



Commitment to Development Index 2011

Greece

David Roodman, Julie Walz, and Tejaswi Velayudhan

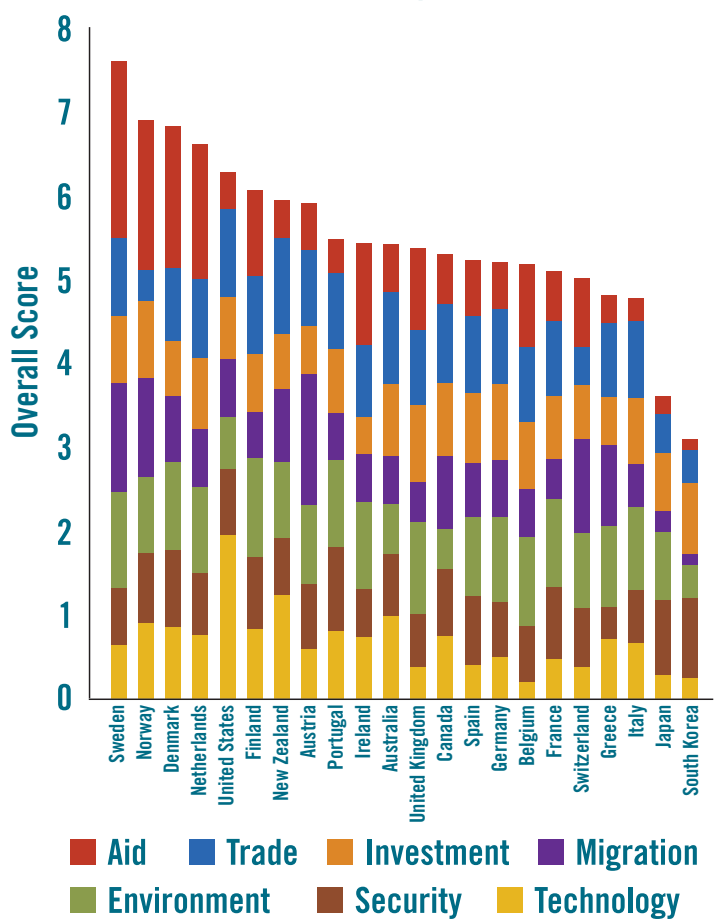
The Commitment to Development Index (CDI) ranks 22 of the world's richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national effort in seven policy areas that are important to developing countries: aid, trade, investment, migration, environment, security and technology. This report reviews Greece's performance on the 2011 CDI.

Greece's 2011 CDI Performance

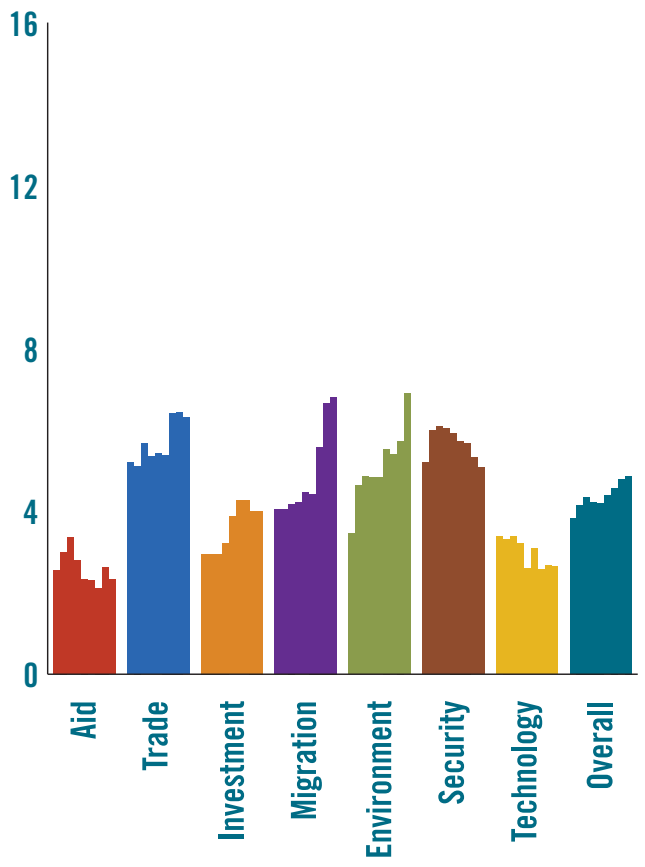
- Overall rank 2011: 19
- Overall score 2011: 4.9
- Change since 2003: +1.1 (using 2011 methodology)

Greece ranks 19th overall in 2011. Greece scores well on the migration component due to admissions of a large number of immigrants from poor countries and a large share of foreign students. The Greek government also plays a role in protecting sea lanes that are important to international trade. However, Greece scores below average in three components: foreign aid, investment, and technology. The Greek government has poor donor practices in place, lacks strong policies to promote investment in poor countries, and provides little support for research and development.

Commitment to Development Index 2011



Greece's CDI Performance, 2003-11



Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively well-governed recipients, and penalizes overloading poor governments with many small projects.

■ **Score: 2.3**

■ **Rank: 19**

Strengths

- Prevents project proliferation; large average project size (rank: 2)

Weaknesses

- Large share of tied or partially tied aid (42%; rank: 20)
- Selectivity: large share of aid to less poor and worse-governed recipients (rank: 18)
- Small amount of private charitable giving attributable to tax policy (rank by share of GDP: 20)
- Low net aid volume as a share of the economy (0.19%; rank: 19)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries.

■ **Score: 6.3**

■ **Rank: 13**

Strengths

- Low tariffs on textiles (6.0% of the value of imports; rank: 3)
- Low tariffs on apparel (6.0% of the value of imports; rank: 3)

Weaknesses

- High agricultural subsidies (equivalent to a tariff of 13.6% on the value of imports; rank: 20)

Investment

Rich-country investment in poorer countries can transfer technologies, upgrade management and create jobs. The CDI includes a checklist of policies that support healthy investment in developing countries.

■ **Score: 4.0**

■ **Rank: 19**

Strengths

- Employs foreign tax credits to prevent double taxation of corporate profits earned abroad
- Provides assistance in identifying business opportunities in developing countries

Weaknesses

- Does not allow domestic investors to take advantage of developing-country tax incentives
- Imposes some restrictions on pension fund investments in emerging markets
- Limits insurance against political risk to domestically owned firms
- Political risk insurance also given to inefficient, import-substituting projects

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income, and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

■ **Score: 6.8**

■ **Rank: 5**

Strengths

- Large share of foreign students from developing countries (96%; rank: 1)
- Large number of immigrants from developing countries entering Greece (rank by share of population: 1)
- Bears large share of the burden of refugees during humanitarian crises (rank: 6)
- No tuition fee for foreign students

Weaknesses

- Only a small increase during the 1990s in the number of unskilled immigrants from developing countries living in Greece (rank by share of population: 21)

Environment

Rich countries use a disproportionate amount of scarce resources, and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

■ **Score: 6.9**

■ **Rank: 12**

Strengths

- Greenhouse gas emissions grew little in 1999–2009 despite rapid GDP growth (average annual growth rate/GDP, –3.4%; rank: 5)
- High gas taxes (\$1.16 per liter; rank: 5)

Weaknesses

- High fishing subsidies (\$2.10 per person; rank: 19)
- Poor compliance with mandatory reporting requirements under multilateral environmental agreements relating to biodiversity (rank: 22)

Security

Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, rewards military protection of global sea lanes, and penalizes arms exports to poor and undemocratic governments.

■ **Score: 5.1**

■ **Rank: 11**

Strengths

- Few arms exports to poor and undemocratic governments (rank by share of GDP: 8)
- Military ships stationed in sea lanes that are important to international trade (rank by share of GDP: 5)

Weaknesses

- Small financial and personnel contributions to internationally sanctioned peacekeeping and humanitarian interventions over last decade (rank by share of GDP: 15)

Technology

Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

■ **Score: 2.7**

■ **Rank: 22**

Strengths

- Small share of government R&D on defense (0.0%; rank: 6)

Weaknesses

- Low government expenditure on R&D (rank by share of GDP: 22)
- Low tax subsidy rate to businesses for R&D (rank: 17)
- Offers patent-like proprietary rights to developers of data compilations, including those assembled from data in the public domain
- Imposes strict limitations on anti-circumvention technologies that can defeat encryption of copyrighted digital materials

Background Papers and Contributors

See “The Commitment to Development Index: 2011 Edition” by David Roodman, available at www.cgdev.org/cdi. The website also has background papers for each policy area: David Roodman on foreign aid, William R. Cline on trade, Theodore H. Moran on investment, Elizabeth Grieco and Kimberly A. Hamilton on migration, Amy Cassara and Daniel Prager on environment, Michael E. O’Hanlon and Adriana Lins de Albuquerque on security, and Keith Maskus on technology.

Commitment to Development Index 2011

Country	Rank	Aid	Trade	Investment	Migration	Environment	Security	Technology	Overall Score	Change since 2003
Sweden	1	14.9	6.5	5.6	9.2	8.1	4.5	4.9	7.7	+1.6
Norway	2	12.7	2.6	6.4	8.4	6.5	6.4	5.8	7.0	+0.9
Denmark	3	11.9	6.2	4.7	5.6	7.4	6.1	6.5	6.9	-0.2
Netherlands	4	11.5	6.6	6.0	4.9	7.3	5.3	5.2	6.7	+0.2
United States	5	3.1	7.4	5.3	4.9	4.4	13.8	5.6	6.4	+2.2
Finland	6	7.3	6.6	4.9	3.8	8.4	5.9	6.1	6.1	+1.1
New Zealand	7	3.3	8.1	4.7	6.1	6.4	8.7	4.9	6.0	+0.3
Austria	7	3.9	6.5	4.0	11.1	6.7	4.2	5.5	6.0	+0.6
Portugal	9	2.8	6.5	5.4	4.0	7.3	5.7	7.0	5.5	+1.0
Ireland	9	8.6	6.1	3.1	4.1	7.4	5.2	4.0	5.5	+0.4
Australia	9	4.1	7.7	6.1	4.0	4.2	7.0	5.3	5.5	-0.1
United Kingdom	12	7.0	6.3	6.4	3.5	7.7	2.7	4.5	5.4	+0.2
Canada	12	4.2	6.7	6.1	6.2	3.4	5.3	5.7	5.4	+0.4
Spain	14	4.8	6.4	6.0	4.6	6.6	2.8	5.9	5.3	+1.0
Germany	14	4.0	6.3	6.4	4.8	7.2	3.5	4.7	5.3	+0.3
Belgium	16	7.0	6.3	5.6	4.0	7.6	1.4	4.7	5.2	+0.7
France	16	4.3	6.4	5.3	3.4	7.4	3.3	6.1	5.2	+0.6
Switzerland	18	5.7	3.2	4.6	7.9	6.3	2.7	5.0	5.1	+0.5
Greece	19	2.3	6.3	4.0	6.8	6.9	5.1	2.7	4.9	+1.1
Italy	20	2.0	6.5	5.6	3.7	7.0	4.7	4.5	4.8	+0.5
Japan	21	1.5	3.3	4.9	1.8	5.7	2.0	6.3	3.7	+1.1
South Korea	22	1.0	2.8	5.9	1.0	2.8	1.7	6.8	3.1	n/a

This table ranks the 22 countries in the CDI, showing their scores in seven policy areas. A country's overall score is the average of its seven policy scores. The final column shows the change in each country's overall score since the CDI began in 2003, using 2011 methodology.

The CGD website (www.cgdev.org/cdi) has reports on each of the 22 countries in the CDI, as well as graphs, maps, spreadsheets, and background papers.

The Commitment to Development Index is designed by the Center for Global Development, an independent think tank that works to reduce global poverty and inequality by encouraging policy change in the United States and other rich countries through rigorous research and active engagement with the policy community.

David Roodman, the architect of the Commitment to Development Index, is a senior fellow at the Center for Global Development.

Center for Global Development
Independent Research and Practical Ideas for Global Prosperity

www.cgdev.org

1800 Massachusetts Ave., NW • Washington DC 20036

Tel: 202.416.4000 • Fax: 202.416.4050

