and submitting the required supporting documents. The administrative authorities audit/validate the supporting documents to ensure that the physiotherapist has fulfilled all the requirements, a procedure that may not exceed a period of two months. After completion of the audits, the administrative authorities issue certification within a period of three months from submission of announcement and required documents. A decision for the prohibition of practicing physiotherapy must be issued before the lapse of the three month period, since the profession can be practiced freely without further notice after the end of this period.

According to Law 3599/2007, physiotherapists must be registered with the regional Hellenic Association of Physiotherapists in order to practice their profession. The registration fee is equal to €30 and the annual fee to €60.

Market entry regulations of physiotherapy centres

Presidential Decree 29/1987, as supplemented and amended by Presidential Decree 90/1995, provides the license rights to physiotherapists for establishing physiotherapy centres. After the implementation of Ministerial Decree Y3b/ΓΠ/οικ.34580/2013 and Law 4093/2012, the provision regarding an 'establishing and operating license' for physiotherapy centres is redefined as the 'operational certification' of the centre granted after the submission of the required supporting documents. The administrative authorities, after the completion of audits, issue the certification within a period of three (3) months. The required supporting documents include: certification that the Scientific Director of the centre has met all the necessary prerequisites/qualifications for practicing the profession, certification of his/her criminal record, the title deed or lease contract of the building, an architectural design, a building

permit, fire certification, a list of machinery and equipment, a corporation charter, certification of corporate changes, a non-bankruptcy certificate and a public treasury fee.

The preservation of the administrative procedure for the start-up of the physiotherapy centre is required on the grounds of public interest reasons that are directly related to the protection of public health, and is due to the fact that possession of necessary prerequisites cannot not be checked via audits.

Conduct regulation

The Physiotherapists' Code of Conduct (Ministerial Decree 7γ/Γ.Π./οικ.107359/2010) introduced additional regulations for the practice of this profession. The physiotherapist was prohibited from providing services outside the regional area of the association in which he/she is registered (article 6). Article 17 prohibited the establishment of more than one physiotherapy centre by the same person. Physiotherapists who also have a medical, pharmaceutical or other health related degree were not allowed to operate simultaneously in medical, pharmaceutical or other similar centre (as physicians or pharmacists for example) unless they would exit the physiotherapy sector. Article 23 prohibited any kind of advertising (newspapers, e-advertising etc.) apart from the name of the profession/company on the main building entrance.

The establishment and operating license of a physiotherapy centre was not allowed to be used for any other purpose than that for which it has been authorized (article 4 of Presidential Decree 29/1987). Physiotherapy centres were not allowed to operate under a corporate name which could be the same with companies outside the health sector. Each natural person or legal entity was provided with only one license that could not be transferred. Physiotherapy centres were established under specific corporate law.

Law 4093/2012, paragraph IB.3, sub-paragraph 4 overrides some of the aforementioned regulations relating to the establishment, the operation and the corporate partnership of physiotherapy centres. According to the above law, operational certification could be provided either to natural persons or to legal entities without any restrictions on corporate partnership. Moreover, the Scientific Director of the centre must satisfy the profession's prerequisites and be qualified. Physiotherapy centres are allowed to co-operate with other companies outside the health sector. Furthermore, each natural person or legal entity can own more than one non-transferable license.

Presidential Decree 399/1981, as supplemented and amended by Presidential Decree 157/1991, Law 3329/2005 and Ministerial Decree YA/F/90380/5383/738/2012/B1233 defines minimum prices for the services provided by physiotherapists. These prices are valid only for

the reimbursement of the physiotherapist from social security organizations, while privately prices are agreed upon freely.

1.3.7 Taxi drivers, taxis

Prior to the reforms, the activities of taxi drivers and taxis were regulated according to Law 3109/2003 and Presidential Decrees 244/1987 and 243/1987, the provisions of which included: a) the requirement for license for taxi drivers and taxis, b) restrictions on the number of taxis, c) the prohibition of practicing outside of the geographical district where the taxi is licensed d) the obligation of taxi owners to have a taxi driver license and e) fixed taxi fares, and more particularly a fixed fare at the beginning of the trip, a fixed fare per km, a minimum fare per trip and fixed fares per other services offered.

Subsequently to Law 3919/2011, Law 4070/2012 introduced a new legislative framework for taxi services. On the basis of these reforms, a new category of taxis with 6-9 seats was defined, establishing thereafter two main taxi categories: a) those with 5 seats, which have a taximeter and b) those with 6-9 seats, called special lease taxis, which are without taximeter and take clients only by appointment with an agreed rent. Furthermore, an additional special lease category of taxis was defined, which also has 6-9 seats, and all necessary equipment to serve persons with disabilities.

With respect to market entry, a license granted by the regional administrative authorities is required for both taxi drivers and taxis. Furthermore, restrictions on the number of taxis still exist, together with the reliance of licensing on the decisions of the regional administrative authorities based on economic needs tests. More specifically, the Law establishes a mathematical formula for the determination of the maximum number of taxi licences per geographical district, according to population and geographical criteria. As a result, new licenses are effectively not permitted for several districts, including Athens and Thessaloniki, except for licenses for the new category of taxis.

With respect to conduct regulations, practicing outside of the geographical district where the taxi is licensed is still prohibited. Furthermore, a special driving license from the regional administrative authority for transportation and communications is needed for the taxi driver, subject to the following requirements a) possession of a professional driving license for a period of more than 24 months, b) not being employed in the public sector or pensioned from the private or public sector, c) not being convicted for a series of offenses d) a high school diploma and e) Greek citizenship or a Greek language certificate for foreigners.

The restrictions with respect to the professional status and legal form of taxi owners were repealed and a taxi owner can be a natural person or legal entity without being obliged to hold a taxi driver license. Ownership of more than 3% of taxi licenses in the districts of Athens and

Thessaloniki and 5% of the taxi licenses per other geographical district is not allowed. In geographical districts where licenses permitted are equal to or less than 20, the maximum licenses allowed per taxi owner are 2.

Restrictions on taxi fares still exist and, in line with the provisions of Law 4070/2012, the latest Decision of the Minister of Transport and Communications issued at the beginning of 2014 (No A54501/5518-OG B' 227-05.02.2014) determined taxis fares and surcharges (i.e. the flat rate, the rate per km within/outside city limits, the radio taxi charge, the night fare, the waiting time charge, the minimum fare and special fares).

1.3.8 Shipping agents

Prior to the reforms the shipping agents profession was exercised in line with the provisions of Presidential Decrees 229/1995, 427/1995, 120/1997 and 176/1999. The profession could be practiced by both natural persons and legal entities, after a license from the central or local port administrative authorities. Shipping agents were subject to restrictions on practicing outside of the specific geographical district where they were licensed. Nevertheless, both natural persons and legal entities could establish branches in their local district or in another district, after obtaining a license for a 'Shipping agent branch' from the competent port administrative authority. Moreover, the same person could not be appointed as a representative of more than one branch.

Requirements for obtaining a license included a) Greek citizenship, b) non-conviction for a series of offences c) a high school diploma, customs agent degree, degree in maritime studies or domestic or foreign equivalent university degree, d) two years of experience (not necessary for those holding a university degree and customs agents with five years of experience) and e) adequate, private or leased establishment.

After the adoption of Law 3919/2011, the most significant institutional changes with respect to the access to and the pursuit of the profession of shipping agent were the conversion of licensing to announcement and the abolition of geographical restrictions. More particularly the profession can be practiced freely after the lapse of a three month period from the announcement of commencement of activity to the competent port authority, and every shipping agent has the opportunity to freely conduct his/her profession within the whole territory of the country. Moreover, the license for a 'Shipping agent branch' has been abolished, together with the prohibition that the same person could not be appointed as a representative of more than one entity. Nevertheless, the requirements for exercising the profession, including technical requirements for establishments, have not been affected by the reforms. Furthermore, co-location is allowed only with firms serving shipping purposes or

maritime transport ticketing and only paid employees can be employed in shipping agent offices, as described in the Presidential Decree 229/1995.

1.3.9 Tourist guides

Prior to the reforms, tourist guides exercised their profession in line with Law 710/1977, which provided for a mandatory administrative license and a special tourist guide identity card issued by the Hellenic Tourism Organisation (EOT). Requirements for obtaining this license included a diploma from a Tourism School belonging to the Organisation for Tourism Education and Training.

After the adoption of Law 3919/2011, a circular issued by the Ministry of the Economy on 2/2/2012, followed by Law 4093/2012, provided for licensing to be replaced by an announcement of commencement of activity accompanied by submission of the necessary supporting documents to the competent authority. According to Law 4093/2012, the Ministry of Tourism has to audit these documents within a period of ten (10) days from submission, to verify fulfilment of the requirements for exercising the profession. If all requirements are met, the Ministry issues within the aforementioned period a certificate (simple letter) of fulfilment of the requirements and entry in the relevant registry of the Ministry, together with a tourist guide identity card. A notification for the prohibition of practicing of the profession on the grounds of lack of the necessary requirements should be issued within the aforementioned ten (10) day period, since after the lapse of this period the profession can be practiced freely.

Notably, in line with opinion 18/VI/21.1.2012 delivered by the Hellenic Competition Committee, abidance to a short time margin for completion of the auditing and certification procedure by the Ministry was considered as necessary in order to prevent this procedure from acting as a concealed administrative license requirement. Furthermore, according to the same opinion, the educational requirements for practicing the tourist guide profession had to be re-examined, since the requirement for a Tourism School diploma contradicted the rule of reciprocity and prohibited entry into the profession to graduates with other appropriate degrees (history, archaeology, etc.). In the framework of the latter suggestion, Laws 4093/2012, 4111/2013 and 4152/2013 introduced intensive tourist guide training programs with a duration of two months, aimed mainly at graduates of Archaeology, History and History of Archaeology. The programs are completed upon success in written test, and the certificates awarded satisfy the educational requirements for entry into the profession. The cost of the programs amounts to about € 700 and the first programs were completed in July 2013.

On the basis of the above reforms, the tourist guide profession has been liberalized fully, in alignment with the provisions Law 3919/2011, and with remaining regulations pertaining

only to the need for and procedure for certification for non-holders of a Tourism School diploma.

1.3.10 Chartered valuers (now certified valuers)

Prior to the reforms the chartered valuer profession was exercised exclusively by members of the Body of Chartered Valuers (SOE), in line with the provisions of article 15 of Law 820/1978, Presidential Decrees 279/1979 and 140/1990, and Laws 2515/1997, 2753/1999 and N.2873/2000. Members of the SOE were chartered valuers, rank A' assistant chartered valuers and assistant chartered valuers. Importantly, the number of chartered valuers and rank A' assistants was restricted to a maximum of 30. Furthermore the appointment as a chartered valuer was made by decision of SOE's supervisory board, following a Greek ministerial council decision and subject to the following requirements: a) Greek citizenship, b) morality and irreproachable private and public life, c) a domestic or foreign equivalent university degree (by the NTUA or an equivalent school, an economics or industry school, or a political science school) d) 12 years of relevant professional experience or experience in the public sector and e) knowledge of a foreign language. In addition to the above market entry restrictions, chartered valuers were also subject to substantial conduct regulations, including restrictions on fees, and restrictions on business form (incorporation).

Following the adoption of Law 3919/2011, a Presidential Decree was drafted with the aim to liberalize the profession, while also preserving certain restrictions perceived as necessary. The Hellenic Competition Committee, however, delivered an opinion (no. 16/VI/2012) recommending that the market entry and conduct restrictions included in the Presidential Decree draft (e.g. restrictions on the number of professionals, prohibition of exercising the profession for legal entities and citizens of other Member States, setting of fees and granting of exclusive rights) were unjustified and should therefore not be adopted. Subsequent to that, a circular was issued by the Ministry of the Economy on 28/02/2012, abolishing all restrictions to the profession that were in conflict with Law 3919/2011. Nine months later, the adoption of Law 4093/2012 came to strengthen the provisions of this circular. Further along, Law 4152/2013 introduced for the first time the term 'certified valuer' in replacement of the term 'chartered valuer', and defined the process and requirements for certification and registration in the Register of Certified Valuers. Finally a code of conduct for certified valuers was issued in May 2013.

On the basis of the above reforms, the certified valuer profession has been liberalized fully, in alignment with the provisions Law 3919/2011, and with remaining regulations pertaining only to the need for and procedure for certification. With respect to market conduct, there are no exclusive rights for practitioners, and fees are agreed freely with the clients. With respect

to market entry, the profession can be practiced by both natural persons and legal entities, with no restrictions on the number of practitioners and no reliance on the decisions of administrative authorities based on economic needs tests. More particularly, the profession can be practiced freely after the lapse of a three-month period from the announcement of commencement of activity to the competent authority and registration to the Register of Certified Valuers. Requirements for registration include a university or higher education degree, two years of experience in valuation, and a proof of the fulfilment of at least one of the following requirements: a) certification from an accredited institution, including private institutions, b) lawful practicing of the profession in any Member State of the EU or in a third country in accordance with the principle of reciprocity c) successful completion of the relevant state examination⁷. Notably, certification and hence the practicing of the profession can be obtained for one or more of the following sectors: 1) real estate, 2) mechanical and technical equipment, industrial installations, 3) intangible goods, 4) vessels, 5) businesses and 6) movable property of any kind. The state examination is set to take place twice a year.

1.3.11 Real estate agents

Prior to the reforms, the real estate agent profession was regulated on the basis of Presidential Decree 248/1993, which referred briefly to the requirements for entry into the profession, without, however, defining the corresponding rules of conduct. According to the Presidential Decree, practicing of the real estate agent profession was subject to mandatory registration in the local chamber. Requirements for registration included a) a high school diploma, b) a clear criminal record certificate and c) a non-bankruptcy certificate. For registration of a company, the relevant documents proving its legality and representation were also required.

While Presidential Decree 248/1993 did not explicitly provide for restrictions opposing the provisions of Law N. 3919/2011, in practice its gaps and ‘gray areas’ often resulted in anti-competitive practices.

More specifically, while in the Presidential Decree there was no provision for minimum fees, therefore effectively abolishing a major restriction imposed in the previous regime, the fact that this abolition was not explicitly written in the Presidential Decree resulted in the imposition of minimum fees in practice. It is indicative that by decision of the Hellenic Competition Committee on 30/6/2011, fines were imposed on four Greek real estate agent associations, as they were found to promote in various ways the practice of imposition of a minimum real estate agent fee of 2% on the value of property sold.

⁷ According to article 73 of Law 4170/2013.

Apart from the above, the provisions of Presidential Decree 248/1993 posed barriers to the free movement of services within the EU, as they provided for mandatory registration in a local Greek chamber also in the case of citizens of EU member countries.

Following Law 3919/2011, the regulatory framework of the real estate agent profession was radically reformed with the adoption of Law 4072/2012. This law set out in detail the terms and conditions for exercising the profession, removed all ambiguities of the previous regime and harmonised the Greek legislation with the requirements of Directive 2006/123/EC. As to qualifications and the procedure for entering the profession, Law 4072/2012 provided that anyone interested to practice the profession can be automatically entered in the register of the Chamber of Commerce and the General Commercial Register (G.E.MI.) after the submission and auditing of necessary documents, including a high school diploma and a statutory declaration of non-conviction for a series of offenses. In the case of EU citizens, the law provided for a certificate of registration in a register, other competent authority or professional body of their country of origin, according to that country's laws. It is noted that the Probationary Real Estate Agent speciality introduced by Law 4072/2012 was later abolished by Law 4093/2012, as it did not appear to serve the needs of either the market or candidate real estate agents.

Overall, with the adoption of Laws 4072/2012 and 4093/2012, the real estate agent profession has been liberalized fully, in alignment with the provisions Law 3919/2011.

1.4 An overview of the implementation of the reforms in the selected professions

Following the above overview of reforms in the legal framework regulating the selected professions/activities, Tables 1.2 and 1.3 summarize market entry and conduct regulations in these professions/activities, indicating the forms of restrictions applicable before the reforms (i.e. before the adoption of Law 3919/2011) and the changes in these restrictions on the basis of the reforms undertaken thus far. The sign X denotes preservation of the corresponding regulation following the reforms, the sign ✓ denotes lifting of the regulation as a result of the reforms, and the N denotes introduction of the regulation for certain categories of entrants as a result of the reforms.

In addition to the above, Table 1.4 provides an indication of the extent of alignment of current the legal framework to the provisions Law 3919/2011. Furthermore, given that for most of these professions the reform process involved several legal acts spanning a period of more than one year, the dates reported in the Table provide an indication of the timing in which major aspects of the reform were implemented in practice.

Table 1.2: Market entry regulations in professions/activities

Profession/ activity	Administrative Licensing ¹	Mandatory practicing	Professional examinations	Mandatory registration in a professional body	Quotas	Economic needs tests	Technical Requirements
Lawyers	X	X	X	X		✓	
<i>Law firms</i>	X			X	X		
Notaries	X	X	X	X	✓	X	
<i>Notary firms</i>	X						
Auditors, chartered accountants	✓	X	X	X			
Accountants, tax consultants	✓		X	X			
Dentists	✓	X	X	X			
<i>Dental practices</i>	✓						X
Physiotherapists	✓	X		X			
<i>Physiotherapy centres</i>	✓						X
Taxi drivers	X						
<i>Taxis</i>	X				X	X	
Shipping agents	✓						X
Tourist guides	✓		N				
Chartered valuers	✓		N	✓	✓	✓	
Real estate agents				X			

Note: X denotes preservation of the corresponding restriction, ✓ denotes lifting of the restriction as a result of the reforms and N denotes introduction of the regulation for certain categories of entrants as a result of the reforms. In the case of administrative licensing ✓ denotes the replacement of licensing with an announcement of commencement of activity.

1. The term ‘administrative licensing’ refers to the requirement for a license granted by a competent administrative authority in order to practice the profession.

Table 1.3: Conduct regulations in professions/activities

Profession/ activity	Prohibition outside of geographical district	Imposition of minimum distances	Prohibition of establishment/ practice in more than one facility	Restrictions on co-location/ joint practice	Exclusive right to or prohibition of the supply of services	Restrictions on the business forms allowed to practice, or mandatory practicing by single natural persons only	Constraints on equity participation based on criteria relating to professional status	Fixed or minimum prices or fees	Restrictions on advertising	Other restrictions
Lawyers	✓			X	X		X	✓	✓ ¹	
<i>Law firms</i>	✓			X	X	X	X	✓	✓ ¹	
Notaries	X		X	X	X		X	✓	✓ ¹	
<i>Notary firms</i>	X		X	X	X	X		✓	✓ ¹	
Auditors, chartered accountants					X			✓	✓	X
Accountants, tax consultants										
Dentists	X		✓						X	
<i>Dental practices</i>	✓		✓	✓		✓	✓		X	
Physiotherapists	X		✓						X	
<i>Physiotherapy centres</i>	✓		✓	✓	✓	✓	✓		X	
Taxi drivers	X				X					
<i>Taxis</i>	X					✓		X		✓
Shipping agents	✓			X						
Tourist guides										
Chartered valuers						✓	✓	✓		
Real estate agents								✓		

Note: X denotes preservation of the corresponding restriction, ✓ denotes lifting of the restriction as a result of the reforms and ✓¹ denotes partial lifting of the restriction.

Table 1.4: Indication of the extent of alignment of the legal framework with the provisions of Law 3919/2011 and years in which major aspects of the reform were implemented in practice

Profession/ activity	Extent of alignment of the legal framework with the provisions of Law 3919/2011	Year of implementation of major aspects of the reform in practice
Lawyers	Partial	<ul style="list-style-type: none"> • Business form: 2011, 2013 • Geographical restrictions: 2011, 2013 • Minimum prices/fees: 2011, 2013 • Other: 2013
<i>Law firms</i>	Partial	<ul style="list-style-type: none"> • Business form: 2011, 2013 • Geographical restrictions: 2011, 2013 • Minimum prices/fees: 2011, 2013 • Other: 2013
Notaries	Partial	<ul style="list-style-type: none"> • Business form: 2011 • Geographical restrictions: 2011 • Minimum prices/fees: 2012 • Other: 2011
<i>Notary firms</i>	Partial	<ul style="list-style-type: none"> • Minimum prices/fees: 2012 • Other: 2011
Auditors, chartered accountants	Full	<ul style="list-style-type: none"> • Minimum prices/fees: 2011 • Other: 2011
Accountants, tax consultants	Full	<ul style="list-style-type: none"> • Licensing: 2012
Dentists	Partial	<ul style="list-style-type: none"> • Licensing: 2012 • Business form: 2012 • Geographical restrictions: 2012 • Other: 2012
<i>Dental practices</i>	Partial	<ul style="list-style-type: none"> • Licensing: 2012 • Business form: 2012 • Geographical restrictions: 2012 • Other: 2012
Physiotherapists	Partial	<ul style="list-style-type: none"> • Licensing: 2011, 2013 • Geographical restrictions: 2011, 2012 • Other: 2011, 2012
<i>Physiotherapy centres</i>	Partial	<ul style="list-style-type: none"> • Licensing: 2011, 2013 • Business form: 2011, 2012 • Geographical restrictions: 2011, 2012 • Other: 2011, 2012
Taxi drivers	Partial	<ul style="list-style-type: none"> • Licensing: 2012 • Geographical restrictions: 2012
<i>Taxis</i>	Partial	<ul style="list-style-type: none"> • Licensing: 2012, 2013 • Business form: 2012 • Geographical restrictions: 2013, 2014 • Minimum prices/fees: 2012
Shipping agents	Partial	<ul style="list-style-type: none"> • Licensing: 2011 • Geographical restrictions: 2011
Tourist guides	Full	<ul style="list-style-type: none"> • Licensing: 2012 • Other: 2013
Chartered valuers	Full	<ul style="list-style-type: none"> • Licensing: 2012, 2013 • Business form: 2012 • Minimum prices/fees: 2012
Real estate agents	Full	<ul style="list-style-type: none"> • Minimum prices/fees: 2012 • Other: 2012

2. Analysis of the effects of the reforms

The present chapter attempts an analysis of the impact of the reforms on employment and prices, focusing on the 11 professions/activities examined in the study. Furthermore, the chapter examines the possible link between the reforms and developments in service quality.

In evaluating the methodology and results of the analysis, it is very important to take into consideration a number of serious objective difficulties related to the timing of the reforms, the availability and nature of the data employed and the role of the deep economic recession in masking the effects of the reforms.

First of all in Greece the liberalization process is still ongoing for some professions (e.g. necessary ministerial decisions are still pending), while for most other professions, full implementation of the provisions of the omnibus Law 3919/2011 took until 2013 or later. This implies both that the full reaction of the market to the reforms may not have as yet been manifested and that the post reform data available may not be sufficient to evaluate this reaction.

Second, in the case of Greece the Hellenic Statistical Authority does not provide sufficiently disaggregated (4-digit) official data on employment, while in the case of prices such data are only provided for certain professions. Furthermore, the information available for the assessment of service quality is very limited.

Finally, from 2008 until the first quarter of 2014 Greece was under a process of continuous recession, the severity of which was particularly pronounced up until recently. The recession had profound negative effects on employment, pushing the unemployment rate to record high levels of over 27%. Furthermore the sharp decline in demand associated with the recession, combined with the internal devaluation policies adopted as part of Greece's economic adjustment programme, induced significant reductions in prices, particularly in the case of domestically produced services. Therefore, in the case of Greece, it is hard to distinguish whether and to what extent falling prices in professional services in the period after the implementation of the reforms may be due to the reforms. Furthermore, any positive or negative impact of the reforms on employment may have been masked by the underlying strong employment effects of the recession.

As explained further below, an effort has been made to deal with the above difficulties to the degree possible, e.g. by utilizing a variety of data sources and by employing comparisons between developments in the professions examined and other professions or professional groups. Nevertheless, caution is recommended with respect to deriving and interpreting the results from this approach, as the aforementioned problems can only be partially overcome.

2.1 Analysis of the effects on employment

2.1.1 Background

Evolution of employment in regulated professions

This section examines the contribution of regulated professions in total employment over the period 2004-2010. The data used are from the Greek Labour Force Survey (LFS) conducted by the Hellenic Statistical Authority (ELSTAT). The LFS is a household survey, which takes place every three months throughout the country. It includes information regarding demographic characteristics of the respondent and the rest of the members of the household, as well as the characteristics of their current or previous job. The LFS is considered the most reliable source of data on the labour market and is used by ELSTAT to calculate the national and regional levels of employment and unemployment. Using quarterly LFS data, one may compile the annual number of workers (employees and self-employed) in each occupation. Until 2010 the LFS classified occupations using the STEP-92 statistical classification, while in 2011 the ISCO-08 classification was adopted, creating a structural break, as there is no perfect correspondence between the two classifications.

It should be noted that ELSTAT is using for occupations up to a 3-digit classification, and thus the information provided is not so detailed, as some categories do not perfectly represent occupations but instead occupational groups. Furthermore, the LFS is a household survey and not a census, so the level of employment by occupation may differ slightly from the real one. Nevertheless, the LFS is the only source of information on such a disaggregated level. Moreover, even if it cannot capture the exact number of workers by occupation, it certainly comes very close to the real one and it can provide valid information on the relevant trend.

Since the analysis by occupation can be extremely complicated and perhaps not too informative, as LFS collects information at 3-digit level, we hereby group occupations following the categorization used in the omnibus Law 3919/2011. Thereby, the following categories emerge:

- Notaries, lawyers, engineers and statutory auditors. These professions, due to their importance and nature, were treated in more detail in Section B of the Law.
- Professions included in Section A of the Law, which prior to the Law were subject to both administrative licensing and other restrictions. This category includes professions such as doctors and dentists, accountants, stevedores, bakers, etc.
- Professions included in Section A of the Law, which prior to the Law were only subject to administrative licensing, such as nurses, hairdressers, plumbers, electricians, etc.

- Regulated professions/activities excluded from Law 3919/2011, the most significant being pharmacists, commercial road transport services, veterinarians, geologists, horticulturists and ichthyologists. Requirements for some of these professions were amended by other legal acts.
- Other professions without restrictions.

The following table shows the evolution of employment in the above five categories and the percentage contribution of workers in each category with respect to total employment. Employment grew in the period 2004-2008 while during the subsequent years a drastic reduction is observed, bringing the level of employment down to that of 2005. A similar pattern is observed in all occupational categories. Moreover, the contribution of each category to total employment does not differ significantly over time. However, the decrease in employment was less severe in professions having some kind of regulation/restriction in addition to licensing. It is worth noting that in 2010, 69% of workers were employed in occupations without any of the restrictions specified in Law 3919/2011 or the requirement of licensing, while 17.8% of employees had a job that needed only licensing. On the other hand, about 13% of workers were exercising a profession governed by stringent regulations, i.e. administrative license and additional entry and conduct restrictions.

Table 2.1: Employment per occupational group, 2004-2010

Occupational group	2004	2005	2006	2007	2008	2009	2010
Section B	110,620 (2.5%)	121,129 (2.7%)	125,256 (2.8%)	123,367 (2.7%)	136,362 (3.0%)	130,314 (2.9%)	134,755 (3.1%)
Section A (licensing and other restrictions)	426,543 (9.7%)	429,638 (9.7%)	447,962 (9.9%)	442,869 (9.7%)	434,725 (9.4%)	446,526 (9.8%)	433,547 (9.9%)
Section A (only licensing)	794,577 (18.1%)	802,659 (18.1%)	807,774 (17.8%)	831,554 (18.2%)	848,061 (18.4%)	817,672 (17.9%)	780,017 (17.8%)
Excluded from the Law	13,154 (0.3%)	14,796 (0.3%)	15,155 (0.3%)	16,211 (0.4%)	16,614 (0.4%)	15,969 (0.3%)	15,148 (0.3%)
Rest	3,044,622 (69.4%)	3,075,280 (69.2%)	3,131,363 (69.2%)	3,150,046 (69.0%)	3,174,703 (68.9%)	3,145,788 (69.0%)	3,026,286 (68.9%)
Total	4,389,516	4,443,502	4,527,510	4,564,047	4,610,465	4,555,996	4,389,753

Contribution to total employment in parenthesis

Source: ELSTAT, Labour Force Survey.

Table 2.2 shows the absolute change in employment in each occupational group for the period 2004-2010. For this period as a whole, total employment effectively did not change, as it increased by only 237 people. The picture, however, is quite different if we divide the period

in the era before and during the economic recession. It seems that before the recession, i.e. between 2004 and 2008, employment growth was very high, with total employment increasing by 221 thousand people. This pattern changed dramatically after 2008, when in a couple of years more than 220 thousand jobs were lost. Notably, for the period 2004-2010 as a whole, it seems that the most regulated professions (Sections B and A) had a positive contribution to employment growth of 31,139 new jobs. Similarly occupations excluded from the Law also exhibited an increase in their employment by 1,994 new positions. On the other hand, employment in occupations that had only licensing or no restrictions, decreased in total by 32,896.

Table 2.2: Absolute and percentage change in employment by occupational group, 2004-2010

Occupational group	Change							Average annual growth rate
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2004-10	
Section B	10,509 (9.5%)	4,127 (3.4%)	-1,889 (-1.5%)	12,995 (10.5%)	-6,048 (-4.4%)	4,441 (3.4%)	24,135 (21.8%)	3.34%
Section A (licensing and other restrictions)	3,095 (0.7%)	18,324 (4.3%)	-5,093 (-1.1%)	-8,144 (-1.8%)	11,801 (2.7%)	-12,979 (-2.9%)	7,004 (1.6%)	0.27%
Section A (only licensing)	8,082 (1.0%)	5,115 (0.6%)	23,780 (2.9%)	16,507 (2.0%)	-30,389 (-3.6%)	-37,655 (-4.6%)	-14,560 (-1.8%)	-0.31%
Excluded from the Law	1,642 (12.5%)	359 (2.4%)	1,056 (7.0%)	403 (2.5%)	-918 (-5.5%)	-548 (-3.5%)	1,994 (15.2%)	2.38%
Rest	32,700 (1.0%)	56,083 (1.8%)	18,683 (0.6%)	24,657 (0.8%)	-28,915 (-0.9%)	-119,502 (-3.8%)	-18,336 (-0.6%)	-0.10%
Total	53,986 (1.2%)	84,008 (1.9%)	36,537 (0.8%)	46,418 (1.0%)	-54,469 (-1.2%)	-166,243 (-3.6%)	237 (0.0%)	0.00%

Percentage change in parenthesis

Source: ELSTAT, Labour Force Survey.

Table 2.2 also shows the annual percentage change of employment and the average annual rate of change of employment for the period 2004 to 2010, highlighting the finding just mentioned. While for the entire period the average annual rate of change of total employment was estimated at 0.00%, for the professions of Section B it was 3.34%, while for the professions of Section A it was 0.27 % or -0.31%, depending on the level of regulations they faced. It is noteworthy that the professions excluded from the Law (see above), which were also quite regulated, recorded a positive and significant average rate of change (2.38%). On the contrary, occupations not facing restrictions recorded a decrease (-0.10%). It is therefore

evident that **occupations governed by various regulations**, both in fees and in other forms of protection, **have in the period 2004-2010 as a whole seen an increase in their employment despite the economic downturn, while the non-regulated occupations recorded a clear reduction in their employment.**

It is necessary to clarify certain points concerning this finding. Specifically, the regulated professions include the so called ‘closed professions’. That is, professions for which labour supply is fixed by law (given number of professional licenses) and no more can enter. In addition even the demand for the regulated professions can be influenced by law, either through fixed minimum prices or through legislative mandatory use of their services. In other words, for such occupations there are settings that determine the minimum fee paid and also impose the mandatory presence of professionals in certain transactions, thus artificially increasing demand and hence the level of their employment.

Furthermore, activity in these professions is closely related to the wider economic activity. For example, in times of boom, when an increase in construction activity is observed, the professions of engineers, architects, lawyers, notaries, etc., the services of which are required by law for real estate and other constructions, follow a parallel rise. It is likely that the long boom and the protective regulations in the construction industry, have led many people to turn to technical professions. On the other hand, in times of recession the demand for the services of these professions can be artificially maintained at a certain level through legislation. An example is the mandatory participation of an engineer to legalize irregular buildings under Law 4014/2011. Finally, an additional qualitative feature of these professions is that people who exercise them, even during recessions, when they face a drop in their income, cannot easily change profession or register as unemployed and thus the decline in employment is contained. The main reason that many of these professionals continue to register as active even though in practice they have no activity has to do with the nature of their work, as it is difficult to move around jobs. Moreover, engineers, lawyers, notaries and health related professionals are registered in their social security fund (ETAA) as long as they hold their professional status. Thus, they prefer to remain active and register as employed in order to contribute for their future pension, even though their economic activity may be zero. Finally, these professionals are not entitled to an unemployment benefit.

Ex-ante effects of reforms on the aggregate level of employment

Alleviating restrictions to enter a profession may increase employment in this profession but will not necessarily increase the level of total employment. For example, upon removal of entry restrictions for the profession of chartered valuers, so that their number is not fixed, most likely the **‘new’ positions will be covered by existing valuers**, who are already

working as employees but are not members of the SOE, and only secondarily result in hiring someone unemployed. Another example is the abolishment of population criteria for the number of taxis. Then, a considerable number of the potential new owners will come from existing taxi drivers. In other words, **the opening of professions may lead mainly to employment restructuring, rather than a large increase in overall employment.** Of course it is likely that employment will increase in some low-skilled jobs related to the professions covered by the legal reforms. For example, the number of secretaries and clerks might increase if employment in occupations that require such expertise increases.

In addition there are professions where legislative restrictions do not apply to the number of those who exercise them, but to the conduct of the profession, such as minimum fees and mandatory use. Such overprotection and the guarantee of regular income over time led diachronically to a large proportion of workers in these occupations. Removing these regulations and taking into consideration the relatively high number of those who exercise them (much larger than the corresponding European) will make them less attractive. Although employment is not expected to fall in the short run (the existing lawyer will probably remain a lawyer), over time fewer and fewer will choose to exercise them. This will entail a reduction of employment in the regulated professions, but not necessarily a reduction of total employment, as it may direct labour to other sectors of the economy and shift the production process from domestically consumed services to internationally tradable goods.

Moreover, it should be noted that many of the services offered by regulated professions are inputs for other professions or businesses, so their deregulation will probably have a positive effect overall. For example, the pro rata to the project's budget or the value of the land legislated fee of engineers or architects may prevent the construction of large hotels and therefore keep down employment both in construction and tourism. Stringent regulations and enforced legislated use of certain professional services lead to increased costs and are an obstacle to investments. Complete or partial removal of legislated overprotection of specific professional groups at the expense of users of their services could potentially reduce the cost of certain services and attract investments, which would contribute to an increase in total employment.

2.1.2 Datasets and methodology

Data

Determining the effect of the recent reforms on employment of specific professions is not an easy task. This is due to a number of reasons. The main issue has to do with the properties of employment, which is a lagging indicator and thus the effect from any policy will appear with some delay. Moreover, in Greece there is lack of suitable data regarding the level and

dynamics of employment on such disaggregated level. Since 2008 Greece has experienced a severe economic recession and thus the observed changes in employment will have been affected by the economic downturn. Finally, for some professions the liberalization process has not yet been completed to ex post evaluate its effect.

More particularly, unlike other economic variables, the level of employment and the closely related level of unemployment have the peculiarity to exhibit a significant lag in their response to the application of economic policies. Using the relevant economic terminology, employment is characterized in the literature as a ‘lagging indicator’. Therefore any effect on employment from a policy to liberalize the labour market is very likely to appear with delay. Since the process of liberalization essentially started in November 2011 with the omnibus Law 3919/2011 and continued for quite a long time (for some professions the process is still in progress) the post-liberalization era is too short to allow for an ex post analysis.

Regarding data availability, the most detailed source of information with respect to the labour market is the Greek Labour Force Survey (LFS), which is conducted every three months by ELSTAT. This survey collects information on the occupations of all people employed, both as paid employees and as self-employed. As mentioned above, until 2010 the classification used for the occupations was STEP-92, a Greek adaption of the relevant ISCO-88. Since 2011 the ISCO-08 classification was adopted, creating a structural break as there is no perfect match between the two classifications. This is a problem since it does not allow having a long period before the beginning of the reforms to compare with the time during and/or after the reforms for those occupations for which the process has been completed. Moreover, the data collected by ELSTAT are not detailed enough to allow us to measure the level of employment at an occupational level. This is because ELSTAT collects data at the 3-digit level and not at the 4-digit level, which would permit to distinguish between exact occupations. For instance the LFS records if an individual’s job belongs in category 261-*Legal professions*, but does not record if that individual works as a 2611-*Lawyer*, 2612-*Judge* or 2619- *Legal professional not elsewhere classified*.

To deal with this problem, we also use data from alternative sources, including the General Secretariat of Information Systems (GSIS) and auxiliary sources, like chambers and unions. Data from the GSIS consist of the stock, inflows and outflows of those exercising a particular profession, as declared to the local tax offices. These data are available for both legal entities and natural persons. Unfortunately there was a break in the series due to a change in the classification in 2008. We have tried to match the old with the new codes, but this process sometimes does not provide reasonable results.

Methodology

The deep recession prevailing in the Greek economy since 2008 has led to an increase in the unemployment rate and shrinking of the labour market. A series of policies reducing the level of protection in the labour market were voted and applied as a means to mitigate the effect of the crisis and gradually facilitate the creation of new jobs. Among these measures was the liberalization of the regulated professions. To correctly measure the effect of this policy on the level of employment one must somehow disentangle the effect of the economic downturn. Given the lack of available data, such a task is not an easy one. Furthermore, as mentioned earlier, for some professions, the liberalization process has not yet been completed to allow ex post evaluation of its effects on employment. Furthermore, since November of 2011, when Law 3919/2011 was voted, a series of follow-up laws, ministerial decisions and explanatory circulars were required for the implementation of the law. These took some time even for professions for which the process has been completed. This, in combination with the fact that employment is a lagging indicator, creates the problem of not having a sufficiently lengthy time period after the reform to compare with that before the reform.

Since the ultimate question is to assess the effect of the reform on the level of employment, it is necessary to distinguish the effect of the economic recession, which is negative, from that of the liberalization, which can be positive. To achieve that, we apply a variation of the well known shift and share methodology used to model changes in employment between regions and sectors. More particularly, we compare the observed evolution of employment in the regulated professions with a counterfactual evolution which follows the rate of change of all non-regulated professions or (when possible) the rate of change of the non-regulated professions of the 2-digit category that the profession belongs to. The idea is that the two evolutions are similar and their main difference is that the first one is affected by the reforms, while the second one is not. Thus, their difference can approximate the effect of the reform. In that case a positive difference will indicate that the reform has helped employment, while a negative difference will be sign that the reform had an adverse effect on employment. Finally, if the two evolutions do not differ too much, this will signify that the reform has not affected employment, at least yet.

The above can be expressed as:

$$\Delta E_{it} = E_{it}^C - E_{it}^O = \left[E_{it-1}^O \left(\frac{E_{nt}^O}{E_{nt-1}^O} \right) \right] - E_{it}^O$$

Where ΔE_i is the difference in employment between the observed and counterfactual levels for profession i in t , E_{it}^O and E_{it}^C are the observed and counterfactual levels of employment

for profession i in t , E_{it-1}^O is the observed level of employment for profession i one quarter earlier, and E_m^O and E_{m-1}^O are the observed levels of employment for non-regulated professions in t and one quarter earlier, respectively.

The expression in brackets shows the change in the level of employment for profession i which would have taken place if employment for that profession had changed the same as for the non-regulated professions, i.e. if it had not been affected by the reform. Any deviation between the observed and the counterfactual level of employment will include occupation-specific characteristics, with most profound the effect of the liberalization. This of course assumes that the effect of the recession is equally dispersed among all professions. Because this assumption might be too strong, we also create a counterfactual evolution following the course of employment in the non-regulated professions of the same 2-digit category as the profession examined. This comparison may be more appropriate, as the 2-digit category is more homogenous and it is more likely that the effect of the recession will be less dissimilar among its sub-categories.

Taking into consideration the limitations of the Greek LFS, the counterfactual employment distributions cannot be applied to specific professions. To overcome this shortcoming we identify occupational groups at the 3-digit level for which the vast majority of the occupations included are characterized as regulated and were affected by the reforms. These occupational groups comprise the regulated professions. Detailed results are presented in the following section for six specific groups⁸:

- Medical professions: ISCO codes 221, 222, 223, 224, 225, 226
- Finance professions: ISCO code 241
- Legal professions: ISCO code 261
- Business and administration associate professionals: ISCO codes 331, 333
- Car, van and motorcycle drivers: ISCO code 832
- Travel attendants, conductors and guides: ISCO code 511

Due to the aforementioned change in the classification used in the LFS occupational data, the data employed span from the first quarter of 2011 (2011q1) until the last quarter of 2014 (2014q4). We split the full period in two sub-periods. The first one is the period before the beginning of the legal reforms and includes the whole 2011. The second sub-period covers the era after the first reforms and it extends between 2012q1-2014q4. As mentioned before, the reforms were not completed for all professions at the same time. However, the bulk of changes started with the voting of Law 3919/2011 and even though this Law was not fully

⁸ The selection of occupational groups is not random as they are chosen in order to resemble as much as possible the professions analyzed in this study.

implemented for all professions at that time, as follow-up laws, Ministerial Decrees and explanatory circulars were needed, it is reasonable to assume that in the period 2012-2013, for many professions, at least on paper, many entry and conduct barriers were lifted. Moreover, one has to keep in mind that, even now, the extent of liberalization for some professions, mainly due to their nature, is partial (see Table 1.4).

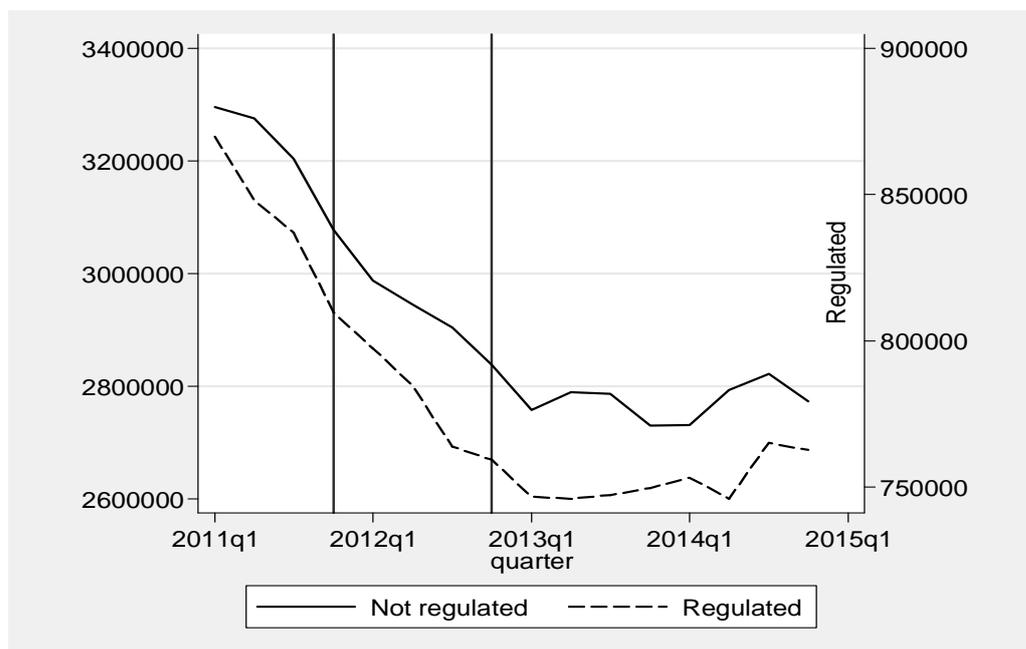
In addition to the above application, a second approach employed in the present study for evaluating the effects of the reforms on employment involves the use of data from the GSIS to study inflows and outflows for the 11 professions analyzed. The inflows and outflows are presented separately by the nature of the enterprise (legal entity or natural person) as in some cases before the reform this was a major issue.

2.1.3 Results from counterfactual employment evolutions

This section presents the results from the analysis based on the counterfactual evolution of employment in the regulated professions. The idea is to **compare the actual/observed evolution of employment in the regulated professions with the one they would have had if they had followed the evolution of the non-regulated professions**. It is reasonable to assume that **any difference between the two is mainly due to the different level of regulations they face**.

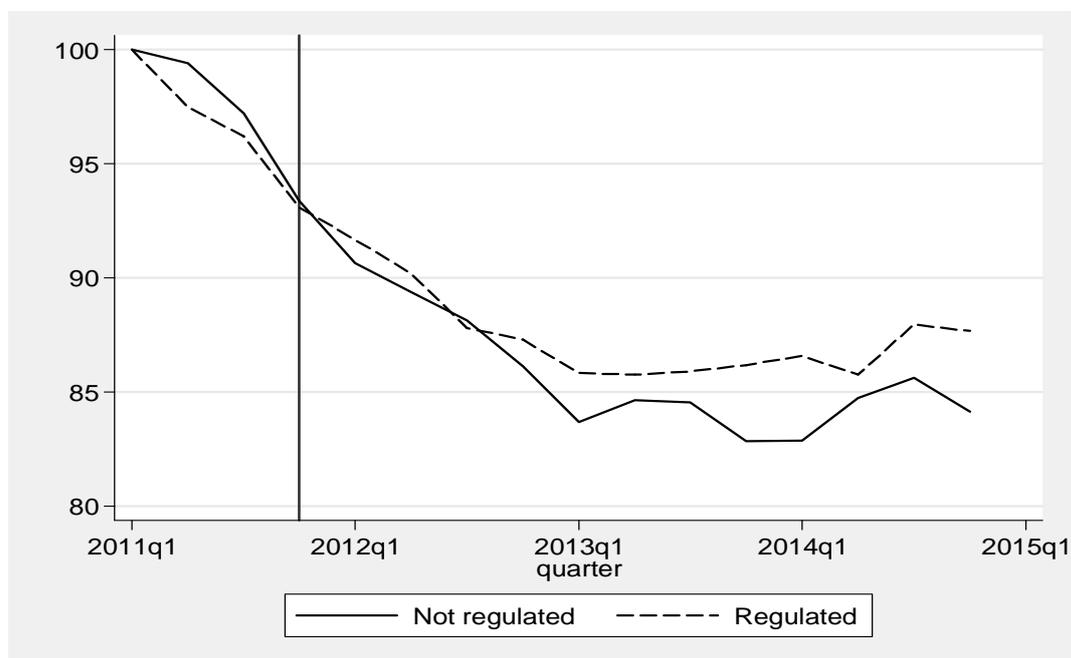
Before presenting the results, Figure 2.1 depicts the evolution of employment for the non-regulated professions (left axis) and the regulated professions affected by the reforms (right axis). Employment in the non-regulated professions is almost four times higher than in the regulated professions. In particular in the beginning of 2011 there were 3.3 million people working in the non-regulated professions, while the number of people occupied in the regulated professions was 0.8 million. Both categories recorded a downward trend in employment as a result of the economic recession. More particularly, employment in the non-regulated professions shrunk by almost 523,000 job positions, while in the regulated professions the corresponding number was 107,000. It seems that in 2013, both categories recorded for the first time since 2011 a small increase, which for the regulated professions seemed more consistent. In particular, the increase was observed in the third quarter of 2013 for the regulated professions and a quarter earlier for the non-regulated.

Figure 2.1: Employment evolution of regulated and not regulated professions (absolute numbers), 2011Q1-2014Q4



Source: ELSTAT (2015), Labour Force Survey and authors' calculations.

Figure 2.2: Employment evolution of regulated and not regulated professions (2011q1=100), 2011Q1-2014Q4



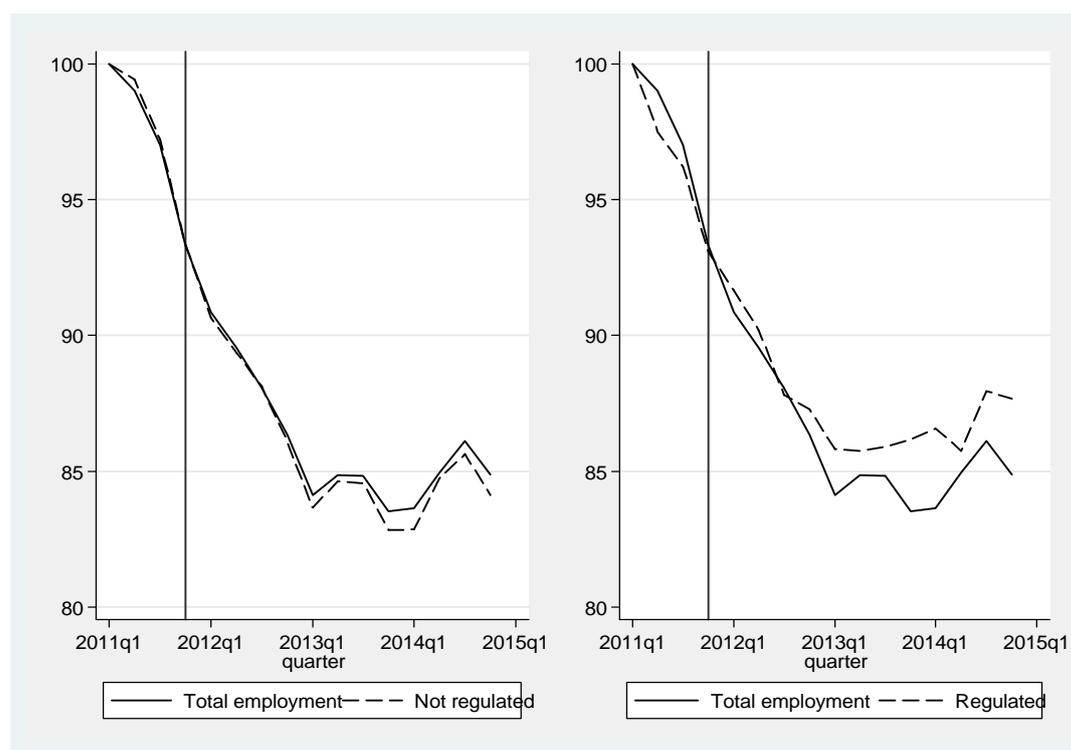
Source: ELSTAT (2015), Labour Force Survey and authors' calculations.

Figure 2.2 presents the evolution of employment as an index, using as a base the 1st quarter of 2011. This allows discerning percentage changes in employment from year to year. Moreover, it allows comparing directly the inter-temporal evolution of each category, as the new index is

free of the size of each category. It is interesting that until the end of 2011 employment in the regulated professions was decreasing at a faster rate than in the non-regulated professions. **In 2012 and 2013 the rate of decrease in the regulated professions was lower than that in the rest, and from the end of 2013 we observe a marginal but positive trend.**

A similar picture emerges from Figure 2.3, where the evolution of employment in the two categories is compared to that of total employment in the Greek labour market. One can see that the evolution of employment in the non-regulated professions followed closely that of total employment in the economy throughout the period 2011-2014, partly because the non-regulated professions constitute almost 80 per cent of total employment. In contrast, from the right panel of Figure 2.3 it is clear that **the evolution of employment in the regulated professions was clearly less favourable than that of total employment in the period before the reforms, and more favourable than that of total employment in the period after the reforms.** More particularly, during 2011 employment in the regulated professions declined faster than total employment, but in 2012, the first year after implementation of the reforms, the picture changed and employment in the regulated professions seemed to decline at a slower rate. Moreover, stabilization and recovery of employment in the regulated professions was observed in 2013, while for total employment - setting aside a small increase in the middle of 2013 - it took until 2014.

Figure 2.3: Employment evolution total and by regulation status (2011q1=100), 2011Q1-2014Q4

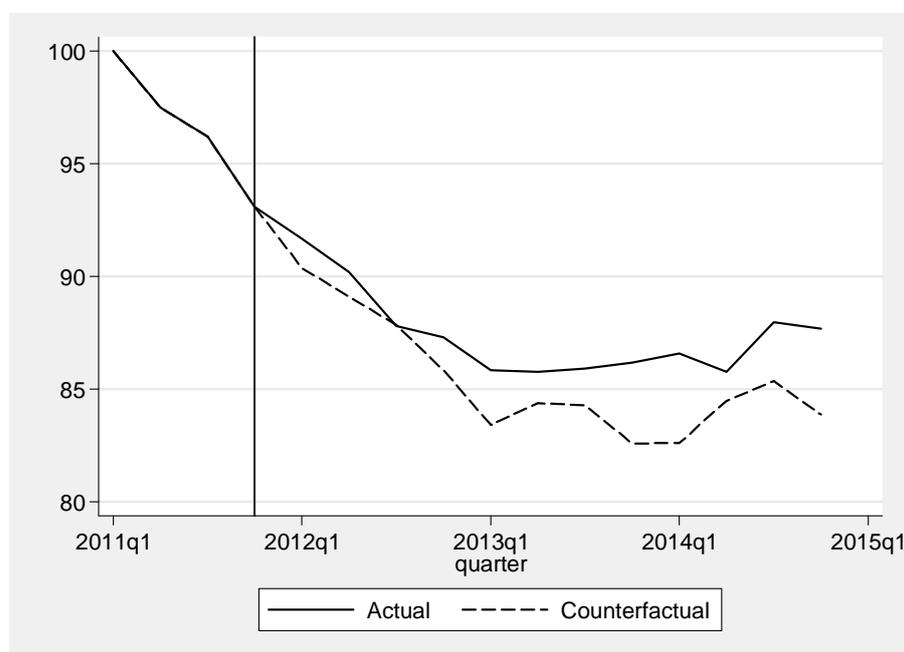


Source: ELSTAT (2015), Labour Force Survey and authors' calculations.

In sum, both Figure 2.2 and Figure 2.3 appear to provide indications that the reforms had positive effects on employment, perhaps by alleviating restrictions having to do with the number of people exercising these professions. In addition, it seems that the reforms started having an effect on employment, as expected, with a time lag.

As shown before, employment in Greece has decreased in all occupational groups, regardless of their regulatory status, due to the prolonged economic recession. This complicates the assessment of the effects of the occupational liberalization on employment, as the results can be contaminated by the effect of the recession. One way to evaluate the effect of the liberalization is to compare the actual level of employment in the regulated professions with the one they would have if they had followed the rate of growth of non-regulated professions. The intuition is simple. We compare two employment evolutions, which are both affected by the recession, but one of them is not affected by the legal reforms. Thus, their difference is an approximation of the effect of the liberalization. If the liberalization has a positive (negative) effect, we expect that actual employment will be higher (lower) than the counterfactual. On the contrary if the reform had no effect on the level of employment, we expect that the actual and counterfactual evolutions will be very close.

Figure 2.4: Actual and counterfactual employment evolution of regulated professions, 2011Q1-2014Q4



Source: ELSTAT (2015), Labour Force Survey and authors' calculations.

Figure 2.4 depicts the actual and counterfactual evolutions of employment in the regulated professions for the whole economy. Their difference can approximately capture the effect of

the reform. It is clear that **the observed employment lies consistently above the counterfactual throughout the period after the reforms, indicating that the liberalization had a positive, non-transitory effect on the employment.** Notably, in the first post-reform quarters the gap between the two evolutions increases and thereafter it remains significant. The gradual increase of the gap may be attributed to the following facts:

1. The timing of the actual implementation of the law was not the same for all professions, as for some follow-up legislation and MDs were needed.
2. Employment is a lagging indicator.

The above analysis was conducted at the aggregate level. We now employ the same approach using specific occupational groups, as defined before, to assess the effect of the liberalization in more detail. Moreover, when possible, we construct the counterfactual evolutions using data from the course of employment in the non-regulated professions of the same 2-digit category as the occupational group examined. Such an approach mitigates any differences that may stem from the demand side of labour, as occupational groups of the same 2-digit category are more similar.⁹

Results for the occupational groups are depicted in Figure 2.5. One can see that the effect of the reform appears to be clearly positive for *Medical* and *Finance* related professions and positive with a significant lag for the *Legal* professions. The effect of the reform seems ambiguous for *Travel attendants, conductors and guides, Car, van and motorcycle drivers* and *Business and administration associate professions*.

More specifically, for ***Medical professions*** and ***Finance professions*** **the actual level of employment is higher than the counterfactual**, regardless if this was constructed incorporating all non-regulated professions or only by those belonging in the same 2-digit code. In particular, for both these occupational groups there is a clear increase in 2013, which according to the counterfactual evolution would not have taken place. Thus, one may infer that for these groups the liberalization appears to have had a positive effect, translated to an increase in employment.

In the case of the *Legal professions*, the actual level of employment is higher than the 2-digit counterfactual from 2013. Thus, for this profession too, the effect of the liberalization appears to be positive, but in this case it is translated into a withholding of the reduction in employment, and it is manifested with significant delay.

In the case of *Business and administration associate professions* the level of employment increased after the reform, with actual employment rising above the counterfactual towards

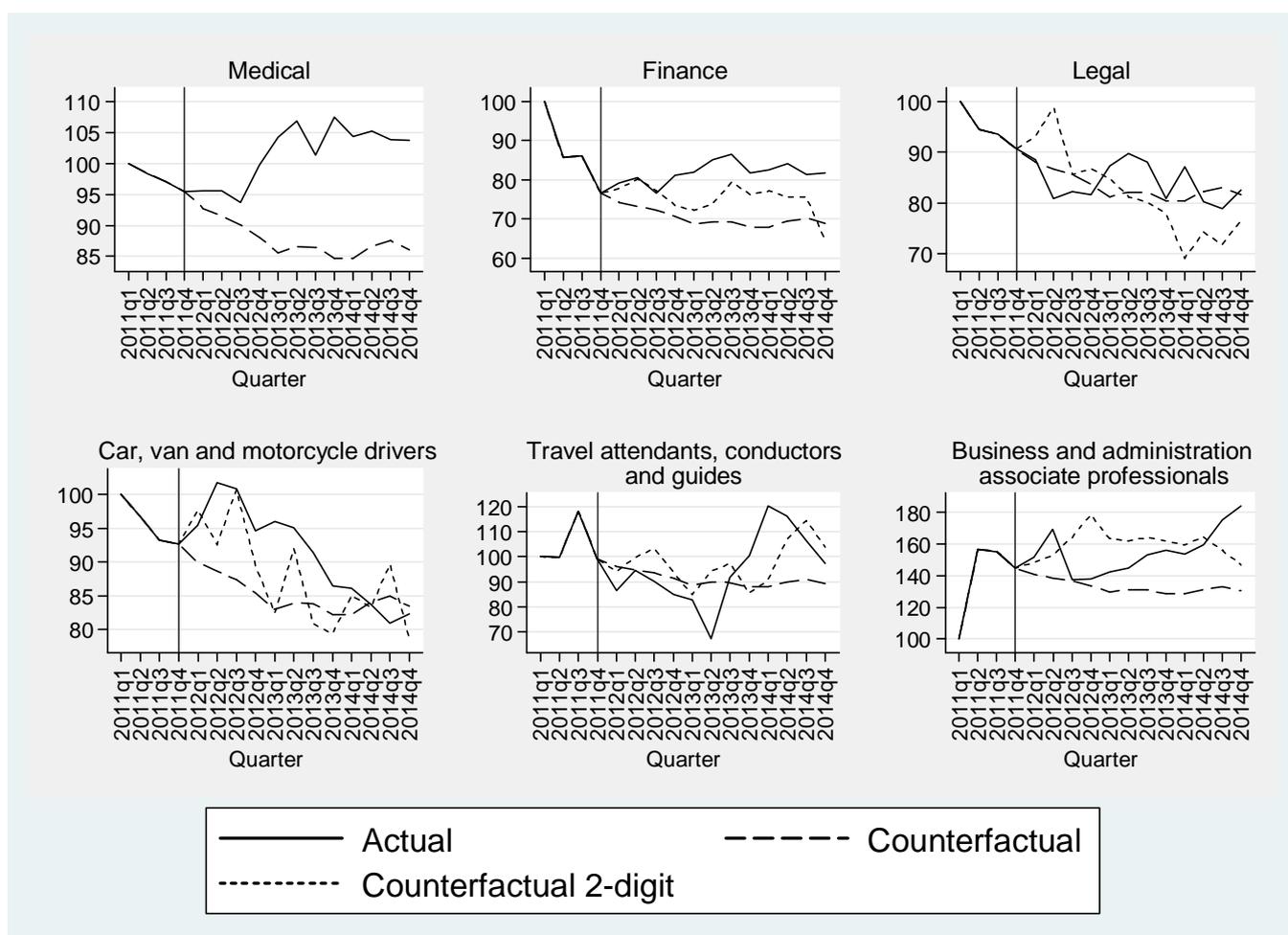
⁹ The only occupational group for which was not possible was the “Medical occupations”, as all its individual 3-digit categories are considered as regulated and were affected by the reform.

the end of 2014. However, we need to be cautious with this result, as this occupational category is relatively small and affected significantly by small changes in employment.

One occupational category that the reform does not seem to have had any effect upon is that of *Travel attendants, conductors and guides*. Both evolutions are very close and only in the last quarter of 2013 and the first two quarters of 2014 the observed level of employment is higher than the corresponding counterfactual. Perhaps, this could be an indication of a delayed beginning in the effect of the reform. One, however, must be extra careful in the interpretation of these results, as this occupational group is characterized by strong seasonality.

Finally, in the case of *Car, van and motorcycle drivers* any effects of the reform are hard to interpret, as the trend in employment remains downward and actual and counterfactual employment end at about the same level in late 2014.

Figure 2.5: Actual and counterfactual employment evolution by occupational group, 2011Q1-2014Q4



Source: ELSTAT (2014), Labour Force Survey and authors' calculations.

To sum up, the overall employment effect of the liberalization seems to be positive. The downward trend of employment in the regulated professions was stronger compared to that of non-regulated professions before the reform, while after the reform the picture changed and employment in the regulated professions seemed to decline at a slower rate. Moreover, stabilization and recovery of employment was observed earlier in the regulated professions compared to the non-regulated professions. This suggests that the reform mitigated the negative employment effect of the economic recession, and accelerated the positive employment effect of the more recent small recovery of economic activity, most probably by allowing more people to enter these professions.

2.1.4 Results for each of the selected professions

Thus far our analysis of the effects of the reforms on employment has been conducted by use of LFS data on the workers (employees and self-employed) in the regulated and non-regulated professions and in certain occupational groups of interest. However, as noted earlier, LFS data are only available at the 3-digit level, which does not allow us to distinguish between exact occupations. Furthermore, due to a change in the relevant classification system, comparable LFS data are only available from 2011. To overcome these problems, in the present section we proceed with the analysis of employment effects in each of the 11 selected professions, using data from alternative sources. More particularly, we employ data from the General Secretariat of Information Systems (GSIS), which indicate the stock, inflows and outflows of all businesses (natural persons and legal entities) exercising a particular profession, as declared to the local tax offices. Furthermore, where necessary we also employ data from auxiliary sources like chambers, unions, etc.

2.1.4.1 Lawyers, Law firms

The analysis of the new entrants in the profession of lawyer (natural persons and legal entities) is based on the data (start-ups and cessations) obtained from GSIS during the period 2010-2014 (Table 2.3). The total number of start-ups (natural persons and legal entities) for the profession of lawyer decreased gradually after 2010 to reach 68 in 2013 and increased thereafter to reach 92 in 2014. The start-ups of natural persons followed a similar trend to the total number of start-ups, while those of legal entities showed fluctuations. The start-ups share, with respect to total business activity, decreased up until 2013 and increased in 2014, averaging 1.8% during the period 2010-2014.

In contrast, the total number of cessations increased rapidly during the period 2011-2014 - with the exception of significant deterioration in 2013 - to reach 161 cessations in 2014. The cessations' average annual share, with respect to total active businesses, was equal to 2.3% during the period under consideration.

Overall, after the implementation of Law 3919/2011, the total number of start-ups decreased while the total number of cessations increased, resulting in a negative net entry (inflow) of lawyers indicating that the possible positive impact of the liberalization on employment was supplanted by the economic crisis.

Table 2.3: Start-up and cessation activity of businesses based on the business activity code (KAD): Lawyers – Law firms, 2010-2014 (reforms were implemented in 2011 and 2013).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2010	164	19	183	90	5	95	88	3.2	1.7
2011	76	22	98	125	7	132	-34	1.7	2.3
2012	63	12	75	159	4	163	-88	1.3	2.9
2013	52	16	68	94	4	98	-30	1.2	1.8
2014	77	15	92	151	10	161	-69	1.7	3.0

Source: GSIS (2015), authors' calculations.

2.1.4.2 Notaries, Notary firms

According to the Hellenic Association of Notaries, 3,032 notaries and 43 notary firms were active in June 2013. During the period 2002-2012, the number of notaries recorded an upward trend but decreased slightly in 2013. The data obtained from the GSIS offer a representative picture of trends in the profession, as the vast majority of active notaries are self-employed. The total number of start-ups for the notary profession decreased significantly during the period 2007-2011, exhibiting a -5.1% average annual rate of change (Table 2.4). After the implementation of Law 3919/2011, 92 start-ups were recorded in 2012, 18 in 2013 and 193 in 2014. The number of start-ups of natural persons and legal entities in 2014 appears rather small, if we take into consideration that, in 2012, 437 vacancies for the notary profession were announced, while approximately 500 applicants attended the examination.

In contrast, the total number of cessations more than doubled in 2014 relative to 2007. The start-ups and cessations annual average share, with respect to total active businesses, was equal to 3.1% and 3.5%, respectively during the period under consideration. The net entry (inflow) of notaries after the implementation of Law 3919/2011 and the subsequent Decrees was negative in all relevant years, with the exception of 2014 in which the exam procedure

was completed. This may be due to the overall economic recession and the decline in the volume of notaries' deeds.

Table 2.4: Start-up and cessation activity of businesses based on the business activity code (KAD): Notaries-Notary firms, 2007-2014 (reforms were implemented in 2011 and 2012).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	111	6	117	68	3	71	46	4.5	2.7
2008	76	5	81	61	2	63	18	2.5	1.9
2009	78	4	82	72	0	72	10	2.6	2.2
2010	74	4	78	125	3	128	-50	2.4	3.9
2011	83	6	89	110	6	116	-27	2.8	3.7
2012	92	0	92	128	2	130	-38	2.9	4.1
2013	18	0	18	107	8	115	-97	0.6	3.8
2014	193	0	193	164	7	171	22	6.2	5.5

Source: GSIS (2015), authors' calculations.

2.1.4.3 Auditors, chartered accountants

ELTE is responsible to keep a public record of all auditors. According to their data, there are 1,027 auditors, while the data from the GSIS record 1,150 auditors. These figures are very close, as they differ by only around 2 per cent.

The level of employment and the corresponding inflows and outflows for auditors are closely linked to the overall economic climate. Thus, in times of recession, when there are fewer new firms and larger numbers of existing firms ceasing their activity, the inflows would be expected to fall while the outflows would be expected to increase.

Looking into Table 2.5 one can notice that the number of new entrants in the profession declined between 2007 and 2010, increased sharply in 2011, and fell again until 2013-2014, when it recorded a major increase (77 in 2013 and 299 in 2014, versus only 58 in 2012). The inflow of natural persons has remained throughout the period examined higher than the corresponding one for legal entities. The recent increase in startups in the profession, with the recession still ongoing, could at first sight appear as an indication of a positive effect of the reforms on market entry. However in the case of auditors, even prior to the reforms, new entries into the profession have depended more on the demand for auditing services, the possession of appropriate skills and success in professional examinations, rather than on institutional constraints. Thus the recent increase in startups could be to a certain degree incidental.

Concerning outflows, their number increased considerably between 2007 and 2011, and then declined, to increase again in 2014. Like inflows, outflows of natural persons are significantly higher than those of legal entities. The increasing number of outflows until 2011 can be partly attributed to the recession, but also stems from changes that took place in pension rules. Professionals, under the fear of being trapped in the labour market for longer time, decided to retire earlier than planned, even with a lower pension.

With respect to net startups, it is interesting that, with the exception of only two years (2009 and 2012), they have been positive. Finally, it is worth mentioning that startups represent in most years less than 10 per cent of total active businesses, while cessations are in most years close to 6 per cent. Overall, with the exception of year 2014, both entries to, and withdrawals from the audit profession have been relatively limited in number, in accordance with the relatively small number of persons exercising the profession.

Table 2.5: Start-ups and cessations of activity of businesses based on the business activity code (KAD): Auditors, 2007-2014 (reforms were implemented in 2011).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	71	15	86	23	1	24	62	12.4	3.5
2008	54	16	70	36	1	37	33	7.0	3.7
2009	38	4	42	55	6	61	-19	4.0	5.8
2010	51	15	66	61	2	63	3	6.2	5.9
2011	70	21	91	76	8	84	7	8.2	7.6
2012	36	22	58	69	7	76	-18	5.3	7.0
2013	48	29	77	55	9	64	13	7.1	5.9
2014	269	30	299	71	11	82	217	22.4	6.2

Source: GSIS (2015), authors' calculations.

2.1.4.4 Accountants, tax consultants

Like in the case of auditors, the level of employment of accountants is strongly linked to developments in total economic activity. The deep recession will definitely have had a negative impact on the demand for accounting services, due e.g. to fewer new firms and larger numbers of existing firms ceasing their activity. However, the recent tax reforms (new taxes, conduct of many transactions with the tax office only via internet) render the use of an accountant necessary for more individuals than before, thus having a positive effect upon inflows to the profession.

The number of new entrants is assessed here on the basis of data provided by the GSIS (Table 2.6). While the number of new accountants decreased between 2007 and 2009, in the next two years it increased. Thereafter, it declined again in 2012, and it increased in 2013, remaining relatively stable in 2014. Legal entities comprise only a small share of total new entries, amounting to around 16 percent on average over the period considered. Notably, the number of cessations, although relatively low for the period 2007-2009 (less than 500 per year for 2007 and 2008 and less than 1,000 in 2009), increased significantly in 2010 and remains relatively high ever since. Again the number of cessations for legal entities is considerably lower than that of natural persons. Moreover, both inflows and outflows represent a relatively moderate share of total active businesses, as shown in the last columns of the table.

It should be noted that, with the exception of year 2012, the number of outflows has been lower compared to that of inflows, resulting to a positive net effect on employment, i.e. an increase in total employment. One, however, must be careful of how to interpret these results. The decision to become an accountant is taken at least four years before registration in the relevant records, when one chooses the subject of university studies he wants to follow.

Table 2.6: Start-ups and cessations of activity of businesses based on the business activity code (KAD): Accountants, 2007-2014 (reforms were implemented in 2012).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	1,055	170	1,225	387	38	425	800	10.7	3.7
2008	921	170	1,091	411	36	447	644	7.1	2.9
2009	789	120	909	663	64	727	182	6.2	5.0
2010	1,028	171	1,199	950	75	1,025	174	7.9	6.7
2011	1,073	185	1,258	1,063	103	1,166	92	8.0	7.4
2012	852	175	1,027	1,119	115	1,234	-207	6.5	7.8
2013	961	238	1,199	890	138	1,028	171	7.5	6.4
2014	989	227	1,216	858	110	968	248	7.5	5.9

Source: GSIS (2015), authors' calculations.

Overall, the general conclusion is that the size of startups and cessations has been significant. In particular for the period examined (2007 - 2014), total startups reached around 9,100, while total cessations reached around 7,000, indicating considerable mobility in the profession. This is reasonable and anticipated, as even before Law 3919/2011 there were no restrictions on the number of accountants.

2.1.4.5 Dentists, dental practices

Dentists can be employed as public employees in primary health care or be self-employed in private dental practices/clinics. According to the Hellenic Association of Dentists, 13,911 dentists were registered in 2013 relative to 14,774 in 2009. GSIS data provide information about the number of dentists who practice their profession in the private sector as self-employed (natural persons) or in dental clinics (legal entities) (Table 2.7). The total number of start-ups in the dental profession decreased significantly during the period 2007-2012 (-21.3% annually on average) but increased slightly (11.7%) in 2013-2014. After the implementation of Law 3919/2011, 182 start-ups were recorded in 2012, 208 in 2013 and 227 in 2014.

Table 2.7: Start-ups and cessations of activity of businesses based on the business activity code (KAD): Dentists-Dental practices, 2007-2014 (reforms were implemented in 2012).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	631	9	640	167	4	171	469	7.9	2.1
2008	401	16	417	185	4	189	228	3.9	1.8
2009	630	9	639	254	6	260	379	6.6	2.7
2010	331	8	339	374	5	379	-40	3.5	3.9
2011	207	16	223	383	4	387	-164	2.3	4.0
2012	168	14	182	437	0	437	-255	1.9	4.7
2013	197	11	208	276	5	281	-73	2.3	3.1
2014	214	13	227	425	4	429	-202	2.5	4.7

Source: GSIS (2015), authors' calculations.

In contrast, the total number of cessations increased during the period 2007-2012 at a 21.6% annual average rate of change and decreased by 35.7% in 2013. After 2011, the number of cessations was significantly higher than that of start-ups, resulting in negative net entry (inflow) to the profession of dentists. The average annual share of start-ups and cessations, with respect to total active businesses, was equal to 3.9% and 3.4% respectively. The start-ups' share decreased over time from 7.9% in 2007 to 2.5% in 2014 while the cessations' share increased from 2.1% in 2007 to 4.7% in 2014. The high establishment cost of dental practices and the fact that dentists are active mainly in the private sector without the mediation of social security organizations, in combination with the reduction of per capita income due to the economic recession, inhibit new entrants to the profession.

2.1.4.6 Physiotherapists, physiotherapy centres

Physiotherapists can be employed as full-time or part-time employees in the public and/or private sector or be self-employed in physiotherapy centres or as home services providers. According to the data obtained from the Hellenic Association of Physiotherapists¹⁰ 6,962 physiotherapists were registered until the end of October 2014, including employee, self-employed and unemployed physiotherapists (Table 2.8). We can observe that the total number of physiotherapists increased over time by 8% yearly, on average, during the period 2010-2013, while the number of new entrants in professional practice decreased gradually after 2012.

Table 2.8: Total number of registered physiotherapists, 1/2010-10/2014 (reforms were implemented in 2011, 2012 and 2013).

	2010		2011		2012		2013		2014	
	1 st half	2 nd half	1 st half	Oct-14						
New entrants	311	298	277	161	361	195	258	223	223	348
Total number	4,841	5,139	5,416	5,577	5,938	6,133	6,391	6,614	6,837	6,962

Source: Hellenic Association of Physiotherapists (2014).

Information about the number of physiotherapists who are self-employed (natural persons) or working in physiotherapy centres (legal entities) could be obtained from the GSIS data (Table 2.9). The total number of start-ups (natural persons and legal entities) decreased gradually during the period 2009-2012, with the highest negative change (-24.3%) in 2012, and subsequently increased by 24.8% in 2013 and decreased by -8.2% in 2014. After the implementation of Law 3919/2011, 234 start-ups were recorded in 2012, 292 in 2013 and 268 in 2014. The start-ups of natural persons followed a similar trend as the total number, while those of legal entities showed variations.

The number of cessations followed an opposite trend to that of start-ups. The number of cessations increased gradually during the period 2007-2012 and decreased thereafter. The number of natural person cessations followed a similar trend as the total number of cessations while those of legal entities showed variations.

The average annual share of start-ups and cessations, with respect to total active businesses, amounted to 8.3% and 5.7%, respectively. The start-ups share decreased from 11.9% in 2007 to 6.7% in 2014 and the cessations share increased from 4.3% in 2007 to 5.4% in 2014.

¹⁰ The Hellenic Association of Physiotherapists was established in 2009 and data are available after 2010.

In general, the net entry (inflow) of physiotherapists after the implementation of Law 3919/2011 was positive, except in 2012. The negative inflow observed in 2012 might be a result of sustainability problems faced due to the general economic recession. The increased number of new entrants in 2013 may be related to the implementation of the regulatory provisions legislated in 2012 and 2013.

Table 2.9: Start-ups and cessations of activity of businesses based on the business activity code (KAD): Physiotherapists-Physiotherapy centres, 2007-2014 (reforms were implemented in 2011, 2012 and 2013).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	290	32	322	109	8	117	205	11.9	4.3
2008	340	15	355	133	12	145	210	9.6	3.9
2009	322	25	347	171	6	177	170	9.0	4.6
2010	306	30	336	238	12	250	86	8.4	6.2
2011	285	24	309	289	10	299	10	7.6	7.3
2012	202	32	234	325	10	335	-101	5.8	8.4
2013	253	39	292	215	15	230	62	7.3	5.8
2014	233	35	268	206	10	216	52	6.7	5.4

Source: GSIS (2015), authors' calculations.

2.1.4.7 Taxi drivers, taxis

With respect to taxi drivers and taxis, data from the GSIS show that there has been a reduction in the number of those who exercise the profession from 2011 onwards, in contrast to the previous period 2007-2010. In 2011 startups were marginally lower than cessations (both were around 10% of total active businesses) but afterwards cessations exceeded startups by more than 40%. The resulting negative trend in net total startups is undoubtedly associated with negative effects of the recession on the demand for taxi services, but may also be partly related to the fact that the new legislation has not as yet been fully implemented and significant restrictions on market entry are still applicable in some regions.

More particularly, although Law 4070/2012 enacted and established a mathematical formula for the determination of the maximum number of taxi licenses per geographical district according to population and geographical criteria, the relevant procedure has not been completed in all regions. Specifically, although from mid-2013 several regional authorities have defined the maximum number of taxis and the relevant distribution by type of taxi (5 seats, special lease taxis, special lease taxis for persons with disabilities) and since then the

licensing procedure has started in these districts, in other regions the procedure started in 2014. Furthermore, new licenses are not permitted for several districts, as the number of existing taxis is bigger than that obtained with the new formula (the case e.g. of Athens and Thessaloniki). More particularly, according to the mathematical formula, the maximum number of taxi licenses for Attica is 11,205 but the existing taxis are 13,810. The corresponding numbers are 387 versus 524 for West Macedonia, 885 versus 986 for East Macedonia and Thrace, 297 versus of 471 for the South Aegean Islands and 345 versus 489 for Epirus. The total surplus of 3,141 taxi licenses in these regions seems to be quite large and no new licenses are expected in the near future.

2.10: Start-ups and cessations of activity of businesses on the basis of the business activity code (KAD): Taxi drivers, taxis, 2007-2014 (reforms were implemented in 2012, 2013 and 2014).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	1,578	21	1,599	939	23	962	637	10.0	6.0
2008	1,324	20	1,344	883	18	901	443	5.6	3.8
2009	1,049	25	1,074	1,025	27	1,052	22	4.8	4.7
2010	2,120	23	2,143	1,413	44	1,457	686	9.0	6.1
2011	2,420	20	2,440	2,495	28	2,523	-83	9.7	10.0
2012	1,245	12	1,257	1,810	15	1,825	-568	5.2	7.6
2013	1,300	20	1,320	1,872	13	1,885	-565	5.5	7.9
2014	911	20	931	1,563	15	1,578	-647	4.0	6.8

Source: GSIS (2015), authors' calculations.

2.1.4.8 Shipping agents

According to data from the registry of the Ministry of Mercantile Marine, during the period 2007-2009, new entrants to the shipping agent profession were more than those who left the profession. Thus, over this period the number of shipping agents recorded a small increase. In the past three years, however, this trend appears to have been reversed, with cessations exceeding new entries. Thus, the number of shipping agents in 2013 subsided to a level close to that of 2007 (1,177 in the first half of 2013 vs. 1,167 in 2007). On the basis of this information, the evolution of the number of shipping agents follows a pattern which appears consistent with the dampening effects of the crisis on the demand for shipping agent services, and does not display variations that can be clearly attributed to the reforms.

Table 2.11: Shipping agents, new entrants, 2007-6/2013 (reforms were implemented in 2011).

Year	Shipping agents	New entrants	Cessations
2007	1,177	82	52
2008	1,207	55	52
2009	1,210	42	39
2010	1,213	55	73
A' half of 2011	1,195	27	33
B' half of 2011	1,186	14	23
A' half of 2012	1,189	27	24
B half of 2012	1,176	15	28
A' half of 2013	1,167	14	23

Source: Ministry of Mercantile Marine (2014).

2.1.4.9 Tourist guides

The evaluation of entries and outflows for the profession of tourist guides is conducted using data from the GSIS. According to these data, which are presented in Table 2.12, there is a decrease in the number of new entrants between 2007 and 2012, followed by a significant increase in 2013 and 2014. It is interesting that legal entities represent a considerable portion of all startups. On the other hand, cessations increased between 2007 and 2011. In particular they more than doubled from 28 in 2007 to 65 in 2010. Since then they have fallen to levels even lower than those of 2007. Overall, net startups were positive in 2007 and 2008, became negative between 2009 and 2012, and since then they have been again positive.

Table 2.12: Start-ups and cessations of activity of businesses on the basis of the business activity code (KAD): tourist guides, 2007-2014 (reforms were implemented in 2012 and 2013).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	30	15	45	21	7	28	17	10.2	6.4
2008	17	17	34	28	4	32	2	5.3	5.0
2009	7	9	16	27	9	36	-20	2.9	6.5
2010	11	4	15	56	9	65	-50	2.9	12.4
2011	7	12	19	48	14	62	-43	4.0	12.9
2012	8	6	14	23	5	28	-14	3.1	6.3
2013	15	25	40	11	5	16	24	8.6	3.4
2014	20	42	62	12	9	21	41	12.1	4.1

Source: GSIS (2015), authors' calculations.

Inflows and outflows in the case of the tourist guide profession seem to have been affected by adverse domestic economic conditions and the decline in tourism receipts in 2010 and 2012, leading to a negative net inflow to the profession during the period 2009-2012. However, since then the net inflow has been positive, a result which is most likely associated with the substantial improvement in inflows of tourists to Greece, but may also be related to the graduation of 80 individuals from the newly established intensive training programmes, as part of the implementation of reforms in the profession.

2.1.4.10 Chartered valuers (now certified valuers)

According to information obtained from the Ministry of the Economy, the number of chartered valuers just before the implementation of the reforms (May 2013) was equal to 11. Following the implementation of the reforms, 115 natural persons and 5 legal entities had already entered the Register of Certified Valuers by July 2013, while in May 2015 the Register recorded a total 347 natural persons and 38 legal entities. With respect to the sector of certification of natural persons, all sectors are covered, with the vast majority of valuers possessing certification for real estate valuation only.

Table 2.13: Former members of SOE as of May 2013 and registered certified valuers in July 2013 and May 2015 (reforms were implemented in 2012).

	Chartered valuers, members of SOE	Certified valuers			
		May 2013	July 2013*		May 2015**
		Natural persons	Legal entities	Natural persons	Legal entities
Real estate		115		344	
Mechanical and technical equipment, industrial installations		7		18	
Intangible goods		6		7	
Vessels		6		7	
Businesses		7		7	
Movable property		6		7	
Total	11	115	5	347	38

Source: Register of certified valuers

* 23/7/2013 ** 7/5/2015

Since the conditions prevailing in the economy in the period after the implementation of the reforms (e.g. declining investment, decrease in real estate sales contracts, etc.) were certainly not in favour of the business of certified valuers, the above major increases in the number of authorised natural persons and legal entities exercising the profession are certainly linked to

the reforms. In other words, it is evident that the achievement of full liberalization of professional requirements had a positive effect upon market entry, although employment may have not been affected as much as the numbers suggest since a significant share of new entrants is most likely comprised of former assistant chartered valuers.

2.1.4.11 Real estate agents

Developments in startups and cessations in the real estate agent profession have been clearly affected by the recession, the related severe downturn in the housing market and the large decrease in the number of contracts for the sale of real estate property. As evident from Table 2.14, the number of startups per year declined from 342 in 2007 to just 37 in 2012, thereafter increasing to 38 by 2014. Furthermore the number of cessations increased from 78 in 2007 to 199 in 2011, following a decreasing path thereafter. As a result, the difference between startups and cessations was negative from 2009 until 2014, indicating a decline in employment in the profession. These developments, and the underlying sharp decline in the demand for real estate agent services, mask any effects of the reforms on startups and employment in the profession, and do not allow any conclusion to be drawn on what these effects may be.

Table 2.14: Start-ups and cessations of activity of businesses on the basis of the business activity code (KAD): Real estate agents, 2007-2014 (reforms were implemented in 2012).

	Start-ups			Cessations			Net Start-ups	Ratio on total active businesses (%)	
	Natural persons	Legal entities	Total	Natural persons	Legal entities	Total		Start-ups	Cessations
2007	130	212	342	55	23	78	134	17.9	4.1
2008	85	129	214	78	36	114	15	8.0	4.2
2009	47	51	98	91	60	151	-53	4.2	6.5
2010	37	52	89	121	59	180	-91	3.9	7.9
2011	31	29	60	124	75	199	-139	2.7	9.1
2012	10	29	39	107	49	156	-117	1.9	7.7
2013	17	32	49	71	38	109	-60	2.5	5.6
2014	16	38	54	46	34	80	-26	2.8	4.2

Source: GSIS (2015), authors' calculations.

2.1.5 Conclusions on employment effects

For the period from 2004-2010, our analysis using LFS data based on the STEP-92 statistical classification suggested that the most regulated professions had a high contribution to employment growth and a stronger increase in their employment than the non-regulated professions.

For the period 2011- 2014 our analysis of employment using LFS data based on the ISCO-08 classification suggested that while during 2011 employment in the regulated professions declined faster than total employment, in 2012 the picture changed and employment in the regulated professions seemed to decline at a slower rate. Moreover, stabilization and recovery of employment in the regulated professions was observed in 2013, while for total employment - setting aside a small increase in the middle of 2013 -it took until 2014. These developments may indicate that the reforms had positive effects on employment in the regulated professions. With respect to the effects of the reforms on employment in specific occupational groups, our analysis provided indications of positive effects in the Medical and Finance professions, positive effects with a significant lag in the Legal professions and ambiguous effects in the cases of Travel attendants, conductors and guides, Car, van and motorcycle drivers and Business and administration associated professions.

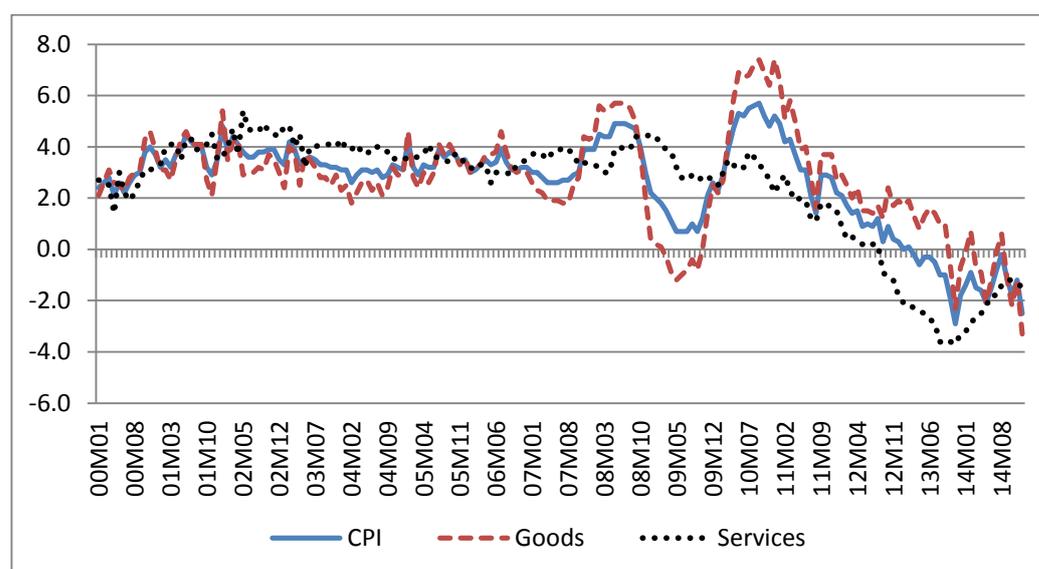
Our analysis of employment effects on the basis of GSIS data on business startups and cessations and auxiliary data from other sources provided indications of positive effects on employment in the cases of notaries, auditors, tourist guides, and certified valuers. For the remaining professions, there were no indications of either a positive or a negative effect of the reforms on employment. In most of these professions, possible effects may have been masked by the adverse impact of the recession on entry, and by the increasing number of cessations, which can be partly attributed to the recession, but also stem from changes that took place in pension rules.

2.2 Analysis of the effects on prices

2.2.1 Background

Price trends in the Greek economy changed radically in the course of the recession, reflecting the negative price effects of decreasing domestic demand and internal devaluation policies. An examination of year-on-year changes in the overall monthly Consumer Price Index (CPI), illustrates the sharp contrast between positive rates of change averaging 3.4% in the period 2000-2008, declining but still positive rates of change from late 2010 until early 2013, and eventually negative rates of change thereafter. Notably, the contrast between CPI developments prior to and during the recession is even more pronounced in the case of the CPI for services. While the average annual rate of change of the services CPI was significantly higher than the corresponding goods CPI during the period 2000-2008, in the course of the recession the pressure on services prices appears to have been stronger compared to goods. More particularly, as illustrated in Figure 2.6, the eventual decline in the services CPI began more than a year earlier than the corresponding decline in the goods CPI, and negative price changes in the case of services were more severe than in the case of goods.

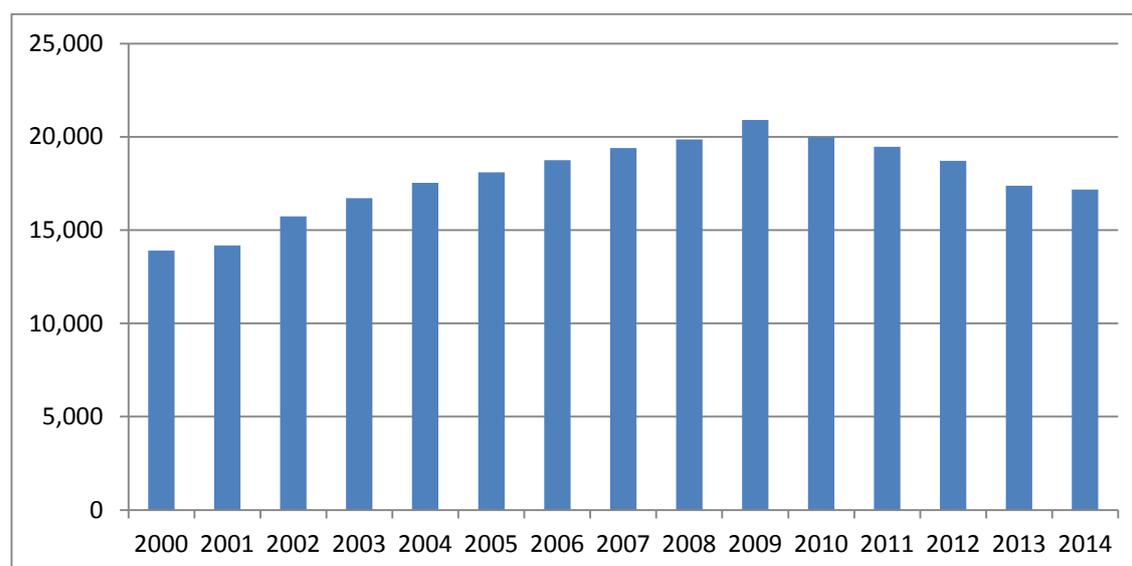
Figure 2.6: Monthly evolution of the CPI and the sub-indices for goods and services



Source: ELSTAT (2014).

One reason behind the observed sharper decline in services prices, is that in Greece the import content of final consumption expenditure is much lower in the services compared to goods (Athanassiou and Tsouma, 2013), and therefore the prices of services are more sensitive to changes in domestic labour costs compared to the prices of goods. As illustrated in Figure 2.7, wages and salaries per employee in Greece declined substantially after 2009, as a result of both government policies and the decline in the demand for labour related to the recession.

Figure 2.7: Wages and salaries per employee



Source: ELSTAT (2014).

Prior to the more detailed examination of the changes in prices/fees in individual professions, in the current section we attempt a preliminary assessment of changes in prices by use data from the CPI. Note the difficulty in capturing these changes as: a) the reforms have not been fully implemented and therefore sufficient data after the implementation of the reforms are not available for all the professions, b) all professions are not included as discrete categories in the index, c) the services contribution in the CPI is lower than the corresponding contribution in value added and employment, due to the fact that many services are intermediate inputs and therefore a significant portion is incorporated in the prices of other goods and d) there are difficulties in separating the impact of the economic recession on prices from the impact related to the reforms.

Table 2.15 presents the annual average rates of change of the overall CPI, the goods and services sub-indices, and individual sub-indices, including sub-indices corresponding to the prices of medical services and six of the professions examined in this study, i.e. the sub-indices for medical services, dental services, physiotherapists, taxis, tax consultant services (accountants and tax consultants, auditors and chartered accountants), legal services and real estate agents. Notaries, chartered valuers, tourist guides and shipping agents are not included as discrete categories in the CPI.

Table 2.15: Annual rates of change of the sub-indices of groups of items of the CPI and specific items related to professions/ economic activities (2009=100)

Code	Groups of goods and services	Rate of change					
		2010/09	2011/10	2012/11	2013/12	2014/13	2014/09
01	Food and non alcoholic beverages	0.1	3.1	1.5	0.0	-1.8	2.9
02	Alcoholic beverages and tobacco	14.8	7.6	0.7	3.3	2.1	31.2
03	Clothing and footwear	1.7	-0.5	1.3	-0.7	-2.0	-0.4
04	Housing	6.9	8.9	7.9	5.5	-2.4	29.4
05	Durable goods, household appliances and services	1.3	1.2	-1.9	-3.6	-1.2	-4.3
06	Health	1.5	-0.6	-1.7	-2.8	1.5	-2.2
062	Medical, dental and paramedical services	3.0	0.6	-2.0	-4.0	-3.0	-5.4
0621	Medical services	2.4	1.4	-1.8	-6.3	-2.7	-7.1
06210006	Physiotherapists	3.5	0.3	-1.9	-2.2	-1.1	-1.6
0622	Dental services	1.6	1.5	-0.5	-3.0	-2.4	-2.8
07	Transport	16.2	6.3	2.8	-2.3	-1.1	22.6
073	Transport services	6.4	11.5	2.5	1.7	6.0	31.1
07321	Taxi	19.7	7.4	0.0	0.0	0.0	28.5
08	Communication	2.9	1.6	-1.7	-4.3	0.1	-1.6
09	Recreation and culture	0.9	0.0	-1.6	-3.0	-2.4	-6.0
10	Education	2.0	-0.1	-1.9	-4.0	-3.8	-7.7
11	Hotels, cafés and restaurants	2.9	2.0	1.6	-2.1	-1.4	2.9
12	Miscellaneous goods and services	4.5	3.0	0.0	-3.8	-3.6	-0.2
126	Economic services	0.3	-0.1	-0.2	-0.4	-0.3	-0.7
1260003	Tax consultants services	1.1	0.1	-0.9	-2.2	-1.5	-3.5
127	Miscellaneous services	2.6	1.7	-0.1	-1.1	-2.5	0.5
1270001	Legal services	3.5	2.9	-0.7	-0.1	-0.4	5.2
1270005	Real estate agents	0.0	0.0	0.0	-9.6	-18.6	-26.5
	Overall index	4.7	3.3	1.5	-0.9	-1.3	7.4
	Goods	5.8	4.1	2.3	0.1	-1.2	11.4
	Services	3.3	2.4	0.4	-2.3	-1.4	3.7

Source: ELSTAT (2015).

As shown in Table 2.15, for four out of the seven professions prices increased less than the overall CPI during 2010 and 2011, while for taxis prices increased significantly more and for real estate agents prices remained stable. Subsequently, during 2012, prices decreased for four of the professions, and remained stable for taxis and real estate agents, although in the same period the overall CPI increased by 1.5% and the services sub-index increased by 0.4%. During 2013, when both changes in the overall CPI and changes in the sub-index for services turned negative, reaching -0.9% and -2.3% respectively, prices decreased further for four professions (at a faster rate compared to the overall CPI) and also decreased for the first time for real estate agents, while they remained stable for taxis. Finally, during 2014 prices remained once again stable for taxis, but kept declining for the remaining professions, with a particularly sharp decline in the case of real estate agents.

The above developments point to a notable reduction the prices for five out of the six professions within the period 2012- 2014. The comparison between these reductions and the corresponding changes in the overall CPI and the services sub-index suggest that the reductions could be partly related to the reforms. However, what is for certain is that the reductions are also related to changes in household consumption expenditure due to the economic crisis. The recent update of the weights of the CPI (based on the Household Budget Survey-HBS 2008/09) by ELSTAT, taking into account the results of the HBS 2012, confirms this. According to this update, household consumption expenditure for the services of all professions mentioned above has decreased. More specifically, weights have been reduced for the medical services from 15.00‰ to 8.78‰ (-6.22%), for dental services from 21.09‰ to 12.22‰ (-8.87%), for taxis from 4.01‰ to 1.93‰ (-2.08%), for miscellaneous services (where legal services are included) from 10.60‰ to 7.01‰ (-3.59%) and for miscellaneous goods and services (where both tax consultant services and legal services are included) from 77.11‰ to 67.27‰ (-9.84%).

2.2.2 Datasets and methodology

Information on the prices/fees charged for the services of individual professions is generally very limited in the case of Greece. For the purpose of the present study, data that can provide some indication of the effects of the reforms have been retrieved from a number of different sources, including the CPI, collective agreements, professional bodies, legislation on prices, and other. These data cover all professions examined in the present study, with the exception of the shipping agent profession for which no data have been available.

In terms of the methodology employed for the analysis of the effects of the reforms on prices, we examine the evolution of prices and fees in individual professions before and after the reforms on the basis of the data mentioned above, and where possible we compare this

evolution with price developments in wider service categories and the overall CPI. Furthermore, we employ a similar methodology as that used in Section 2.1.3 for the analysis of employment effects, this time comparing the observed evolution of the CPI of regulated professions with a counterfactual evolution which follows the rate of change of non-regulated professions. Since both regulated and non-regulated professions are affected by the recession and their main difference is that the regulated professions were affected by legislative interventions, it is reasonable to presume that any difference between the two evolutions is mainly due to the effect of the reforms.

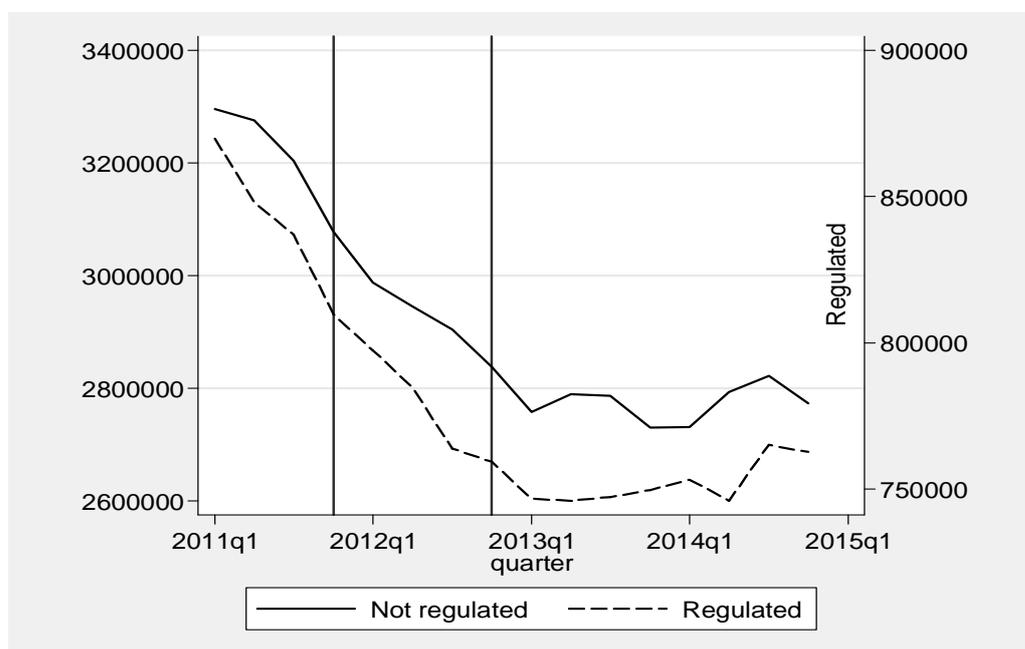
In the case of some professions, our analysis seems to provide an indication of effects of the reform on prices. In other cases however, the picture is hard to interpret.

2.2.3 Results from the counterfactual evolution of prices

The CPI comprises two main components, namely an index for goods and an index for services. In addition, the CPI is divided into subgroups representing different bundles of goods and services. For example, Group 6 concerns the evolution of prices for health and includes health related services (visits to doctors, dentists, etc.) as well as goods (prices of medicines, eyeglasses, etc.). Utilizing this categorization we isolate the services sub-groups, and we distinguish between the ones affected by the reforms and the ones that are not.

Further to the isolation of the services sub-groups that were affected by the reforms from the ones that were not, we estimate employment in the regulated and the non-regulated regulated professions respectively, using weights derived from data of the Greek Household Budget Survey (HBS). Notably, the HBS is the source used by the ELSTAT to produce the weights used in the construction of the CPI. More particularly, employment in the non-regulated professions shrunk by almost 523,000 job positions, while in the regulated professions the corresponding number was 107,000. It seems that in 2013, both categories recorded for the first time since 2011 a small increase, which for the regulated professions seemed more consistent. In particular, the increase was observed in the third quarter of 2013 for the regulated professions and a quarter earlier for the non-regulated.

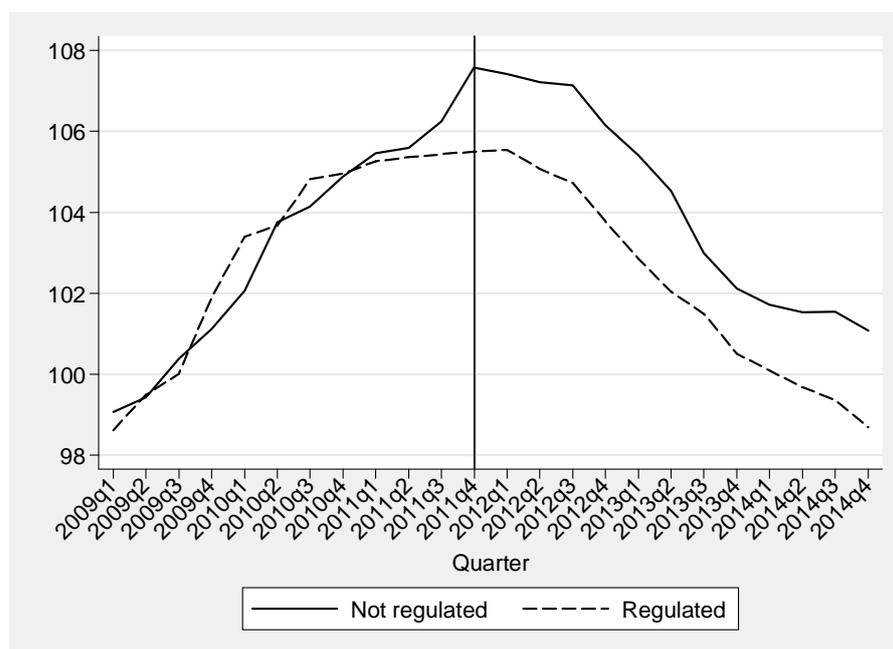
Figure 2.1: Employment evolution of regulated and not regulated professions (absolute numbers), 2011Q1-2014Q4



Source: ELSTAT (2015), Labour Force Survey and authors' calculations.

2.8 presents the results of our estimations with respect to the evolution of the CPI for non-regulated and regulated professions during the period 2009Q1 to 2014Q4. It seems that up until the early 2011, the CPI for the two categories was similar and followed more or less a similar pattern. Since the last quarter of 2011, however, the CPI for the non-regulated professions has been systematically higher than that of the regulated professions by about 2 percentage points. More particularly, prices for the regulated professions seem to have remained relatively stable in 2011 and until the second quarter of 2012, thereafter recording a systematic decline. In the non-regulated professions, however, the decline in prices occurred with a time lag of almost a year. Thus, in 2014 the price level for the regulated professions was similar to that of 2009, while for the non-regulated professions the price level was close to that of 2010.

Figure 2.8: Evolution of the consumer price index for regulated and not regulated professions, 2009Q1-2014Q4

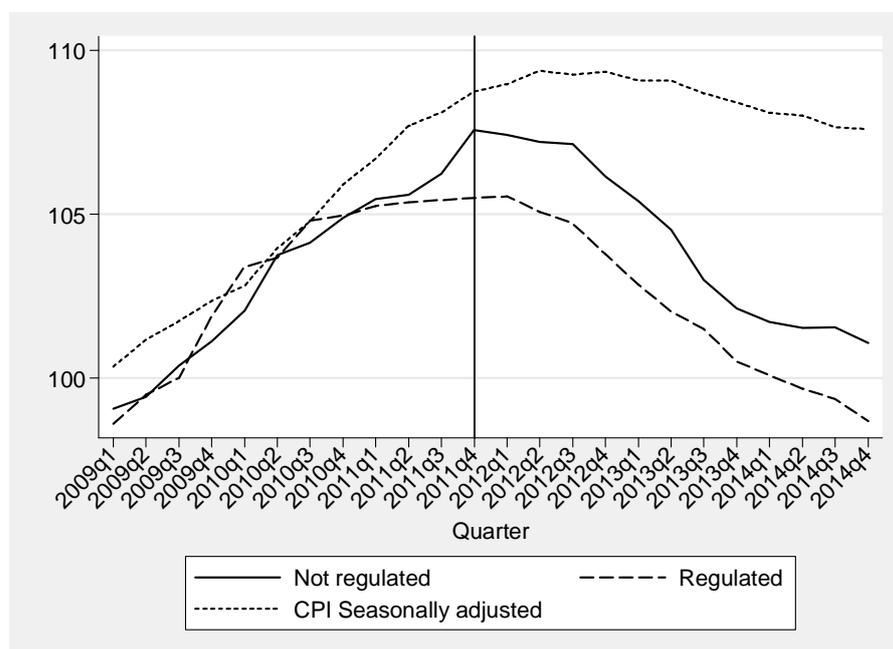


Source: ELSTAT (2015), authors' calculations.

Figure 2.9 presents the evolution of CPI for regulated and non-regulated professions compared with the overall seasonally adjusted CPI. It is interesting that the overall CPI, which also incorporates information regarding the prices of goods, continued to increase until the second quarter of 2012, then remained stable for a year and since then recorded a decrease. It is evident that prices in the services, as represented by regulated and non-regulated indices, adjusted faster to the decline in demand associated with the recession. As mentioned earlier, a possible explanation for this might be the fact that a considerable share of intermediate and final goods is imported and the prices of imported goods are not affected as much by domestic demand conditions. Moreover, prices in the services are easier to adjust, as their main component represents the compensation of the professional.

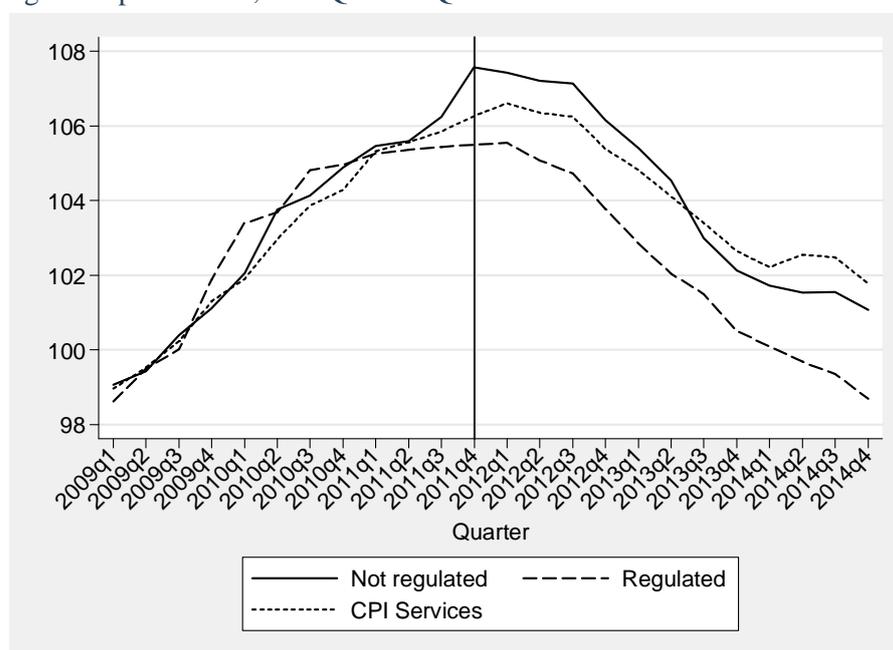
Figure 2.10 presents the evolution of the CPI for regulated and non-regulated professions against the evolution of the CPI for services. The services CPI lies in most quarters more closely to the non-regulated professions' index, perhaps due the weighting used by ELSTAT. However, the services CPI starts declining at around the same time as that of regulated professions.

Figure 2.9: Evolution of the overall consumer price index and consumer price index by regulation status, 2009Q1-2014Q4



Source: ELSTAT (2015), authors' calculations.

Figure 2.10: Evolution of consumer price index for the services and the regulated and not regulated professions, 2009Q1-2014Q4



Source: ELSTAT (2015), authors' calculations.

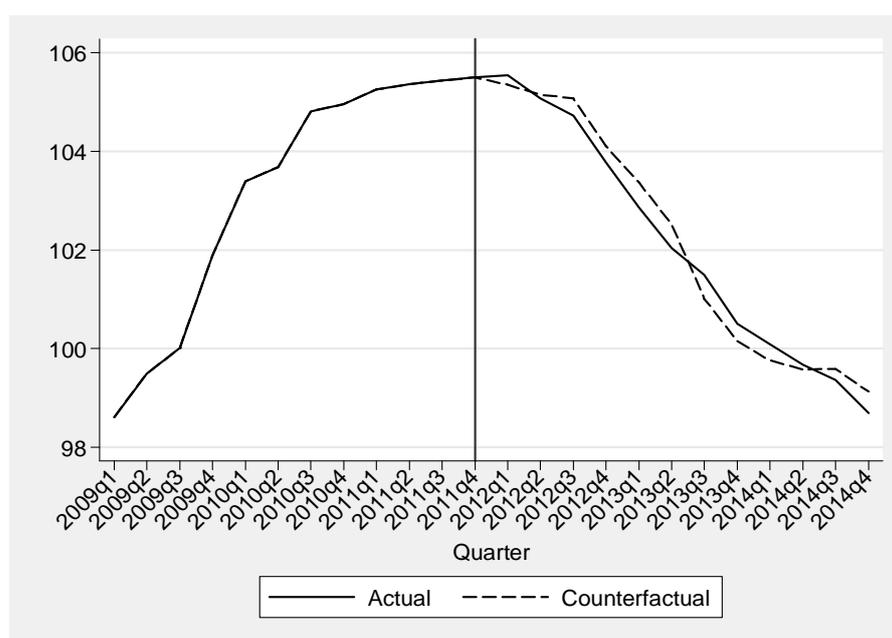
In sum, the prices of services did adjust to the recession, but there was a variation in the speed and level of adjustment according to the regulation regime, with prices in the regulated professions appearing to have been more flexible. Perhaps, this might have been because in

these professions there were greater margins for price reductions as initial prices were usually higher.

Since the price developments examined above are largely related to the recession, to isolate any effect of the reforms on prices we compare the evolution of the actual level of the CPI in the regulated professions with a counterfactual evolution which follows the rate of change of non-regulated professions. The intuition is simple: we compare two CPI evolutions that are both affected by the recession but one of them is not affected by the legal reforms. Thus, their difference can be taken as an approximation of the effect of the liberalization. If the liberalization had a positive (negative) effect in the sense of reducing (increasing) prices, we expect the actual CPI to lie below (above) the counterfactual. If the reform had no effect on the price level, we expect the actual and counterfactual evolutions to lie very close.

Figure 2.11 depicts the actual and counterfactual evolutions of the CPI for regulated professions. Results on the effect of the reforms on prices are mixed and inconclusive. In particular, from the second quarter of 2012 until the second quarter of 2013 the actual CPI was lower than the counterfactual, implying that prices in the regulated professions did fall more than in the non-regulated professions, perhaps as a result of the reforms. However, from the third quarter of 2013 and until the second quarter of 2014, the actual CPI was higher than the counterfactual, suggesting that prices in the regulated professions could have been even lower if they had followed the evolution of non-regulated professions. Finally, for the remaining two quarters of 2014 the counterfactual is again higher than the observed.

Figure 2.11: Actual and counterfactual evolution of the consumer price index for regulated professions, 2009Q1-2014Q4



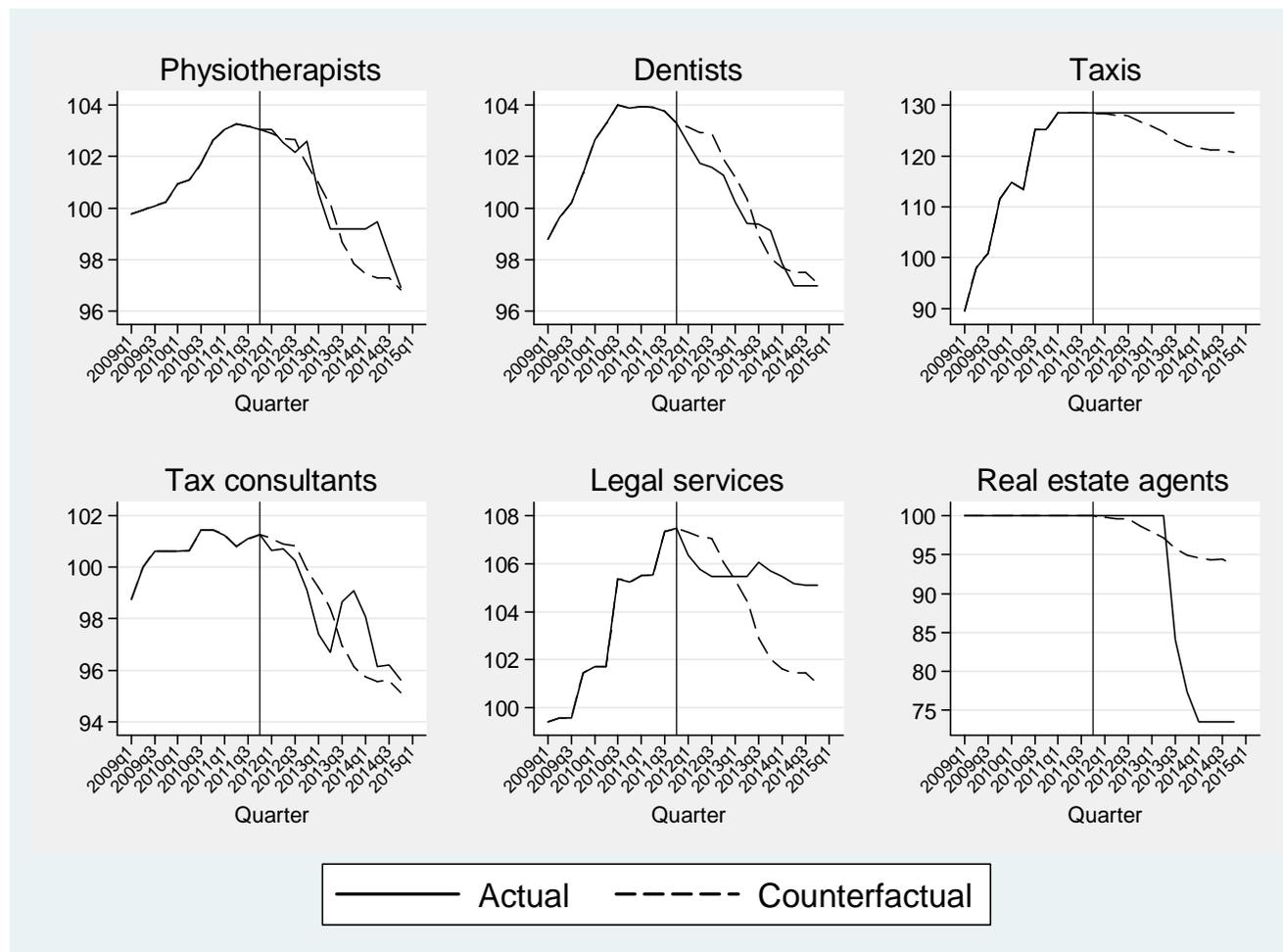
Source: ELSTAT (2015), authors' calculations.

Notably, the observed variability in the difference between the actual and the counterfactual evolutions is to a certain extent related to the delay in the adjustment of prices in the non-regulated professions to the economic downturn. This delay resulted in the counterfactual CPI evolution falling faster with a hysteresis. However, more generally, the difficulty in discerning any effects of the reforms on prices may be due to the very strong price effects of the recession.

Further to the above analysis, we employ the same methodological approach to assess the effects of the liberalization in specific occupational groups. Subject to CPI data availability, the occupational groups examined are physiotherapists, dentists, taxis, tax consultants, legal services and real estate agents. Again, the counterfactual price evolutions are constructed on the basis of the price evolution of non-regulated professions. Results for the occupational groups are depicted in Figure 2.12. One can see that even at a lower level of aggregation the effects of the reform are again mixed and it is difficult to reach a clear conclusion about the consequences of the reform on prices, with the exception of real estate agents where the reforms appear to have a clear positive effect in the sense of reducing prices.

To sum up, **the above analysis does not provide any clear evidence on a positive or adverse effect of the reform on prices, with the exception of the real estate agent profession.** While prices in the regulated professions adjusted faster to the recessionary conditions compared to the non-regulated professions, this might have been a result of higher prices in regulated professions in the first place and thus greater margins for reduction.

Figure 2.12: Actual and counterfactual evolution of consumer price index by occupational group, 2009Q1-2014Q4



Source: ELSTAT (2015), authors' calculations.

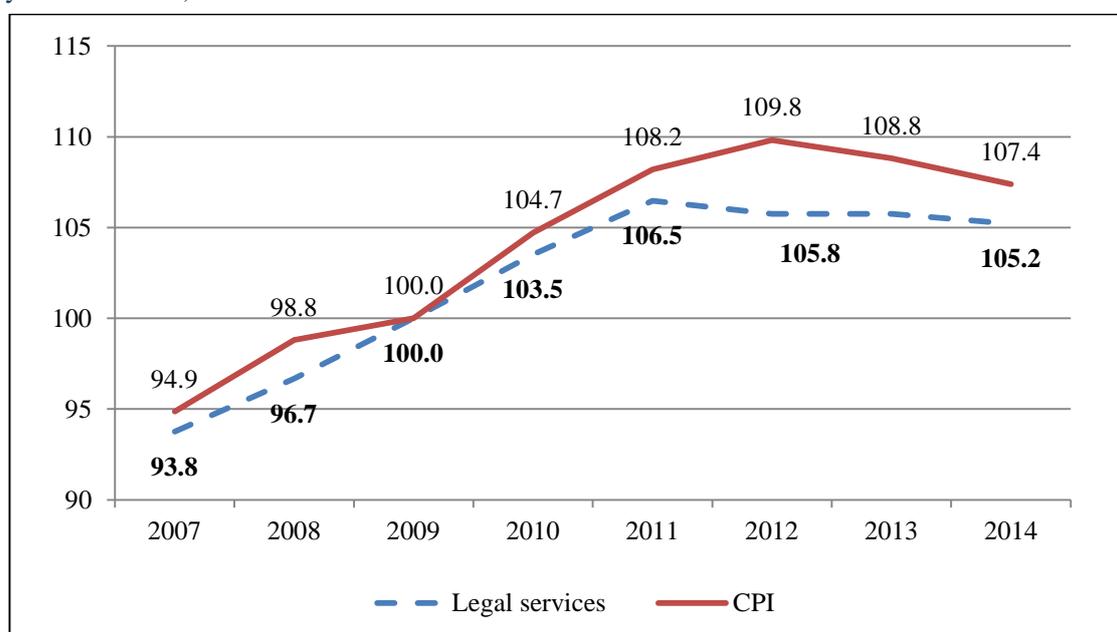
2.2.4 Results for each of the selected professions

At the individual occupation level, the CPI data we have thus far employed for the analysis of the effects of the reforms on prices are only available for six of the professions examined in the present study. In the present section we proceed with a more detailed analysis of CPI data for these professions, while for the remaining professions we attempt to identify price effects on the basis of data from other sources, such as collective agreements, professional bodies and legislation on prices. Thus we are able to cover all professions examined in the present study, with the exception of the shipping agent profession for which no data have been available.

2.2.4.1 Lawyers, Law firms

The consumer price sub-index for legal services exhibited an upward trend from 2007 (93.76 units) to 2011 (106.5) and a downward trend thereafter, until 2014 (105.2), as shown in Figure 2.13, which presents the evolution of the overall consumer price index and the legal services sub-index for the period 2007-2014. More specifically, the price sub-index increased by 13.6% during the period 2007-2011, but decreased by -1.2% in 2011-2014. It is notable that the price sub-index for legal services recorded a 3.2% average annual growth rate during the first years of the recession and a negative growth rate only in 2012 and 2014.

Figure 2.13: The evolution of the Consumer Price Index for legal services, 2007-2014, (base year 2009=100)

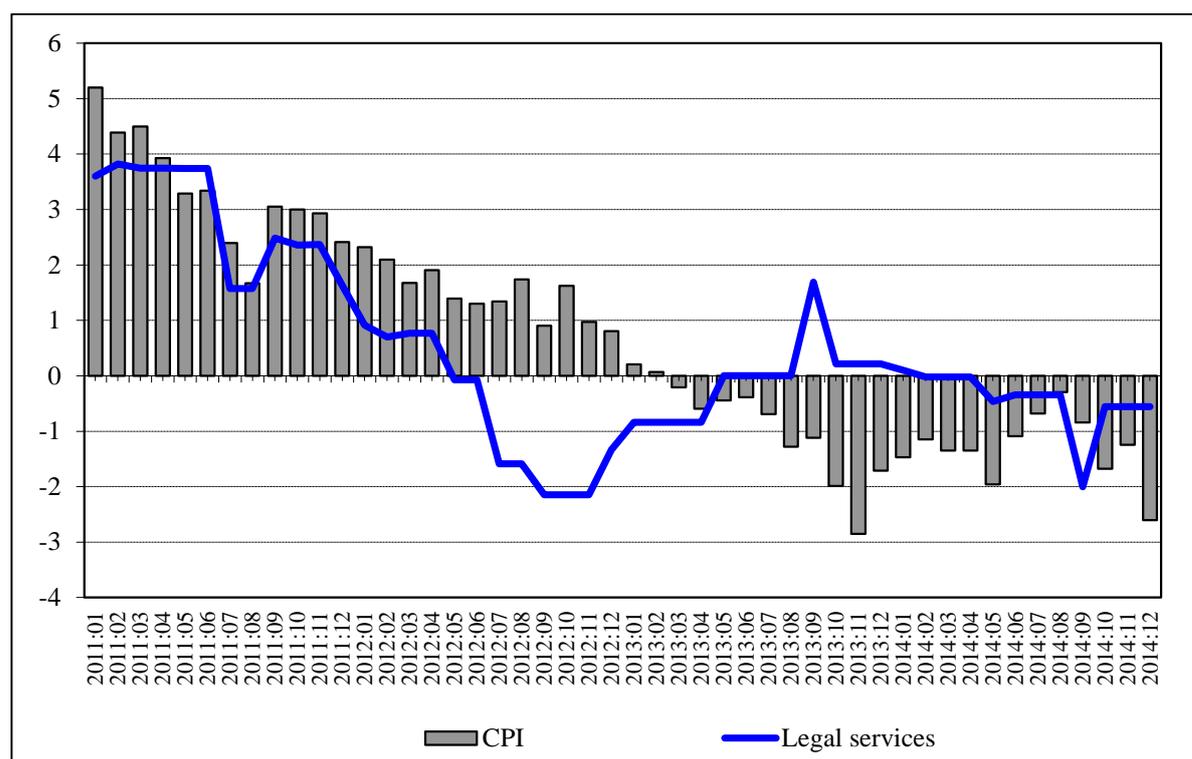


Source: ELSTAT, 2015.

Figure 2.14 shows the monthly growth rate of the overall consumer index and the legal services sub-index with respect to the corresponding month of the previous year for the period

2011-2014. The price sub-index for legal services varied over time with a diminishing growth rate, while negative growth rates were recorded only in the periods 5/2012-4/2013 and 2/2014-12/2014. This reduction may be partly due to the impact of the financial crisis on consumers' disposable income and on the Greek economy in general, but may also be due to the introduction of the fee negotiation between lawyers and consumers after the implementation of Law 3919/2011.

Figure 2.14: The monthly growth rate (%) of the Consumer Price Index for legal services, 2011-2014



Source: ELSTAT, 2015, authors' calculations.

2.2.4.2 Notaries, Notary firms

The prices/fees for notary services depend on the type on transaction. Notaries are remunerated based on fixed fees for high-demand, common transactions (70% of total transactions). For the remaining transactions (e.g. real estate contracts), they are remunerated with an additional amount that is proportional to the declared contract value. The proportional prices/fees, which are higher than the fixed charges, constitute a form of financing for other notary services, the remuneration of which is usually fixed and low. This ensures equal access to notary services for all citizens.

The adoption of degressive prices/fees could be considered as a significant change in the direction of price rationalization, especially for high value real estate transactions. In

particular, we can observe significant reductions in the proportional fees during the period 2009-2012, especially for real estate contracts valued greater than €2 million. The proportional prices/fees for the vast majority of notary services remains at 1% of the transaction cost, while the amount of fixed charges and fees for printed copies are not affected.

2.2.4.3 Auditors/chartered accountants

The fee for audits on the basis of the latest reforms and especially Law 3919/2011 is now the result of a free negotiation between the auditor and the customer. The only available information we were able to obtain regarding auditing prices are the invoiced annual fees for the period 2008-2012, provided by ELTE as well as the total fees of audit firms for statutory audits (Table 2.16). The invoiced fees averaged €190 million per annum, ranging from €176 million to €213 million. It is interesting that while fees recorded a significant decrease of around €13 million between 2008 and 2011, in 2012 they increased by 20.9%, probably due to the introduction of the annual tax certificate. The tax certificate is a new tax auditing process for companies audited by chartered accountants. The process is described in detail in POL.1159/22.7.2011 and involves the administration and the accountant of the audited company, tax authorities, chartered accountants, ELTE and the GSIS. Through the process, chartered accountants undertake for the first time tasks of public service, while maintaining their relationship with the audited company. The obligation of audited companies to obtain annually the tax certificate increases the demand for auditing services and thus auditor revenues.

Finally, the fees for statutory audits recorded a decrease by about 6 % between 2012 and 2013 and a marginal increase by about 2 % in 2014.

Table 2.16: Invoiced fees of audits (million €)

	Invoiced fees of audits	Annual change	Total fees of audit firms (statutory audits)	Annual change
2008	189.2			
2009	189.8	0.3%		
2010	181.6	-4.3%		
2011	176.1	-3.0%		
2012	213.0	20.9%	163	
2013			153	-6.13%
2014			156	1.96%
Average	189,957,442		157.3	
Standard deviation	14,061,786		5.1	

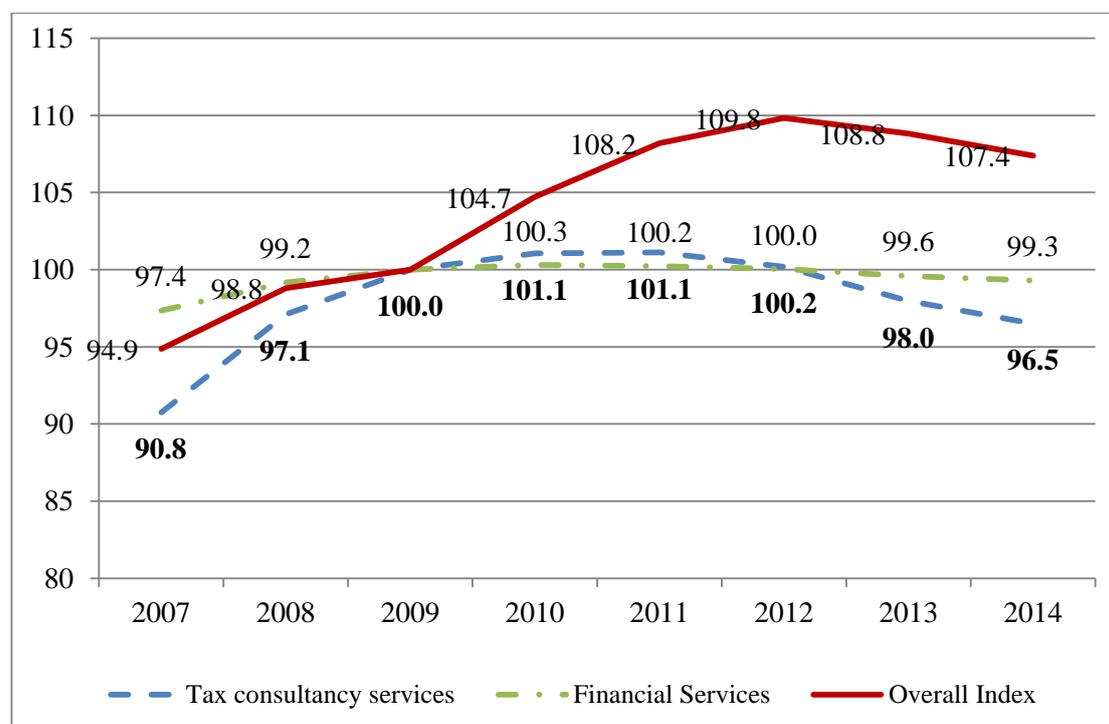
Source: Accounting and Auditing Commission (ELTE).

2.2.4.4 Accountants, tax consultants

The evolution of the CPI for the services of accountants - tax consultants is illustrated in Figure 2.15, along with the index for the broader category of financial services and the overall CPI. The price index for accountant-tax consultant services increased until 2010, when it recorded its maximum value of 101.1, remained stable for one year and then decreased by 3.7 points until 2014.

Comparing the index of tax consultancy services to that of the broader category of financial services, it appears that although both indices increased during the period 2007-2010, in the case of tax consultancy services the relevant rate of increase was considerably faster. Furthermore, despite the fact that the index of tax consultancy services began to fall in 2012 and the index of financial services started to decline one year earlier, in the case of the tax consultancy index the decline in prices was more pronounced. Comparing the index for tax consultancy services to the overall CPI, it is evident that while the general price level kept increasing until 2012, the tax consultancy services index increased for less time and at a slower pace. This led to a widening difference between the two indices, reaching nine percentage points in 2012 in favour of the CPI. This difference increased further in the following years, reaching around eleven percentage points in 2014, as the index for tax consultancy decreased more than the overall CPI.

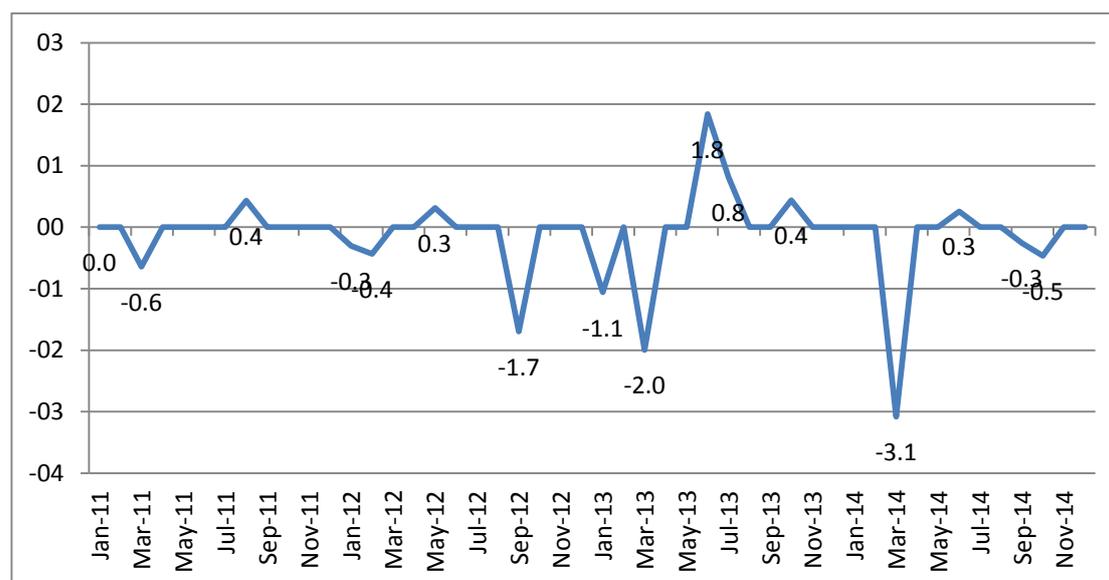
Figure 2.15: Temporal evolution of the CPI for tax consultancy services, financial services and overall CPI, 2007-2014



Source: ELSTAT (2015).

The monthly changes in the price index for tax consultancy services from January 2011 to December 2014 are depicted in Figure 2.16. It is observed that for considerable time periods in each year, the price index remained constant. During 2011, negative and positive changes of the index were recorded, leaving the index fairly unchanged. For 2012 to 2014 the negative changes were much more pronounced, leading to the above mentioned decline in the price index.

Figure 2.16: Monthly changes in the CPI for tax consultancy services, 2011-2014



Source: ELSTAT (2015), authors' calculations.

On the basis of the above information, it is difficult to associate price changes in the accounting-tax consultancy profession with the reforms. Although the fact that the price consultancy index declined faster than the financial services index from 2012 onwards indicates a possible a negative effect on prices due to the reforms, tax consultancy prices may have simply proved more sensitive to the pressures induced by the recession, as they had increased already considerably in the pre-recession period.

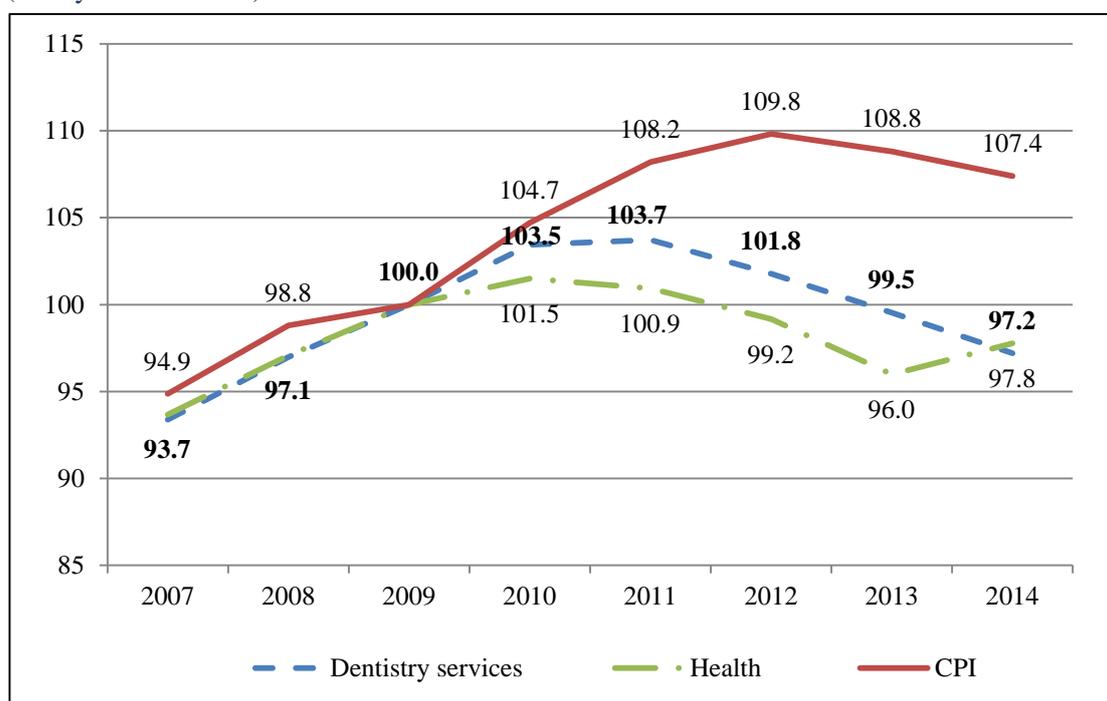
2.2.4.5 Dentists, dental practices

The prices/fees for dental services are determined freely in the market and depend on the materials and techniques used in each dental service, the equipment of dental practices/clinics and the reputation and the location of each dental clinic. The pricing of dental services through the Ministerial Decree EMP5/2012 concerns only the reimbursement of contracted dentists with the social security organizations.

The evolution of the Consumer Price Index for dentistry services during the period 2007 – 2014 is shown in Figure 2.17. The consumer price sub-index for dental services recorded a

gradual decline after 2011 (103.7) reaching 97.2 units in 2014. More specifically, the price sub-index increased by 11.1% in 2007-2011 but decreased by 6.3% in 2011-2014, with the greatest negative growth rate (-2.3%) exhibited during the period 2013-2014. By comparing the sub-indices for dental and health services relative to the overall consumer price index, we can observe that the dental and health services exhibited similar negative trends until the end of 2013, while the sub-index for health services increased afterwards. Concerning the overall consumer price index, it seems the price reduction for dental services precedes the reduction in the overall consumer price index.

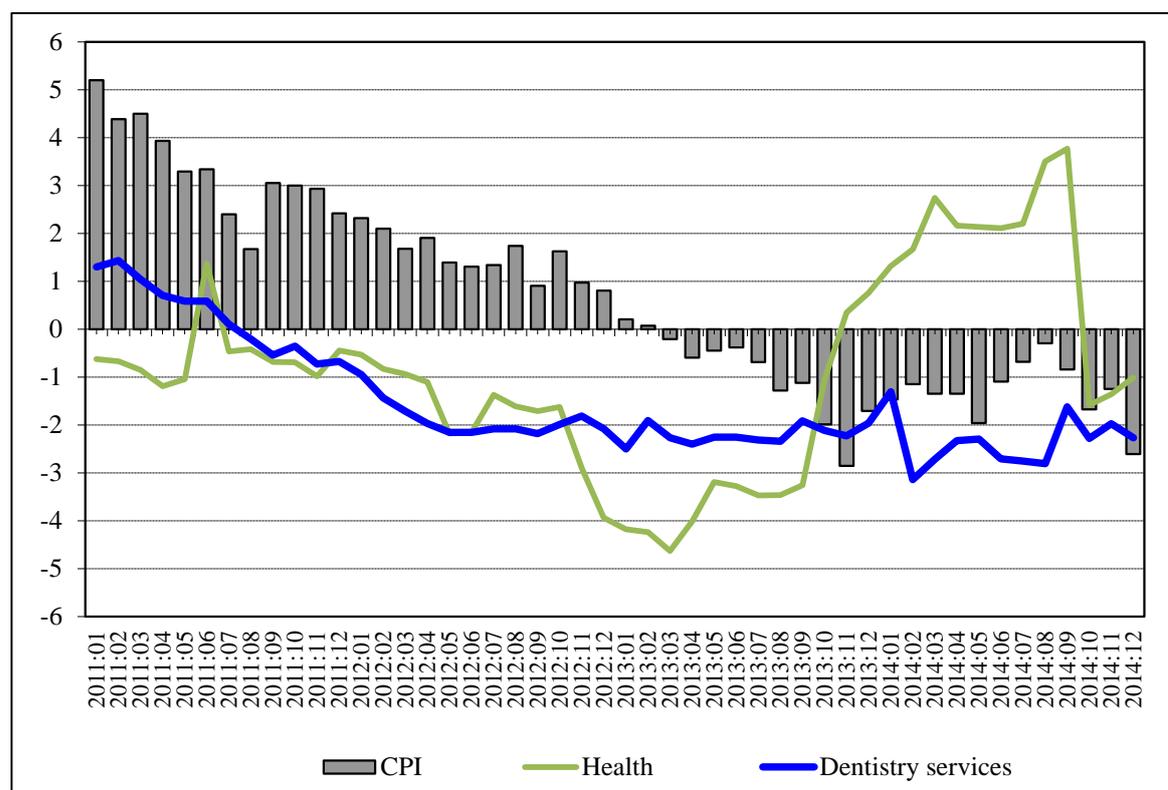
Figure 2.17: The evolution of the Consumer Price Index for dentistry services, 2007-2014, (base year 2009=100)



Source: ELSTAT., 2015.

The negative changes of the price sub-index for dental services is shown, also, in Figure 2.18, which presents monthly growth rates for the consumer price index with respect to the month of the previous year during the period 2011-2014. We can observe the negative growth rate per month for the dental services sub-index during the period January 2011 - December 2014, in contrast to the health services sub-index, which had a positive growth rate during the period November 2013 - September 2014. The economic recession has resulted in a substantial reduction of consumers' disposable income, thereby increasing the demand for health care services provided by the public sector and decreasing the demand for dental services provided by the private sector.

Figure 2.18: The monthly growth rate (%) of the Consumer Price Index for dentistry services, 2011-2014



Source: ELSTAT, 2015, authors' calculations

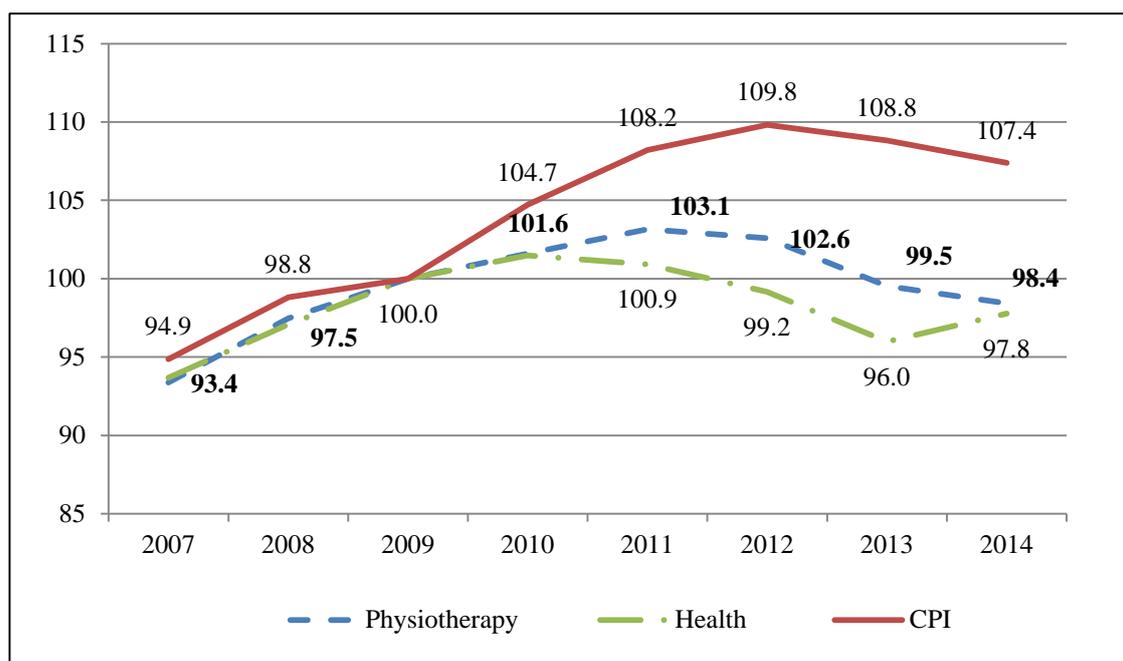
2.2.4.6 Physiotherapists, physiotherapy centres

The prices/fees for physiotherapy services are determined according to health care providers (e.g. public or private sector). In the public sector, the Ministry of Health (article 14, Ministerial Decree EMP 5/2012) has defined a €15 fee reimbursement per consultation and a €20 fee per home care nursing. In the private sector, the prices/fees are determined freely in the market (€25-40 per consultation) depending on the kind of physiotherapy service as well as the reputation and the location of each physiotherapy centre.

Figure 2.19 illustrates the evolution of the consumer price sub-index for physiotherapy services relative to the sub-index for health services and the overall consumer price index during the period 2007–2014. The price sub-index for physiotherapy services exhibits an upward trend with a diminishing rate from 2007 (93.4) to 2011 (103.1), while from 2012 (102.6) it decreases gradually up to 2014 (98.4). More specifically, the price sub-index increased by 10.5% during the period 2007-2011 and decreased by 4.6% in 2011-2014. The greatest negative rate of change (-3.0%) was recorded in 2012-2013. Comparing the price sub-index for physiotherapy services with the sub-index for health services and the overall price index, we can observe that the overall price index recorded the first negative change (-

0.9%) in 2013, in contrast with the sub-indices for health and physiotherapy services which declined gradually after 2011 (-0.6%) and 2012 (-0.5%), respectively. The highest negative rates of change for both physiotherapy and health care services were recorded in 2013. The price sub-index for physiotherapy services exhibited a slight increase in July and August 2014.

Figure 2.19: The evolution of the Consumer Price Index for physiotherapy services, 2007-2014, (base year 2009=100)



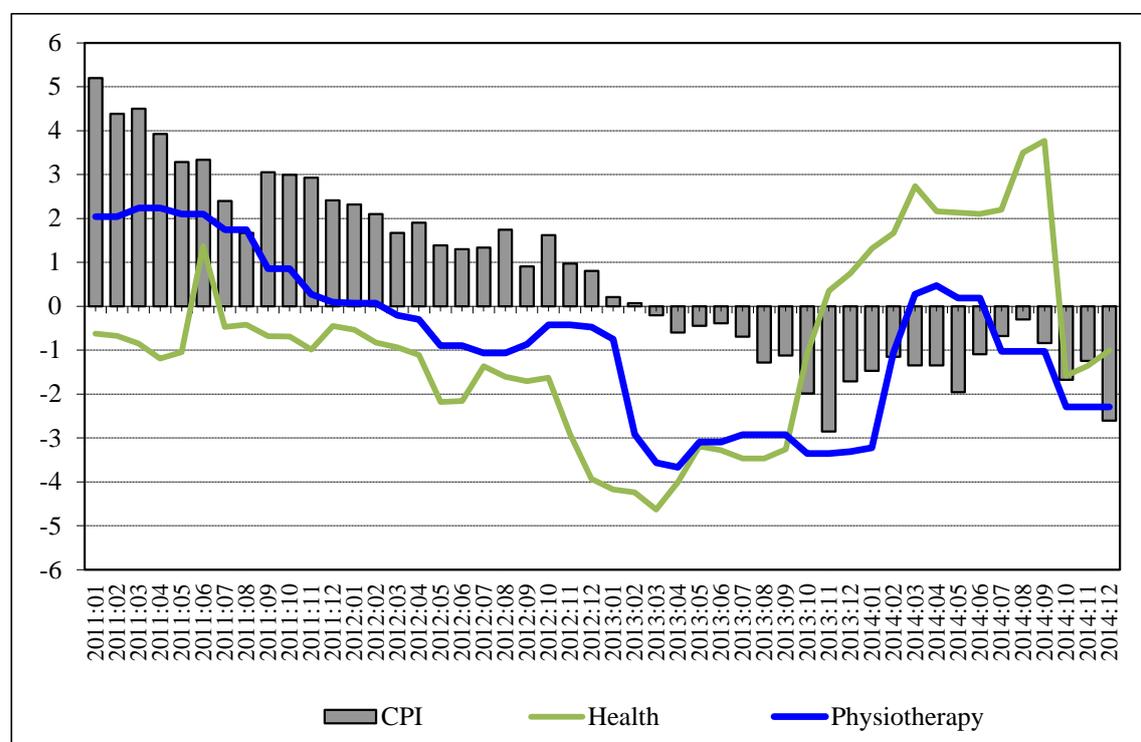
Source: ELSTAT, 2015.

Figure 2.20, which presents monthly growth rates for the consumer price index with respect to the month of the previous year during the period 2011-2014, shows the same trend. We can observe that negative growth rates of the price sub-indices for physiotherapy and health services were recorded from 2011 to 2013, while in 2014 positive changes were observed. In contrast, the overall consumer price index exhibited negative growth rates from 2013 until 2014.

The decrease in the price sub-index for physiotherapy services may be partly due to the impact of the recession on the Greek economy and the related increasing demand for health care services provided by the public sector. However, an indication of a relationship between changes in the consumer price sub-index for physiotherapy services and the implementation of reforms for the liberalization of the profession of physiotherapists, may be the fact that an additional decline of 2.3% in the sub-index was recorded after the implementation of the last

Ministerial Decree regarding the administrative licensing of physiotherapy centres (i.e. in the period 4/2013-12/2014).

Figure 2.20: The monthly growth rate (%) of the Consumer Price Index for physiotherapy services, 2011-2014



Source: EL. STAT., 2015, authors' calculations.

2.2.4.7 Taxi drivers, taxis

Taxis fares and surcharges (i.e. the flat rate, the rate per km within/outside city limits, the radio taxi charge, the night fare, the waiting time charge, the minimum fare and special fares) are determined by the Ministry of Transport and Telecommunications. As mentioned above, the latest decision of the Minister of Transport and Communications on taxi fares and surcharges was issued at the beginning of 2014 (M.D. A54501/5518- OG B' 227-05.02.2014). Furthermore, the legislation on taxi fares and surcharges includes provisions for the following:

- The waiting time charge per hour (maximum waiting time 20 minutes). Beyond 20 minutes the charge is subject to agreement but not more than €25 per hour (M.D. A26853/2621 – OG B' 1505 - 20.06.2013).
- From 1/2/2011 taxis fares from the Airport to Athens centre and reverse were defined as follows: €35 from 05.00 to 24.00 and €50 from 24.00 to 05.00 (all taxes included) (M.D. 61510/5758- OG B' 5- 10.01.2011).

- From 1/7/2010 a VAT was set for taxi services, amounting to 11% and to 8% for the Aegean Islands.
- From 1/1/2011 the VAT for taxi services was raised to 13% and to 9% for the Aegean Islands (Law 3899/10).
- The issuing of a receipt is compulsory.

Current taxi fares and surcharges on the basis of the above legislation are shown in Table 2.17.

Table 2.17: Taxis fares and surcharges, 2011-2014

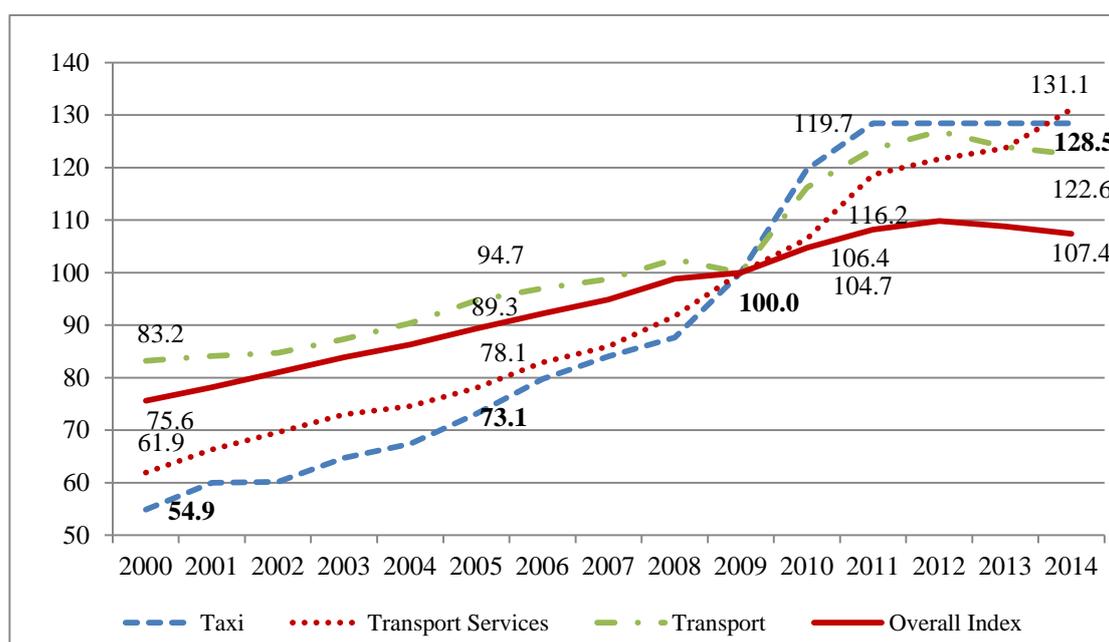
Taxi fares and surcharges	Aegean Islands				
	30/6/2010	From 1/7/2010 VAT 11%	From 1/1/2011 VAT 13 %	From 1/7/2010 VAT 8%	From 1/1/2011 VAT 9 %
Flat rate- meter start	1.05	1.17	1.19	1.13	1.14
Rate per km within city limits (tariff 1)	0.60	0.67	0.68	0.65	0.65
Rate per km outside city limits (tariff 2)	1.05	1.17	1.19	1.13	1.14
Waiting time charge per hour (maximum waiting time 20 minutes, over 20 minutes subject to agreement)	9.60	10.66	10.85	10.37	10.46
Radio taxi- simple call	1.70	1.89	1.92	1.84	1.85
Radio taxi- appointment: minimum	3.00	3.33	3.39	3.24	3.27
Radio taxi- appointment: maximum	5.00	5.55	5.65	5.40	5.45
From/to airport: Athens	3.40	3.77	3.84		
Airport- Athens centre and reverse 05.00-24.00 (all taxes included)*			35.00		
Airport- Athens centre and reverse 24.00-05.00 (all taxes included)*			50.00		
From/to airport: Thessaloniki	2.80	3.11	3.16		
From/to airport: Other regions	2.30	2.55	2.60	2.48	2.51
From seaport, railway station, bus station	0.95	1.05	1.07	1.03	1.04
Night fare 00:00–05:00 as tariff 2	1.05	1.17	1.19	1.13	1.14
Each piece of luggage over 10 kg	0.35	0.39	0.40	0.38	0.38
Minimum fare: Athens- Thessaloniki	2.80	3.11	3.16	3.02	
Minimum fare: Other regions	3.00	3,33	3.39	3.24	3.27

* From 1/2/2011. Customers are obliged to pay tolls at toll stations.

Looking at price changes on the basis of the CPI (Figure 2.21) for the period 2000-2009, the annual rates of increase of taxi prices were higher than the overall CPI increases (except 2002), transport index increases and transport services index increases (except 2002 and 2008). Similarly, the total increase of taxi prices over this period amounted to 82.2% (mean annual increase 7.0%) whereas the overall CPI increased by 32.3% (mean 3.2%), the transport services index increased by 61.5% (mean 5.5%) and the transport index increased by 20.2%

(mean 2.1%). Subsequently, taxi prices increased by 19.7% and 7.4% during 2010 and 2011, respectively, and then they remained stable. The occurrence of notable increases in taxis prices during 2010 and 2011, despite the fact that there were no concurrent changes in taxi fares, are explained by the imposition of VAT on taxi services from 1/7/2010 and the subsequent increase in VAT from 1/1/2011. It is noted that the economic crisis and elevated taxi prices resulted in a significant decrease of household consumption expenditure for taxis, from €6.45 per month in 2009 to €3.44 per month in 2012, and a subsequent reduction of the taxi weight in the CPI by the ELSTAT (from 4.0‰ to 1.9‰).

Figure 2.21: Consumer price index, taxis, transport services, transport, overall index 2000-13



Source: ELSTAT (2015).

On the basis of the above official data, the prices for taxi services appear to have remained unchanged after 2011. Nevertheless, it is worth noting that from 2012 onwards, a number of local radio taxi associations have proceeded to offer discounts to their clients (e.g. reduction or abolition of the simple call surcharges, reduction of the night fare, and other) the result being a reduction in the total price for radio taxi services in the relevant districts. These initiatives, however, came in response to the recession and the aforementioned decline in the demand for taxi services, and do not seem to bear a clear association to the reforms. Therefore overall, in the case of taxi services the reforms do not thus far appear to have generated a clear effect upon prices.

2.2.4.8 Tourist guides

Regarding the fees of tourist guides, the recent liberalization reforms do not seem to have affected them. The Panhellenic Federation of Tourist Guides reports that there are six regional unions of tourist guides, i.e. the Licensed Guides based in Athens, the Association of Professional Tourist Guides of Crete and Thera, the equivalent of Rhodes, etc. The fees are usually pre-determined through collective agreements signed between the tourist guides' unions and the local Associations of Travel and Tourist Agencies. Table 2.18 shows indicatively the fees for certain specific tourist guides services, as set in the collective agreement signed between the *Association of Travel and Tourist Agencies of Crete* and the *Association of Professional Tourist Guides of Crete and Thera (Santorini)* for 2014.

Table 2.18: Tourist guides fees for Crete and Thera

A. Salary	
Employment from the time commitment working up to eight hours	€84.60
Tour by cruise up to 8 hours	€84.60
B. Increases in basic pay	
Bilingual tour	€30.00
Passage of Samaria or other similar	€25.00
Passage of Imbros or other similar	€20.00
Sundays & Public Holidays	€50.00
Overtime	€12.00
Groups over 52 people	€1.00 per person
Overnight with or without team leader	€17.00
C. Compensations	
Transport 500 m. on departure or arrival	€2.90
Transport from Giofyro & Bentevi on departure or arrival	€5.90
Meal or dinner	€12.00
D. Bonuses calculated on the total wages paid, excluding allowances	
Leisure permit	8.0%
Vacation allowance	8.0%
Easter allowance from 01/01 to 30/4	15.0%
Christmas allowance from 01/05 to 31/12	12.5%

Available at <http://www.ypakp.gr/uploads/docs/7385.pdf>

Table 2.19 shows the collective agreement signed between the Licensed Tourist Guide Association for the region of Athens-Piraeus and Suburbs and the Hellenic Association of Travel and Tourist Agencies for the period 2008-2010. To the best of our knowledge fees agreed in 2010 are valid until today, as there has been no termination of the last collective agreement. Moreover, this particular tourist guide association has the highest number of registered members (around 1,000). As shown in the Table, fees increased between 2008 and 2010 by approximately 5.5%. Specifically, the basic fees for all services increased by 2.5%

between 2008, and 2009 and by 3% between 2009 and 2010. Since 2010 they have not changed.

Table 2.19: Tourist guides fees for Athens-Piraeus and Suburbs

Services	Fees in €		
	From 1/11/2008	From 1/11/2009	From 1/11/2010
Half-day tour in the city	1-25 persons: 48.78 26-50 persons: 49.08	1-25 persons: 49.99 26-50 persons: 50.30	1-25 persons: 51.48 26-50 persons: 51.80
Half day tour out of the city	1-25 persons: 51.27 26-50 persons: 56.45	1-25 persons: 52.55 26-50 persons: 57.86	1-25 persons: 54.12 26-50 persons: 59.59
Tour full day in the city	1-25 persons: 57.63 26-50 persons:60.13	1-25 persons: 58.96 26-50 persons :61.63	1-25 persons: 60.72 26-50 persons:63.47
Tour full day out of the city	1-25 persons: 72.54 26-50 persons:80.99	1-25 persons: 74.35 26-50 persons :83.01	1-25 persons: 76.58 26-50 persons: 85.50
Tour of several days (pay for each day) / Full day	1-25 persons: 80.05 26-50 persons:82.22	1-25 persons: 82.05 26-50 persons:84.27	1-25 persons: 84.51 26-50 persons: 86.79
Night tour	1-25 persons: 52.53 26-50 persons:55.23	1-25 persons: 53.84 26-50 persons:56.61	1-25 persons: 55.45 26-50 persons:58.30
For employees in Museums and Archaeological Sites-time fee per tour hour	1-25 persons: 28.76 26-50 persons:34.36	1-25 persons: 29.47 26-50 persons:35.21	1-25 persons : 30.35 26-50 persons:36.26
Cruise tour	82.22	84.27	86.79

2.2.4.9 Chartered valuers (now certified valuers)

Prior to the reforms charter valuer fees were determined as a proportion of the value of the property, on a sliding scale. Table 2.20 displays the rates charged according to the bracket of property value, and the resulting total charter valuer fee. Indicatively, the fee for property valued at €120,000 amounted to €600, while the fee for property valued at 5,300,000 amounted to €6,820. A discount of 20% on the fee could be granted, but this required a decision of the Supervisory Council of the SOE. Furthermore, at the discretion of the Supervisory Council of the SOE, additional discounts could also be granted in special cases (e.g. property values above €120,000,000, multiple assignments by the same client). Notably, in the case of valuation of shares not listed in the stock exchange, an additional 50% on top of the fees displayed in Table 2.20 was charged.

After implementation of the reforms, certified valuer fees are agreed freely with clients. Official data on the evolution of fees after the implementation of the reforms are not available. However, in an attempt to obtain some indication of post reform fees, a search on the ‘diavgeia’ website for recent local authorities’ decisions on the assignment of real estate valuation projects was conducted. This search provided evidence of very substantial decreases

in the fees agreed, compared to those displayed in Table 2.2.10. Indicatively, evidence of decreases in the area of 50% was found in the case of real estate valuations referring to smaller property values, while in the case of property values of several millions even decreases in the area of 70% were recorded. These indications confirm earlier information originating from the Ministry of Finance (KEPE, 2013), according to which large decreases in charter valuer fees have been observed.

Figure 2.20: Chartered valuer fees prior to the reform

Brackets of property value €	Fee rate	Total	
		Property value €	Fee €
60,000	0.600% *	60,000	360
60,000	0.400%	120,000	600
60,000	0.300%	180,000	780
120,000	0.200%	300,000	1,020
900,000	0.150%	1,200,000	2,370
800,000	0.125%	2,000,000	3,370
1,500,000	0.110%	3,500,000	5,020
1,800,000	0.100%	5,300,000	6,820
9,700,000	0.090%	15,000,000	15,550
15,000,000	0.085%	30,000,000	28,300
90,000,000	0.080%	120,000,000	100,300
in excess	0.075%		

*a minimum fee of €350 applied

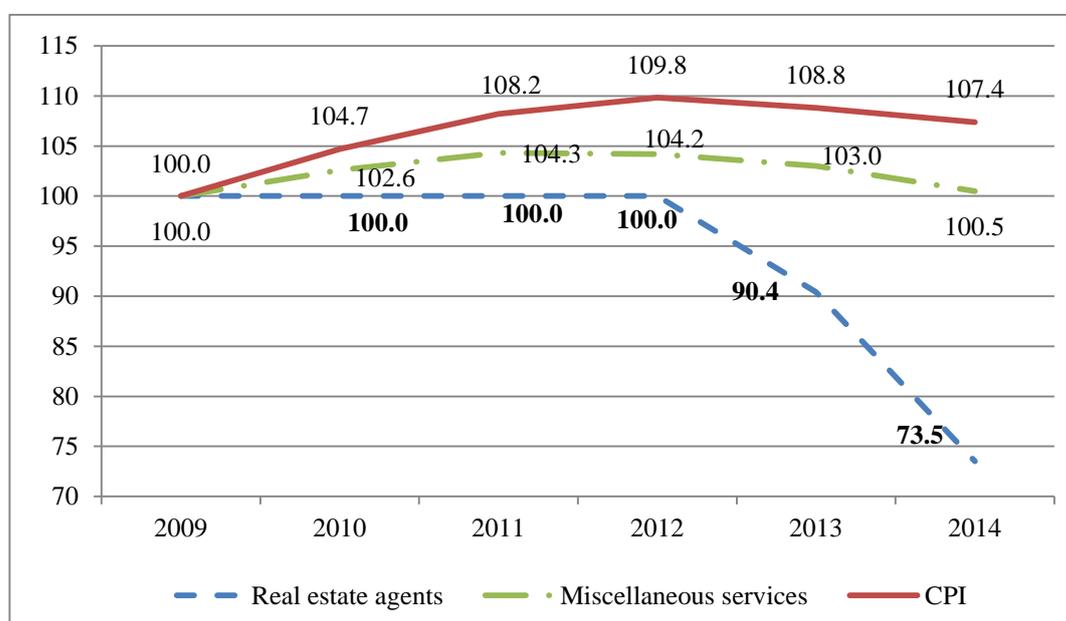
2.2.4.10 Real estate agents

Prior to the reforms, although there was no explicit legal provision for minimum real estate agent fees, the gaps and ‘gray areas’ in the law resulted usually in the practice of imposition of a minimum real estate agent fee of 2% for each party on the value of property sold and one rent for each party in the case of property rented. Following implementation of the reforms, the real estate agent fee is determined freely by agreement of the real estate agent with the interested parties.

The evolution of the Consumer Price sub-index for real estate agent services during the period 2009-2014 is shown in Figure 2.22. The sub-index remained stable until 2012, declined sharply thereafter reaching to 73.5 units by December 2013, and then stabilized again. It is evident that in the case of real estate agents, the decline in prices within 2013 was far more severe compared to the corresponding decline in the overall CPI and the miscellaneous services CPI. The speed of decline in the prices of real estate agent services, coupled with the fact that this decline was observed only for the period after the implementation of the reforms, despite the fact that the recession had a significant negative effect on the demand for real

estate agent services also prior to the reforms, provides a strong indication that much of the observed price decline can be attributed to the reforms.

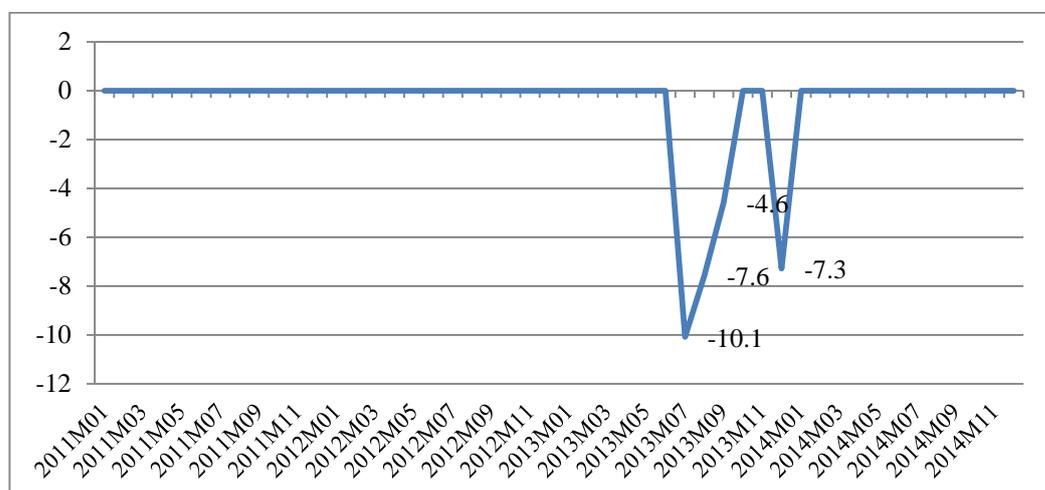
Figure 2.22: The evolution of the Consumer Price Index for real estate agent services, 2009-2014, (base year 2009=100)



Source: ELSTAT (2015).

The apparent strong association of price developments to the implementation of the reforms is also reflected by the evolution of the monthly changes in the price index for real estate agent services from January 2011 to December 2014 (Figure 2.23). It is observed that the reductions in the value of the index were abrupt and took place within a period of a few months in 2013, following the implementation of the reforms.

Figure 2.23: Monthly changes in the CPI for real estate agent services, 2011-2014



Source: ELSTAT (2015), authors' calculations.

2.2.5 Conclusions on price effects

Our analysis on the basis of comparisons of the observed and counterfactual evolutions of the CPI did not provide any clear evidence on a positive or adverse effect of the reform on prices for the regulated professions as a whole. Our analysis on the basis of data from the CPI and other sources for individual professions provided a strong indication of a decrease in prices as a result of the reforms in the case of real estate agent services and some indications of a decrease in prices as a result of the reforms in the cases of legal services, accounting and tax consulting services and physiotherapist/physiotherapy centre services.

2.3 Effects on service quality

2.3.1 Main issues and methodology

Identifying the impact of the liberalization process on the quality of the services affected by the reforms is not an easy task. In fact, measuring the quality of services in general presents considerable difficulties, as often there are no physical attributes to measure and perceptions of quality are subjective and change over time. Moreover, the outcome of the services provided to the consumer, which may not always be in the control of the service provider, may affect the consumer's perception regarding the level of quality received. For example, if a doctor takes too long to find a cure for a patient the latter might consider that he received poor quality services regardless of the seriousness of his disease. Furthermore, assessments of quality by the service providers themselves may differ considerably from the assessments of other parties. For instance, the alleviation of compulsory practicing or any other education requirement to enter a profession is usually considered by those exercising the profession as a potential threat to the quality of services provided. However, one must be careful on evaluating such a reaction, as those already exercising a profession (insiders) have a strong incentive to prevent others (outsiders) from entering and sharing the market.

The most common approach towards the assessment of service quality is the utilization of survey questions asking consumers about their experience from the use of a particular service (Nahuis et al. 2014). Results from the European consumer markets monitoring survey (European Commission, 2013) and the related 10th Consumer Markets Scoreboard (European Commission, 2014) include Greece and provide useful indications of recent developments in aspects of quality for the legal, accounting and real estate services. Therefore, for the purpose of the present study, and given the lack of other relevant surveys for the case of Greece, we employ these results to try and identify any possible effects of the reforms on quality for the services provided by the corresponding professions.

A second approach towards the assessment of quality involves identifying certain proxies for quality and examining their level and evolution (Vogler et al. 2012). Examples of such proxies are the official complaints made to consumer protection agencies, and the educational qualifications of those providing a service. In the case of Greece, official complaints to consumer protection agencies such as the General Secretariat of Consumer, the Consumer Institute (INKA) and the Centre for Consumer Protection (KEPKA) are largely not relevant to the services provided by the professions affected by the reforms. Therefore such information on complaints cannot be used as a proxy for quality for the purpose of the present study. Educational qualifications on the other hand, can be useful as a proxy for quality in Greece, but only in the case of professions where, for example, a university degree is not required by

law but could contribute towards the ability of the professional to provide a better quality of service. Furthermore, educational qualifications can only be meaningfully used as a means of assessing the effects of the reforms on quality, in professions where the reforms have somehow affected these qualifications. Considering the professions examined in the present study, the only profession which matches this profile and for which sufficiently disaggregated data on educational qualifications are available is that of tourist guides. Therefore, we hereby examine recent developments in the educational composition of tourist guides, to try and identify any related developments in quality that could be linked to the reforms.

A final approach towards identifying quality effects as a result of the reforms is to isolate specific legislative changes that are likely to have an impact on service quality in the professions under examination. This approach provides some indications of quality effects for the cases of lawyers, notaries, taxis and chartered valuers.

In what follows we present our findings on the basis of the above three approaches, starting with the latter approach. Prior to this analysis it is worth noting that, similarly to employment and prices, the crisis in the Greek economy may have also had an impact on service quality in the professions under examination. In some cases, recessionary conditions may have led to an improvement in quality, as decreased demand implies that professionals serve fewer clients and therefore have both the time to provide better service and a greater incentive to satisfy clients so as to keep up with increased competition. In other cases, however, the recession may have induced negative quality effects, by reducing investment in physical and human capital.

In addition to the above, it is worth mentioning that in the period after the reforms, quality in some of the professions under examination may have been influenced in a positive direction via regulatory changes that are not directly linked to the reforms, or by innovations with respect to the provision of the relevant services. For example, positive effects on quality may be induced in the case of accounting services as a result of the introduction of the code of conduct for accountants, and in the case of notaries as a result of the provision that notaries may act as ‘one-stop shops’ for the establishment of companies. In the case of taxi services, positive effects on quality may result from the introduction of new taxi call services using mobile applications. Taxi drivers registered with these services are subject to additional requirements (e.g. with respect to the condition of the taxi and the foreign language skills of the driver) and the applications provide information on the identity of taxi drivers and their rating on the basis of the satisfaction of users.

2.3.2 Potential impact on quality from specific aspects of the legislative reforms

Liberalizing reforms with respect to professional requirements in Greece have generally not lessened the educational qualifications of the persons actually providing the relevant services. This suggests that one would not expect a decline in the quality of services provided as a result of the reforms. On the contrary, specific legislative provisions included in the reforms are likely to act towards improving service quality in certain professions. Focusing on the professions/activities examined in the present study, potential positive effects on quality as a result of specific legislative provisions appear to arise in the following cases:

- In the case of lawyers, an improvement in the quality of services may result from the provision that lawyers are permitted to practice throughout the country, and therefore clients are in all cases free to choose the lawyer that would represent them best before the Court, without the need to also employ an accompanying local lawyer.
- In the case of notaries, the increase in the number of notaries may contribute towards an improvement in the quality of services provided by allowing clients a wider choice of notaries or by improving access to notarial services in some regions. It should, however, be noted that any such improvement in quality would be expected to arise mostly in the long-term, as for the time being the demand for some of the services provided by notaries (e.g. real estate sales contracts) is low for reasons related to the recession.
- In the case of taxis, an improvement in the quality of services may result from the provisions establishing the new category of taxis with 6-9 seats and the new category of taxis with all necessary equipment to serve persons with disabilities.
- In the case of certified valuers, an improvement in the quality of services may result from the lifting of restrictions on the number of practitioners, and the resulting large increase in the number of persons and legal entities exercising the profession. The listing of all certified valuers in the Register of Certified Valuers according to sector of specialization helps clients to select the valuers that will best serve their needs.

2.3.3 Quality on the basis of survey results

The European consumer markets monitoring survey (European Commission, 2013) tracks consumer conditions in 52 markets across the EU28 Member States, Norway and Iceland. These markets include legal and accountancy services (lawyers, legal advisors, accountants, tax advisors, auditors, other) and real estate services. The survey provides data for the Consumer Markets Scoreboard, yielding information on consumer markets in terms of six components/characteristics reflecting the perceptions of consumers regarding the quality of

services provided, i.e. comparability, trust, consumer problems and complaints, expectations, choice and (ease of) switching¹¹. A Market Performance Index (MPI) is calculated on the basis of the first four components to provide a summary measure of each market's performance. The MPI score is on a scale from 0 to 100.

According to the 10th Consumer Markets Scoreboard (European Commission, 2014), the assessment of consumer markets for 2013 is on average higher in Greece than in the EU as a whole (Table 2.21). This is the case for both goods and services markets, and therefore for the overall MPI (+2.1 difference in each case). Compared to the 2012 score, both markets in Greece show an improvement in 2013 (MPI for goods markets +2.1, MPI for services markets +3.1), with a corresponding improvement in the overall MPI (+2.6). As reported, the biggest improvements in 2013, as compared to 2012, can be found in Cyprus, Greece and Latvia.

Table 2.21: Market Performance Indicator (MPI), EU28, Greece

Market	EU28				Greece				
	MPI 2013	Differences			MPI 2013	Differences			
		2013/2012	2012/2011	2011/2010		2013/2012	2012/2011	2011/2010	Greece-EU28
All markets	77.4	0.3	0.9	0.5	79.7	2.6	-0.3	1.6	2.1
All goods markets	80.1	0.0	0.9	1.3	81.9	2.1	-0.4	2.0	2.1
All services markets	75.6	0.5	0.8	-0.2	78.2	3.1	-0.3	1.3	2.1
Legal & accountancy services	74.9	0.9	0.6		79.1	2.2			4.6
Real estate services	70.6	1.2	1.1	1.1	77.8	4.7	2.9	6.4	7.1

Source: European Commission, Market monitoring survey 2013, 10th Consumer Markets Scoreboard.

Legal and accountancy services and real estate services were evaluated more favourably in Greece compared to the EU as a whole, with the corresponding MPI for 2013 equaling 79.1 for Greece, versus 74.9 for the EU. On the basis of the categories of performance employed in 10th Consumer Markets Scoreboard, these results indicate middle to high performance of the legal and accountancy services market in the case of Greece (score among the top 50-75% of the results), versus middle to low performance in the EU (25-50% of the results). More particularly, out of a total of 31 service markets, the market for legal and accountancy services is ranked 15th in Greece, compared to 17th in EU. Similarly, real estate services were also evaluated more favourably in Greece compared to the EU, with the corresponding MPI

¹¹ *Comparability* reflects the ability of consumers to compare between products or services as they are offered by different suppliers or providers in the market. *Trust* measures the extent to which consumers are confident that the suppliers or providers respect the rules and regulations that protect the consumer. *Expectations* measure the extent to which the market generally lives up to what the consumer wants. *Choice* measures if consumers are satisfied with the choice of different suppliers/retailers. *Problems & complaints* incorporate the occurrence of problems and the severity of the problem as viewed by the proportion of consumers who complain about the experienced issues. *Switching* applies only to 14 'switching markets' (i.e. markets where the consumer has an ongoing contract with the supplier) and is an indicator of the level of choice and the ability for consumers to exercise this choice.

scores for 2013 amounting to 77.8 and 70.6, respectively. On the basis of these scores, the real estate services market can be characterized as a middle to low performing in the case of Greece (ranked 20th out of 31 service markets), and as a low performing market in the case of the EU (ranked 30th out of 31 service markets).

As illustrated in Figure 2.24, Greece's MPI scores for legal and accountancy services and real estate services have improved significantly between 2010 and 2013, both in absolute terms and relatively to the corresponding EU averages. More specifically, the MPI score for legal and accountancy services increased from 71.5 in 2010 to 79.1 in 2013 in the case of Greece (+7.6 difference), and from 72.9 in 2010 to 75.0 in 2013 in the EU27 on average (+2.1 difference). Similarly, the MPI score for real estate services increased from 64.8 in 2010 to 77.8 in 2013 in the case of Greece (+13.0 difference), and from 68.1 in 2010 to 70.7 in 2013 in the EU27 on average (+2.6 difference). Thus, while in both legal and accountancy services and real estate services Greece ranked below the corresponding EU27 averages in 2010, Greece exceeded significantly the EU27 averages in 2013, rising up to 6th place among the countries considered in the case of legal and accountancy services and to the 5th place in the case of real estate services. It is notable that even when considering developments between 2012 and 2013 only (Table 2.21), the improvement in Greece's MPI scores in both markets is substantial (+2.2 and +4.7) and higher than the improvement in the corresponding European averages (0.9 and 1.2 respectively).

The above developments in MPI scores over the recent past clearly suggest that quality in the legal and accounting services and real estate services in Greece has recently exhibited considerable improvement. Furthermore, as increases in these scores have been much more pronounced in Greece compared to the EU as a whole, it appears that quality in the corresponding professions in Greece may have been positively affected by the reforms.

At the individual component level, legal and accountancy services and real estate services in Greece showed in 2013 higher scores for almost all components compared to the European average (Table 2.22). More specifically, with respect to the legal and accountancy services Greece is the top performing country for comparability (7.6), and among the countries where the least problems are found (6.0%, following Malta at 2.3% and France at 4.6%). Moreover, with respect to real estate services, Greece is among the top performing countries for comparability (7.3, following Malta at 7.6 and Cyprus at 7.4), as well as among the countries where the least problems are reported (7.0%, following Malta at 1.4%).

Figure 2.24: Market Performance Index for legal and accountancy services and real estate services, 2010 and 2013



Source: European Commission, Market monitoring survey, 2013, 10th Consumer Markets Scoreboard.

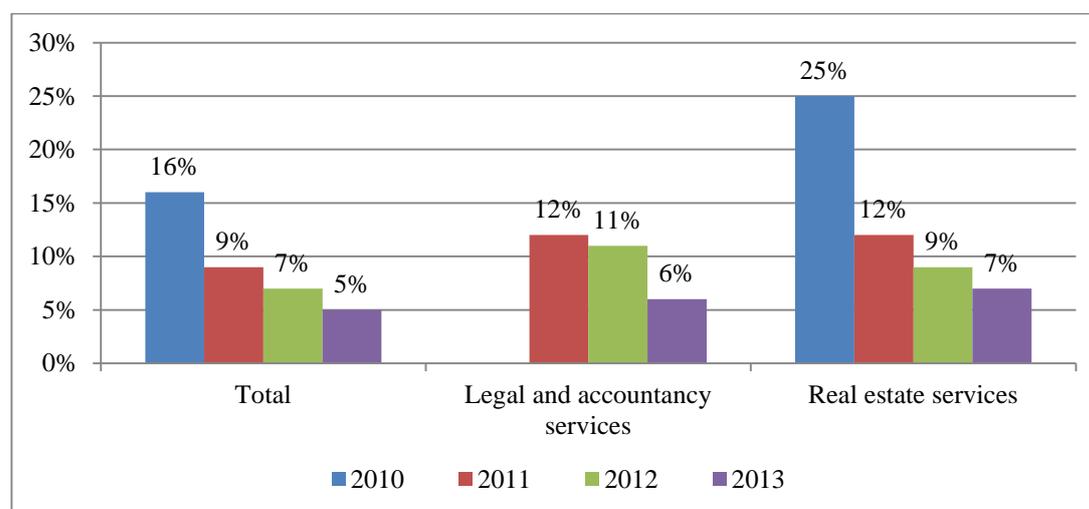
Table 2.22: Market Performance Indicator (MPI) components for legal and accountancy services and real estate services, Greece, 2013

	Total	Legal and accountancy services		Real estate services	
	Greece	EU28	Greece	EU28	Greece
Comparability	7.6	6.6	7.6	6.6	7.3
Trust	7.2	6.9	7.0	6.0	7.0
Problems	5.0%	11.8%	6.0%	15.0%	7.0%
Expectations	7.5	7.3	7.5	6.7	7.3
Choice	7.6	7.8	8.1	7.8	7.7

Source: European Commission, 10th Consumer Markets Scoreboard.

Notably, as illustrated in Figure 2.25, in the legal and accountancy services the proportion of consumers reported to have encountered problems decreased considerably from 12% in 2011 to 6% in 2013, and consumers' propensity to complain has also dropped. Moreover, in the real estate services the proportion of consumers reported to have encountered problems decreased markedly from 25% in 2010 to 7% in 2013. This information provides further evidence in favour of a possible positive effect of the reforms on service quality in the corresponding professions.

Figure 2.25: Percentage of consumers having experienced one or more problems in Greece, total, legal and accountancy services and real estate services, 2010-2013



Source: Market monitoring survey, 2013, 10th Consumer Markets Scoreboard 2014

2.3.4 Quality on the basis of educational qualifications

Before the reforms entry to the tourist guide profession was subject to the requirement for a degree from the School of Tourist Guides of OTEK, a post secondary vocational school operating in Athens and Thessaloniki.¹² Admissions to the School were conducted via

¹² Currently operation of the Schools of Tourist guides is suspended.

entrance examinations¹³, followed by interviews to assess the candidates' general knowledge and competence in relation to the qualifications necessary for the tourist guide profession. The duration of the studies was 2.5 years with compulsory course attendance, and the educational program comprised theoretical classes and educational visits and trips. The requirement for a Tourist Guide School degree raised difficulties for graduates from relevant university departments (archaeologists, historians, etc.) to enter the tourist guide profession, as in addition to the four years of studies for their first degree they had to study for 2.5 more years. In this context, Laws 4093/2012, 4111/2013 and 4152/2013 provided for the establishment of intensive two-month courses with a tuition fee, addressed mainly to university graduates of Archaeology and History. As mentioned earlier, these intensive courses have been operating since 2013, with their first graduates coming out in July 2013. The courses make it much faster and easier for university graduates to become tourist guides, and consequently, we would expect a progressive increase in the university graduates exercising the tourist guide profession. However, there may be a small delay in this process, as the imposition of a tuition fee under the adverse economic conditions prevailing might be a considerable obstacle for some in order to take these courses.

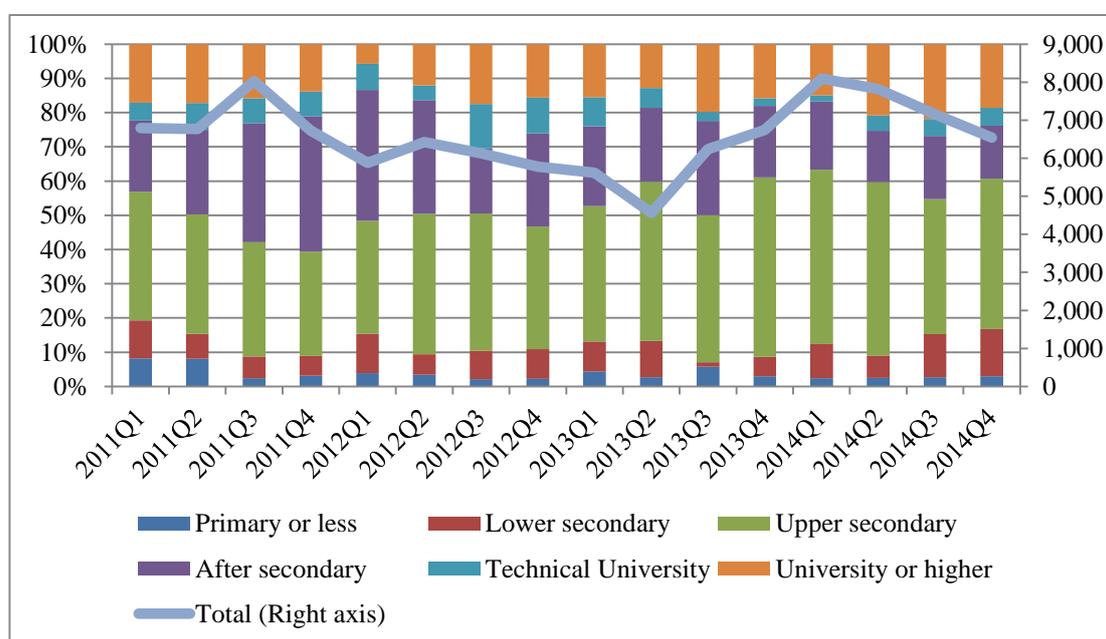
An increase in the number/proportion of university graduates practicing the tourist guide profession could be an indication of a possible improvement in the quality of the services provided. To examine recent developments in the educational composition of tourist guides, we use data from the Greek Labour Force Survey (LFS). As mentioned earlier, the level of disaggregation of LFS data (3-digit) is not detailed enough to permit analysis at the occupational level. The most relevant occupational group that can be isolated is that of "Travel attendants, conductors and guides". For this occupational group we can identify the highest level of educational qualification obtained by individuals in the group. The educational composition of the group, as well as its employment evolution, is depicted in Figure 2.26. One can see that a large proportion refers to individuals with post secondary education, including degrees from the Schools of Tourist Guides. Since this occupational group also includes travel attendants and conductors, it is not surprising that individuals with lower educational qualifications are also observed. Moreover, individuals holding a tertiary education degree, represent across the period considered about 20% - 25% of the total. Overall, the educational level of the occupational group does not seem to have changed in a direction that would provide a clear indication of a possible improvement in the quality of the services provided. However, there may be a number of explanations for this:

¹³ The subjects of the examinations were foreign language, critical essay in Greek language, Greek history and geography of Greece.

- The data examined cover the period up to the last quarter of 2014. Thus, the interval after the operation of the new intensive courses is too short to observe a clear effect on the educational composition of the group.
- University graduates were already attending the Tourist Guide Schools prior to the reforms, regardless of the duration of the course.
- Some of the university graduates who completed the new intensive courses may have not found a job by the end of the period examined and thus are not included in the sample under consideration.

In sum, the educational level of the occupational group “Travel attendants, conductors and guides” has not improved or worsened in the post-reform period examined, and therefore there are no indications of a related change in service quality in the tourist guide profession as a result of the reforms. This, however, does not suggest that an increase in university graduates and a corresponding possible improvement in service quality in the profession will not be observed in the future, as individuals completing the new intensive courses progressively enter the market.

Figure 2.26: Highest level of education for “Travel attendants, conductors and guides”



Source: ELSTAT (2015), Labour Force Survey.

Summary and conclusions

Greece proceeded from 2010 onwards to an extensive reform of the legislative framework regulating professions/activities of the country's service sector. Prior to this reform, access to and practice of many of these professions/activities were subject to extensive restrictive regulations on market entry and conduct. The main legislative act of the reform was Law 3919/2011. The process of implementation of this law proved lengthy and complex. The largest part of the process has now been completed, bringing about the abolition or drastic reduction of restrictions in a wide range of service sector professions/activities.

The present study provided an assessment of the effects of the reforms on employment, prices and service quality, focusing on the following 11 professions/activities: lawyers-law firms, notaries-notary firms, auditors-chartered accountants, accountants-tax consultants, dentists-dental practices, physiotherapists-physiotherapy centres, taxi drivers-taxis, shipping agents, tourist guides, chartered valuers and real estate agents. The choice of these professions was made taking into account a combination of criteria, including their economic importance, the intensity of applicable regulations prior to the reforms, the extent of subsequent liberalization, the timing of the reforms and data availability.

The assessment of the effects of the reforms in Greece was subject to a number of difficulties. Notably:

- The liberalization process is still ongoing for some professions, while for most others full implementation of Law 3919/2011 took until 2013 or later. Thus, the full reaction of the market to the reforms may not have as yet been manifested and the post-reform data available may not be sufficient to evaluate this reaction.
- The deep and prolonged recession in the Greek economy had profound negative effects on employment, pushing the unemployment rate to levels above 27%. Furthermore the sharp decline in demand associated with the recession, combined with the internal devaluation policies applied, had significant negative effects on prices. Thus, in the case of Greece, it is hard to distinguish whether and to what extent falling prices in professional services in the period after the implementation of the reforms may be related to the reforms. In addition, any positive or negative impact of the reforms on employment may be masked by the underlying strong employment effects of the recession.
- The Hellenic Statistical Authority (ELSTAT) does not provide sufficiently disaggregated (4-digit) official data on employment. Greek Labour Force Survey (LFS) data are available at the 3-digit level, with a major break in 2011, when a new classification was adopted.

- Official data on prices at the 4-digit level are only provided for certain professions.
- Survey data and other information for the assessment of service quality in the professions affected by the reforms are very limited.
- Employment is a lagging indicator and thus the effect from any policy will appear with some delay.

In the present study an effort has been made to deal with the above difficulties to the degree possible, e.g. by utilizing alternative data sources and by employing comparisons between developments in the professions examined and other professions or wider service categories.

Effects on employment

For the analysis of effects on employment we used LFS data to compare trends in total employment in the economy, total employment in the regulated professions (i.e. professions with restrictions prior to the reforms) and total employment in the non-regulated professions (i.e. professions with no restrictions prior to the reforms). Furthermore, to disentangle the effects of the recession from those of the reform, we employed LFS data to compare the observed evolution of employment in the regulated professions with a counterfactual evolution that follows the rate of change of non-regulated professions. The idea was that the main difference between the two evolutions was that the first one was affected by the reforms, while the second one was not, and therefore if actual employment was found to lie above the counterfactual, this would indicate that the reform had a positive effect on employment. In addition to this approach, we also used data from the General Secretariat of Information Systems (GSIS) to examine startups and cessations of activity of businesses for each of the 11 professions/activities. Finally, where possible or necessary, we also examined developments in employment in individual professions on the basis of data obtained from auxiliary sources (chambers, unions).

Our analysis of employment on the basis of LFS data suggested that while during 2011 employment in the regulated professions declined faster than total employment, in 2012 the picture changed and employment in the regulated professions seemed to decline at a slower rate. Moreover, stabilization and recovery of employment in the regulated professions was observed in 2013, while for total employment - setting aside a small increase in the middle of 2013 - it took until 2014. These developments may indicate that the reforms had positive effects on employment in the regulated professions. With respect to the effects of the reforms on employment in specific occupational groups, our analysis provided indications of positive effects in the Medical and Finance professions, positive effects with a significant lag in the Legal professions and ambiguous effects in the cases of Travel attendants, conductors and

guides, Car, van and motorcycle drivers and Business and administration associated professions.

Our analysis of employment effects on the basis of GSIS data on startups and cessations and auxiliary data from other sources provided indications of positive effects on employment in the cases of notaries, auditors, tourist guides, and chartered valuers. More particularly:

- In the case of notaries, 193 startups were recorded in 2014, versus an average of 80 startups per year during the period 2007-2013. This increase in startups was clearly related to completion of the exam process for the new notary positions.
- In the case of auditors, 299 startups were recorded in 2014, versus an average of 70 startups per year during the period 2007-2013.
- In the case of tourist guides, 62 startups were recorded in 2014, versus an average of 26 startups per year during the period 2007-2013. This development is most likely associated with the substantial improvement in inflows of tourists to Greece, but may also be related to the graduation of 80 individuals from the newly established intensive training programmes, as part of the implementation of reforms in the profession.
- In the case of certified valuers, their number increased from 11 just before the implementation of the reforms (May 2013), to 115 natural persons and 5 legal entities by July 2013 and 347 natural persons and 38 legal entities by May 2015. This development is clearly associated with the lifting of restrictions on the number of chartered valuers and rank A' assistants (30 at maximum prior to the reforms), although employment may have not been affected as much as the figures suggest, since a significant share of new entrants is most likely comprised of former assistant chartered valuers.

For the remaining professions, data from the GSIS and other sources did not provide indications of either a positive or a negative effect of the reforms on employment. In most of these professions, possible effects may have been masked by the adverse effects of the recession on entry, and by the increasing number of cessations, which can be partly attributed to the recession, but also stems from changes that took place in pension rules.

Effects on prices

For the analysis of the effects of the reforms on prices, we examined the evolution of prices and fees in individual professions before and after the reforms on the basis of the data from the CPI and other sources (collective agreements, professional bodies, legislation on prices, and other) and where possible we compared this evolution with price developments in wider

service categories and the overall CPI. Furthermore, we employed a similar methodology as that used for the analysis of employment effects, this time comparing the observed evolution of the CPI of regulated professions with a counterfactual evolution which follows the rate of change of non-regulated professions.

Our analysis on the basis of comparisons of the observed and counterfactual evolutions of the CPI of regulated professions did not provide any clear evidence on a positive or adverse effect of the reform on prices, with the exception of the real estate agent profession.

Our analysis on the basis of data from the CPI and other sources for individual professions suggested the following:

- There is a strong indication of a decrease in prices as a result of the reforms in the case of real estate agent services.
- There are some indications of a decrease in prices as a result of the reforms in the cases of legal services, accounting and tax consulting services and physiotherapist/physiotherapy centre services.
- In the case of dental services, the observed price decreases are hard to interpret.
- In the case of taxis, the observed price increases in 2010 and 2011 are due to the imposition of VAT on taxi services from 1/7/2010 and the subsequent increase in VAT from 1/1/2011.
- In the case of certified valuers, there is evidence of very substantial decreases in the fees actually agreed for valuations of real estate, compared to the fees set in the regime prior to the reforms.
- In the case of notaries, the adoption of proportional prices on a descending scale was a significant change in the direction of price rationalization, especially for high value real estate transactions (greater than €2 million). The proportional prices/fees for the vast majority of notary services remains at 1% of ‘assessed tax value’ of the property, while fixed charges and fees for printed copies have not been affected.
- Fees for tourist guide services are determined through collective agreements and do not seem to have been affected by the reforms.

Effects on quality

For the analysis of effects on quality, and given the lack of other relevant surveys for the case of Greece, we employed results from the European Commission’s 2013 Market Monitoring Survey and the related 10th Consumer Markets Scoreboard to try and identify possible effects of the reforms on quality for the legal and accounting services (lawyers, legal advisors, accountants, tax advisors, auditors, other) and real estate services. Furthermore, we examined

the evolution of the educational qualifications of tourist guides, as a proxy for developments in the quality of their services that could be linked to the reforms. Finally, we identified specific legislative changes that are likely to have an impact on service quality in the professions under examination.

Our analysis on the basis of survey results suggested that quality in the legal and accounting services and real estate services in Greece has recently exhibited considerable improvement. As this improvement has been much more pronounced compared to the improvement observed at the same time in the EU as a whole, it appears that quality in these professions in Greece may have been positively affected by the reforms.

Concerning our analysis on the basis of educational qualifications, this did not provide indications of a change in service quality in the tourist guide profession as a result of the reforms. This, however, does not imply that such an improvement will not occur in the future, as university graduates completing the new intensive courses progressively enter the market.

Finally, the screening of specific legislative changes likely to have an impact on service quality in the professions under examination provided some indications of positive quality effects for the cases of lawyers, notaries, taxis and chartered valuers.

Concluding remarks

Despite the fact that the implementation of liberalizing reforms of professional requirements in Greece is still ongoing for some professions, while for many others it has taken until 2013 or later, the results of the analysis presented in this study already point to positive effects as a result of the reforms, more clearly in the case of employment, but also in selected professions with respect to prices and quality. To gain more conclusive evidence on these effects, it would be interesting to repeat the analysis in the future, when a longer series of post-reform employment and price data will be available to evaluate the reaction of the market. Furthermore, to evaluate more accurately the effects on quality, it would be useful to conduct a survey of consumers in Greece focused on the services of professions affected by the reforms.

Annex 1: Main legal acts in the process of implementation of Law 3919/2011

The implementation of Law 3919/2011 entailed the adoption of a series of further acts. The process of preparation and adoption of all these acts was met with several delays and complications, as for example in the case of requests for exception that were submitted late and required the postponing of any relevant action until the issuing of opinions by the Hellenic Competition Committee. The Committee completed its assessment in early 2012, submitting opinions for the following professions: accountants, tax consultants (15/VI/2012-12/1/2012), chartered valuers (16/VI/2012-12/1/2012), professions in the responsibility of the Ministry of Tourism and Culture including tourist guides (18/VI/2012-1/2/2012), and professions in the responsibility of the Ministry of Education, Lifelong Learning and Religious Affairs (20/VI/2012-29/2/2012).

Despite problems such as the above, the necessary legislative reforms were progressively pushed forward with the adoption of a series of Laws, the most important ones being the following:

- *Law 4038/2.02.2012* (OG 14 A'): 'Urgent arrangements regarding the implementation of the medium term fiscal strategy framework 2012-2015'. The Law provided that law provisions, regulatory acts and circulars opposing the provisions of Law 3919/2011 are abolished.
- *Law 4046/14.2.2012* (OG 28 A'): 'Approval of the Draft Financial Assistance Facility Agreement between European Financial Stability Facility, the Hellenic Republic, and the Bank Of Greece, the Draft MoU between the Hellenic Republic the European Commission and the Bank of Greece and other urgent legal provisions on the decrease of the national debt and the rescue of the national economy'. In line with Greece's obligations in the framework of the Memorandum of Economic and Financial Policies, the Law included provisions for the alignment of the legal framework to Law 3919/2011 in several professions, including private providers of primary medical care services (including private doctors and dentists and private medical and dental practices), physiotherapy centres, chartered valuers, accountants-tax consultants and real estate agents.
- *Law 4070/10.4.2012* (OG 82 A'): 'Arrangements on electronic communications, transportation, public works, and other provisions' (OG 82 A'). The Law included provisions on taxis.
- *Law 4093/12.11.2012* (OG 222 A'): 'Approval of the medium term fiscal strategy framework 2013-2016 - Urgent arrangements for the implementation of Law 4046/2012 and the medium term fiscal strategy framework 2013-2016'. The Law included amendments to

the provisions for several professions, including accountants-tax consultants and tourist guides.

- *Law 4111/25.1.2013* (OG 18 A'): 'Pension arrangements, revisions to Law 4093/2012 and other urgent provisions'. The law included provisions for accountants-tax consultants and tourist guides.
- *Law 4152/9.5.2013* (OG 107 A'): 'Urgent measures for the implementation of laws 4046/2012, 4093/2012 and 4127/2013'. The law included provisions for certified valuers.
- *Law 4254/7.4.2014* (OG 85 A'): 'Measures for the support and growth of the Greek economy in the framework of implementation of Law 4046/2012 and other provisions'. The law included provisions for several professions, including certified valuers.

In parallel with the process of adoption of the above laws, ministries responsible for relevant professions/activities issued a series of circulars aligning market entry and conduct requirements to the provisions of Law 3919/2011. Focusing on the 11 professions/activities examined in the present study, circulars were issued for chartered valuers (533EX/28.2.2012), accountants-tax consultants (8908/DIOE236/23.2.2012), dentists -dental practices (Y3b/G.P./oik.20227/20.2.2012), physiotherapists-physiotherapy centres (Y3b/G.P./oik. 120760) and tourist guides (2163/2.2.2012).

Annex 2: Summary of key regulations and their amendments for each of the selected professions

Lawyers	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required.	No change.
Licensing procedure requirements: a) a degree from a domestic or a certified foreign higher Institution, b) 18 months practical experience, c) Greek or EU country citizenship, d) examinations, e) mandatory registration with the regional Hellenic Association of Lawyers, f) €60 licensing examinations cost, g) €61 association registration fee.	No change.
Each lawyer is registered with only one branch of the Hellenic Association of Lawyers.	No change.
Free establishment of legal practices within the EU internal market.	No change.
Geographical restrictions in the practice of the profession. With respect to criminal cases, lawyers had the right to practice their profession before the Criminal Court regardless of their region of registration. With respect to civil and administrative cases, lawyers had the right to practice their profession only in the region in which they were registered. Lawyers could appear before the Court in other regions if they were accompanied by a local regional lawyer.	Lawyers are allowed to practice throughout the country but must establish their office in the region in which they are registered.
Mandatory fixed and proportional prices/fees with respect to contract values.	Clients and lawyers can freely negotiate and agree in writing upon prices. There is a provision for “legal prices/fees”, where a written agreement has not been signed. The “legal prices/fees” are defined as a percentage of the contract value with a descending scale and they amount to the minimum prices/fees defined in the regime prior to the reforms.
Mandatory minimum prices/fees contribution to the Hellenic Association of Lawyers and mandatory proportional deduction for the social security organization of lawyers and the Association.	Lawyers must pay in advance contributions to the Hellenic Association of Lawyers, depending on the nature of the services provided, and calculated as percentage on relevant “reference fees” or “reference percentages”.
Exclusive rights of lawyers.	Mandatory presence of a lawyer in the negotiation, agreement and signing for the establishment of a company was abolished. From January 1 st , 2014 the presence of a lawyer in the above cases is voluntary for all parties.

Law firms	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required.	No change.
The headquarters of the law firm must be located in the region where one of the firm associates is registered.	No change.
Economic need tests for the establishment of law firms.	The establishment of law firms in each region is dependent upon the total number of law firms and offices (individual lawyers) active in the specific region. The establishment of a new law firm is allowed when the total number of law firms and offices is equal or greater than seven.
Geographical restrictions on the establishment of law firms' branches.	Law firms have the right to establish branch offices nationally according to the terms and conditions of the Code of Conduct of Lawyers and branch offices abroad according to EU legislation. The establishment of a new branch by a law firm does not require the approval of the Association but only its announcement to the Association.
Prohibition from establishing a firm with other natural persons or legal entities who are not lawyers.	No change.
Establishment of law firms under Civil Court. Prohibition of commercial and capital characteristics for the law firm.	No change.
Each partner of the law firm can participate in only one law firm and is prohibited to act simultaneously as an individual lawyer or for individual interest.	No change.
Prohibition of any kind of direct or indirect advertising (newspapers, flyers, e-advertising etc.).	The publicity and promotion of the activities of individual lawyers or law firms both within Greece and in the rest of the world in accordance with the status and the dignity of the legal function is allowed. The publication of a business web site must be announced to the Association in which the lawyer or the firm is registered.

Notaries, Notary firms	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required	No change.
Licensing procedure requirements: a) degree from a domestic or certified foreign higher education Institution, b) Greek citizenship, c) age between 28-42 years old, d) two years experience as lawyers, judicial bailiffs, unpaid registrars, e) examinations, f) mandatory attendance of seminars organized by the Hellenic Association of Notaries, g) €60 licensing examinations cost, h) mandatory registration with the regional Hellenic Association of Notaries.	The requirement of Greek citizenship was abolished after 2012. No other changes.
Each notary is registered with only one branch of the Hellenic Association of Notaries.	No change.
Economic need tests for the practice of the profession and restrictions on the number and the location of notaries per geographical area.	The number of available notary positions increased annually to 400 only for the years 2013 and 2014 due to declension from the rules defined by the Code of Conduct of Notaries.
Exclusive rights of the notaries.	No change.
Notaries practice in the region of the County Court in which they are registered. By exception, notaries who are registered in municipalities of Attica may practice in other regions of Attica if their services are requested.	No change.
Establishment only of one office in the region in which the notary is registered.	No change.
Prohibition from establishing a firm with other natural persons or legal entities who are not notaries.	No change.
Mandatory minimum prices for the practice of the notary profession.	Ministerial Decree redefines reduced fixed prices for the family and corporate law deeds and proportional prices with respect to the transaction cost on a descending scale.
Establishment of notary firms under Civil Law.	No change.
Prohibition of any kind of direct or indirect advertising (newspaper, flyers, e-advertising etc.)	Notaries may publish information about their office identity on the website of the Hellenic Association of Notaries and in the European Register of Notaries.

Auditors, chartered accountants	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required.	Licensing has been replaced by an announcement of commencement of activity. The profession can be practiced freely after the lapse of one month period from the announcement to the competent authority and registration to SOEL.
Required supporting documents according to Law 3693/2008: a) Completion of statutory education level for admission to tertiary education, in this case secondary education, b) successful completion of professional or special professional examinations, c) completion of a three year internship in the case of University or TEI graduates and six years in all other cases, with at least two years of this training carried out under the supervision of a tenured auditor and d) fulfillment of the necessary criteria of integrity in accordance with Law 3693/2008.	No change.
Statutory minimum hourly fee (Law 2231/1994).	Fees are now freely agreed with the clients.
Minimum hours for the conduct of each statutory audit are set by ELTE.	No change.
Maximum annual hours of employment diversified by ranking and experience are decided by ELTE.	The regulation is still valid.
Remuneration for the audit would not exceed one tenth of all revenue received by the selected auditing company or consortium during the preceding twelve-month fiscal year.	The regulation has been repealed.
Chartered accountants are not allowed to audit companies when there is another professional relation with them, i.e. accounting services, etc. and there is reciprocity of interests.	The regulation is still valid.
	<u>New regulation:</u> Auditors are allowed to post indicative hourly fees and criteria for the calculation of the audits on their website.

Accountants, tax consultants	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required.	Licensing has been replaced by an announcement of commencement of activity. The profession can be practiced freely after the lapse of a one month period from the announcement to the competent authority and registration to OEE.
<p>Required supporting documents: a) a profession starting announcement (applicable only to the self-employed), b) a certified copy of the diploma (degree for University and Technical Colleges graduates, Vocational diploma or high school diploma for non-graduates), c) a copy of the criminal record (this is requested by OEE), d) a statement of experience after obtaining the degree, e) payment of any arrear for those already members of the OEE, and f) a fee between €29 and €60.</p> <p>Moreover for the <u>self-employed</u> tax records are also required, and for <u>paid employees</u> a certificate from their employer, a stamp booklet from their social security fund and certain documents to prove previous experience.</p>	No change, but the fee is now €35 across the board.
There used to be four classes of accountants, depending on educational qualifications and work experience.	<p>Law 4152/2013 reduced classes to two:</p> <p>Class A: graduates from economic orientated University or TEI departments plus three years experience as class B accountants.</p> <p>Class B: those with a lyceum (upper secondary) or any other post-lyceum diploma plus experience as assistant accountants.</p>
Annual renewal of professional identity	The regulation has been repealed.
	<u>New regulation:</u> Accountants must annually submit a sworn statement to OEE, which costs €15.
In order to upgrade the professional card (e.g from B to A class) one should attend training seminars organized by OEE, which are available only for its members.	The regulation is still valid, but now classes are two and not four.
Mandatory registration with the OEE in order to exercise the profession of accountant.	From 1.1.2014 it is not mandatory to be registered with the OEE in order to exercise the profession of accountant. However, according to the existing laws, for specific actions it is still necessary to be a member of a chamber. Moreover, as mentioned before, to upgrade the professional identity one needs to be a member of OEE.

Dentists, dental practices	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required	Dentists can freely practice their profession after posting an announcement of commencement of activity and submitting the required supporting documents. The administrative authorities audit/validate the above supporting documents to ensure that the dentist has fulfilled all the requirements. After the completion of the audits, the administrative authorities grant certification within a period of three months.
Required supporting documents: a) a degree from a domestic or a certified foreign higher education Institution, b) mandatory registration with the regional Hellenic Association of Dentists, c) payment of an annual fee which is readjusted every year by the Board of the Association d) €38 public treasury fee.	No change.
After the acquisition of the certification, dentists may apply for the dental specialty, which requires 3-4 years education/training and examinations.	No change.
Dentists who are EU citizens can be established and practice dentistry in Greece after posting a market entrance announcement according to the terms and conditions of Greek legislation. These dentists may not be registered, simultaneously, with domestic and foreign associations or be established both in Greece and another country.	No change.
Local authorities granted the licence.	The Hellenic Dentistry Federation is authorized to grant, suspend, revoke and/or cancel practice and specialty certification.
Each dentist is registered with only one branch of Hellenic Association of Dentists.	No change.
Prohibition of practicing outside of the regional area of the dentistry Association in which the dentist is registered.	It is not clear whether the prohibition has been revoked.
Prohibition to participate in medical, pharmaceutical or health-related companies and/or to advertise them.	No change.
Presidential Decree and Ministerial Decree defines minimum prices only for the reimbursement of dentists from social security organizations while in the private sector prices are agreed upon freely.	No change.

Dental practices	
An establishment and operating license was required.	Licence redefined as “operational certification”. The administrative authorities after the completion of audits render certification within a period of three months. The dental practice operates freely without further notice after the end of this period.
Required supporting documents: a) certification that the dentist has met all the necessary qualifications for practicing the profession, b) certification of specialty, c) registration with the regional association, d) public treasury fees equal to €200 or €400 for joint dental practices, e) technical and equipment requirements.	No change.
Local authorities granted the licence.	Certification is granted by the regional Hellenic Association of Dentists.
The establishment and operating license was granted to: a) natural persons–dentists, b) legal entities-any kind of corporate structure, c) co-operatives of professionals operating under Civil Law with a specific corporate structure.	The operating certification is granted to a) natural persons who are licensed to practice dentistry, b) natural persons with the requirement that the Scientific Director of the dental practice satisfies the professional pre-requisites and is qualified, c) legal entities.
Prohibition to hold more than one license, to establish more than one branch or to operate in a non-adjoining building.	The prohibition has been revoked and it is allowed to establish branches and have more than one operating certificates.
The Scientific Director of the dental practice must be a fully qualified dentist and be registered with the regional Association. Prohibition to authorize or provide services to more than one dental practice.	The Scientific Director is not necessarily registered with the regional association in which dental practice is located.
Prohibition of any kind of direct or indirect advertising (newspaper, flyers, e-advertising etc.) apart from the name of professional on the main entrance of the building.	No change.

Physiotherapists, physiotherapy centres	
Regulations prior to the reforms	Amendments as a result of the reforms
A licensing procedure was required for physiotherapists.	Physiotherapists can freely practice their profession after posting an announcement of commencement of activity and submitting the required supporting documents. The administrative authorities audit these documents to ensure that the physiotherapist has fulfilled all the requirements. The auditing procedure may not exceed two months. After the completion of the audits, the administrative authorities grant certification within a period of three months from the initial posting of the announcement. A decision for the prohibition of practicing physiotherapy must be issued before the lapse of three months, since the profession would be practiced freely without further notice after the end of this period.
Required supporting documents: a) 4-year degree from a domestic TEI or an equivalent degree from a certified foreign Institution including one semester of practical experience, b) mandatory registration with the regional Hellenic Association of Physiotherapists, c) €30 registration fee and €60 annual fee, d) €38 public treasury fee.	No change.
Each physiotherapist is registered with only one branch of Hellenic Association of Physiotherapists.	No change.
An establishment and operating license was required for physiotherapy centres.	License has been redefined as “operational certification” and is granted after the submission of the required supporting documents. The administrative authorities audit these documents and grant the certification within a period of three months.
Required supporting documents for physiotherapy centres: a) certification that the Scientific Director has all the necessary prerequisites/ qualifications for practicing the profession, b) certification of his/her criminal record, c) the title deed or lease contract of the building, d) architectural design, e) building permit, f) fire safety certification, g) list of machinery and equipment, h) corporation charter, i) certification of corporate changes, j) non-bankruptcy certification, k) €60 public treasury fee.	No change.
Prohibition to hold more than one license, to establish more than one branch or to practice outside of the regional area of the Association in which the physiotherapist is	The prohibitions have been revoked and it is allowed to establish branches and have more than one non-transferable operating certificate.

registered.	
Physiotherapy centres were established under specific corporate law and were not allowed to operate under a corporate name which would be the same with companies outside the health sector.	Operational certification can be provided either to natural persons or to legal entities without any restriction on corporate partnership. The Scientific Director of the centre must satisfy the profession prerequisites and be qualified as a physiotherapist. Co-operation with other companies outside the health sector is allowed.
Presidential Decree and Ministerial Decree defines minimum prices only for the reimbursement of physiotherapists from social security organizations, while in the private sector prices are agreed upon freely.	No change.
Prohibition of any kind of advertising (newspapers, e-advertising etc.) apart from the name of the professional/company on the main building entrance.	No change.

Taxi drivers, Taxis	
Regulations prior to the reforms	Amendments as a result of the reforms
License granted by the regional administrative authorities is required for both taxi drivers and taxis.	No change.
Requirements for the special driving license for taxi drivers: a) possession of a professional driving license for a period of more than 24 months, b) not being employed in the public sector or pensioned from the private or public sector, c) not being convicted for a series of offenses d) a high school diploma and e) Greek citizenship or a Greek language certificate for foreigners.	No change.
Maximum number of taxis per geographical district.	A new mathematical formula was established for the determination of the maximum number of taxi licences and the new category of taxis per geographical district, according to population and geographical criteria.
Prohibition of practicing outside of the geographical district where the taxi was licensed.	No change.
Obligation of taxi owners to have a taxi driver license.	The restrictions with respect to the professional status and legal form of taxi owners were repealed and a taxi owner can be a natural person or legal entity without being obliged to hold a taxi driver license. Ownership of more than 3% of taxi licenses in the districts of Athens and Thessaloniki and 5% of the taxi licenses per other geographical district is not allowed. In geographical districts where the licenses permitted are equal to or less than 20, the maximum licenses allowed per taxi owner are 2.
The Minister of Transport and Communications determined taxis fares and surcharges (i.e. the flat rate, the rate per km within/outside city limits, the radio taxi charge, the night fare, the waiting time charge, the minimum fare and special fares)	No change.
	<u>New regulation:</u> A new category of taxis with 6-9 seats was defined, establishing thereafter two main taxi categories: a) those with 5 seats, which have a taximeter and b) those with 6-9 seats, called special lease taxis, which are without taximeter and take clients only by appointment with an agreed rent. An additional special lease category of taxis was defined, which also has 6-9 seats, and all necessary equipment to serve persons with disabilities.

Shipping Agents	
Regulations prior to the reforms	Amendments as a result of the reforms
The profession could be practiced by both natural persons and legal entities, after a license from the central or local port administrative authorities.	Licensing has been replaced by an announcement of commencement of activity. The profession can be practiced freely after the lapse of a three month period from the announcement to the competent port authority.
Requirements for obtaining a license: a) Greek citizenship, b) non-conviction for a series of offences c) a high school diploma, customs agent degree, degree in maritime studies or domestic or foreign equivalent university degree, d) two years of experience (not necessary for those holding a university degree and customs agents with five years of experience) and e) adequate, private or leased establishment.	The requirements for exercising the profession, including technical requirements for establishments, have not been affected by the reforms.
The same person could not be appointed as a representative of more than one entity.	The prohibition has been abolished.
Restrictions on practicing outside of the specific geographical district where a shipping agent was licensed.	Abolition of geographical restrictions. Every shipping agent has the opportunity to freely conduct his/her profession within the whole territory of the country.
Co-location was allowed only with firms serving shipping purposes or maritime transport ticketing and only paid employees can be employed in shipping agent offices.	No change.
Both natural persons and legal entities could establish branches in their local district or in another district, after obtaining a license for a 'Shipping agent branch' from the competent port administrative authority.	The license for a 'Shipping agent branch' has been abolished.

Chartered valuers (now certified valuers)	
Regulations prior to the reforms	Amendments as a result of the reforms
The chartered valuer profession was exercised exclusively by members of the Body of Chartered Valuers (SOE). Members of the SOE were chartered valuers, rank A' assistant chartered valuers and assistant chartered valuers.	The restriction has been abolished.
The chartered valuer profession was exercised only by natural persons.	The restriction has been abolished and the profession can be practiced by both natural persons and legal entities
The number of chartered valuers and rank A' assistants was restricted to a maximum of 30.	Restrictions on the number of practitioners have been abolished.
Practicing of the profession was subject to licensing on the basis of economic needs tests. More specifically, the appointment as a chartered valuer was made by decision of SOE's supervisory board, following a Greek ministerial council decision.	Licensing has been replaced by an announcement of commencement of activity. The profession can be practiced freely after the lapse of a three month period from the announcement to the competent authority and registration to the Register of Certified Valuers.
Licensing was subject to the following requirements: a) Greek citizenship, b) morality and irreproachable private and public life, c) a domestic or foreign equivalent university degree (by the NTUA or an equivalent school, an economics or industry school, or a political science school) d) 12 years of relevant professional experience or experience in the public sector and e) knowledge of a foreign language.	For natural persons, requirements for registration to the Register of Certified Valuers include any university or higher education degree, two years of experience in valuation, and a proof of the fulfilment of at least one of the following requirements: a) certification from an accredited institution, including private institutions, b) lawful practicing of the profession in any Member State of the EU or in a third country in accordance with the principle of reciprocity c) successful completion of the relevant state examination. For legal entities, requirements for registration include employing one or more certified valuers.
Fees were defined as a proportion of the value of the property, as determined in the valuation report.	Fees are agreed freely with the clients
	<u>New regulation:</u> A new state examination has been introduced The state examination is set to take place twice a year.
	<u>New regulation:</u> Certification and hence the right to practicing the profession can be obtained for one or more of the following sectors: 1) real estate, 2) mechanical and technical equipment, industrial installations, 3) intangible goods, 4) vessels, 5) businesses and 6) movable property of any kind.

Tourist guides	
Regulations prior to the reforms	Amendments as a result of the reforms
Licensing procedure.	Licensing has been replaced by an announcement of commencement of activity. The profession can be practiced freely after the lapse of 10 days from the submission of the necessary documents in the Ministry of Tourism.
Requirements for obtaining a license: a) relevant diploma, i.e.: i) Degree from Tourist School of the Ministry of Tourism (former OTEK) or ii) relevant qualification obtained in another Member State of the EU and copy of the recognition decision qualifications, b) copy of criminal record, c) certificate of military status, d) proof of payment for registration in the relevant chamber and for the administration of a tourist guide identity card.	In addition to the diplomas already recognized as suitable in order to be a tourist guide a Certificate from the newly introduced intensive training programs is also recognized (see below).
Only holders a Tourist School diploma could exercise the profession, excluding other graduates with relevant educational background, e.g. archeologists.	Intensive two-month tourist guide training programs for graduates of Archaeology, History and History of Archaeology were established. The programs are completed upon success in a written test, and the certificates awarded satisfy the educational requirements for exercising the profession of tourist guide.

Real estate agents	
Regulations prior to the reforms	Amendments as a result of the reforms
Practicing of the real estate agent profession was subject to mandatory registration in the local chamber.	Anyone interested to practice the profession can be automatically entered in the register of the Chamber of Commerce and the General Commercial Register (G.E.MI.) after the submission and auditing of the necessary documents. In the case of EU citizens, what is now required is a certificate of registration in a register, other competent authority or professional body of their country of origin, according to that country's laws.
Requirements for registration included a) a high school diploma, b) a clear criminal record certificate and c) a non-bankruptcy certificate. For registration of a company, the relevant documents proving its legality and representation were also required.	For registration in the G.E.MI. the necessary documents include a high school diploma and a statutory declaration of non-conviction for a series of offenses.
Although there were no formal provisions for restrictions in fees, in practice 'gray areas' in the regulations often resulted in the imposition of minimum fees in practice (e.g. a minimum real estate agent fee of 2% on the value of property sold).	Minimum fees were explicitly abolished.

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