The Hellenic Observatory

The European Institute

An 'eclectic' investigation of tourism multinationals' activities: Evidence from the Hotels and Hospitality Sector in Greece

George Anastassopoulos,
Fragkiskos Filippaios
and
Paul Phillips

GreeSE Paper No 8

Hellenic Observatory Papers on Greece and Southeast Europe

November 2007

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Table of Contents

ABSTRACT iii

1. Introduction 1

2. The Global Tourism Industry and the case of Greece 3

3. Conceptual Framework and Hypotheses 9

3.1. Performance and Internationalisation 9

3.2. Performance and Multinational Ownership 10

4. Data Description and Estimation Methodology 16

5. Results and Interpretation 21

6. Conclusions 24

Appendix 26

References 28

Acknowledgements
The authors would like to thank two anonymous reviewers of the EuroCHRIE Conference 2006 and the academic staff at the Hellenic Observatory, London School of Economics and Political Science for their comments and support. The usual disclaimer applies.

An 'eclectic' investigation of tourism multinationals' activities: Evidence from the Hotels and Hospitality Sector in Greece

George Anastassopoulos[#], Fragkiskos Filippaios* and Paul Phillips[a]

ABSTRACT

This paper analyses determinants of profitability differences between subsidiaries of Multinational Enterprises (MNEs) and Domestic Enterprises (DMEs) in the hotel and hospitality industry using firm level data. Previous studies have tested the hypothesis that ownership-specific advantages are a major determinant of performance differences. This paper explores performance issues using the eclectic paradigm configuration of hotel and hospitality multinationals (NACE=55), operating in Greece and a panel dataset for 95 firms and 10 years. The model is estimated using quantile regression model. The results indicate that overall MNEs over-perform their domestic competitors and are generally larger in terms of size. An interesting aspect is revealed though when we break our MNEs to majority and minority owned. Minority owned MNEs perform better as they make use of local partners who bring into the firm knowledge of the local market, an aspect important for an industry as Hotels and Hospitality.

Keywords: Greece, Tourism and Hospitality, Multinational Enterprise Subsidiaries (MNES), Performance

---

[#] Department of Business Administration, University of Patras, Greece
***** Hellenic Observatory, European Institute, London School of Economics and Political Science London, UK & Kent Business School, University of Kent, Canterbury, UK
[a] Kent Business School, University of Kent Canterbury, UK
Correspondence: Fragkiskos Filippaios, Hellenic Observatory, European Institute, London School of Economics and Political Science, Cowdray House (J203), Houghton Street, London, WC2A 2AE, UK, Tel: +44 (0) 20 7955 7720, Fax: +44 (0) 20 7955 6497, e-mail: F.Filippaios@lse.ac.uk

An ‘eclectic’ investigation of tourism multinationals’ activities: Evidence from the Hotels and Hospitality Sector in Greece

1. Introduction

Substantial effort has been devoted in the last decade to enhancing the theoretical insights of the application of conceptual models to tourism, but a paucity of studies have considered the international hotel sector, e.g. Mace (1995), Litteljohn (1997) and Johnson and Vanetti (2005). The performance of international hotels has long been a topic of interest to academics, who adopt a plethora of approaches, such as: finance, e.g. Phillips and Sipahioglu (2004), economics, e.g. Chen and Dimou (2005) and international business, e.g. Quer et al. (2007).

The academic literature over the past three decades reveals an emphasis on tourism planning and economic dimensions on Greece (Galani-Moutafi, 2004). Despite management growing in popularity, as a discipline within the Greek and English tourism, the extant literature mainly contains contributions in the sociological and economics fields (Galani-Moutafi, 2004). The current literature covers a variety of subjects and there is no common starting point to the investigation of the Greek case. The only common aspect is the willingness of Greeks to provide not only high quality tourism services but also to further expand the sector in Greece (Haralambopoulos and Pizam, 1996). There are only a handful of papers, from an international business and strategy perspective that examine the characteristics of the Greek tourism industry, even though the last couple of years, Greece has been one of the top destinations and has attracted a substantial amount of Foreign Direct Investment (FDI). One of the key aims of this paper is to fill this gap in the literature. Moreover, by using the Greek case as an example, we make our first contribution to the current literature by providing a coherent framework for further research in the hotels and hospitality sector.

The paper explores performance issues using the eclectic paradigm (Dunning, 1993, Dunning, 2001) configuration of hotels and hospitality multinationals operating in Greece. Earlier studies have used this framework to identify the main aspects of internationalisation in the tourism sector (Dunning and Kundu, 1995, Dunning and McQueen, 1982, Johnson and Vanetti, 2005). Other studies have also used similar frameworks to investigate expansion strategies of international hotel firms (Chen and Dimou, 2005). Finally, there are studies that have used modifications of the eclectic framework to explore multinationals' entry modes or multinationals' emergence from countries with similar environments to the Greek one (Melian-Gonzalez and Garcia-Falcon, 2003, Rodriguez, 2002, Williams and Balaz, 2002, Zhao and Olsen, 1997).

This paper goes beyond this point and analyses the determinants of profitability differences between subsidiaries of Multinational Enterprises (MNEs) and

Domestic Enterprises (DMEs) in the hotels and hospitality sector using firm level data. Previous studies have tested the hypothesis that ownership-specific advantages are a major determinant of performance differences. This study focuses on the hotel sector (NACE=55) in Greece, using a panel data set for 95 firms over 10 years. The model is estimated using a quantile regression model as the dependent variable, in our case profitability, shows a significant skewness. The results indicate that the determinants of profitability differ between MNEs subsidiaries and DMEs.

The rest of the paper is organised as follows: Next section provides a description of the international tourism industry and places Greece in the international environment. Section three presents the conceptual framework and our hypotheses. Section four describes the sample and some basic statistics whilst section five discusses the econometric estimation technique. In section six we provide an interpretation of the results. Finally, section seven concludes the paper offering some interesting suggestions for further research.

2. The Global Tourism Industry and the case of Greece

In a global economy of shifting production locations, comparative, and competitive advantages, it is the immobile factors of production (labour, wages and productivity) and the distinctive characteristics of tourism destination countries that determine competitiveness in tourism sectors and destinations (Anastassopoulos and Patsouratis, 2004). The hotel industry constitutes a particularly interesting case as the increase of globalisation and the rapidly changing structure of tourism-related industries have opened avenues for new ways of participation in supply and distribution value chains and networks. Furthermore, the dual nature of the industry composed of large MNEs and a substantial number of local Small and Medium-sized Enterprises (SMEs) creates a need to investigate the challenges and opportunities for both types of firms (Keller, 2004). In this context, the product of the tourism industry is complex and of a perishable nature (Archer, 1987). The tourism product is consumed at the place (destination country) and the time it is produced. It is also based on social interaction between the supplier and the consumer and its quality is mainly defined by this interaction. This particular nature of the product may influence the characteristics of competition among countries, but also among firms which follow international strategies.

Empirical evidence by international organisations and researchers confirm the increasing worldwide dispersion of economic activity as a critical dimension of the globalisation process. "The fact that global FDI flows are running in real terms at more than five and half times the average prevailing in the first half of the 1980s and that trade in intermediates accounts for an increasingly large proportion of total trade gives an idea of the dynamics of the internationalisation of the structures of firms' production activity" (Commission of the European, 2005, p. 96). However, relocation is limited in services and in particular in the hotels and restaurants sector but of increasing importance in developing economies (Table 1).

Table 1. Sectoral Profile of FDI

Sectors	World % share of sector in Total		Developing economies % share of sector in World sector	
(Inward stocks)	1990	2002	1990	2002
Finance	40	29	24	23
Trade	25	18	10	23
Business activities	13	26	7	39
Transports, storage and communications	3	11	43	29
Hotels and restaurants	3	2	13	29
Total	100	100	17	28

Source: UNCTAD, 2006

The development of new tourism destination countries requires the physical presence of MNEs in consumption markets. The hotel and restaurant sector – which mainly covers hotels, restaurants, cafés and bars, camping grounds, canteens and catering – has witnessed tremendous development in the European Union (Eurostat, 2004). As it is clear from table 2, in particular Spain, Greece and Italy experienced the highest specialisation compared with the EU average. France experienced specialisation equal to the EU average and Portugal below average.

Table 2. Sectoral Specialisation

Rank	Country	Specialization index
1	Spain	2,97
2	Greece	2,70
3	Italy	1,37
4	France	1,00
5	Portugal	0,84

Source: O'Mahony, M. and Van Ark, B. (2003), EU productivity and competitiveness: an industry perspective, Brussels: European Commission.

Tourism industries are less productive than other economic sectors due to the personalised nature of their services (Keller, 2004). There are certain constraints to increasing productivity related to the nature and quality of the service, customer satisfaction, etc. The sector is dominated by SMEs which offer personalised services, are more labour intensive, feature irregular work patterns, and therefore are less productive when compared to the other non-financial service sectors.

Almost two thirds of the value added generated in the sector in the EU-25 in 2001 originated from enterprises numbering less than 50 persons employed (micro and small enterprises, see Table 3). However, large enterprises (employing more than 250 persons) generated approximately one quarter of the value added both in the accommodation services and restaurants, bars and catering sub-sectors (Eurostat, 2004).

Table 3. Value-added at factor cost and persons employed, by enterprise class, 2001 (% total)

	Micro enterprises		**Small enterprises**		**Medium-sized**		**Large enterprises**	
	Value added	Persons employed	Value added	Persons employed	Value added	Persons employed	Value added	Persons employed
EU-25	38.4	45.7	24.3	24.4	12.7	10.2	24.6	19.7
EU-15	38.7	45.1	24.4	24.6	12.5	10.1	24.5	20.2

Source: Eurostat, Structural Business Statistics (theme4/sbs/sizeclass).

Developments, however, in human and social capital and technological developments such as the adoption and use of information and communication technologies, integrated management systems may affect competition (MNEs Vs local SMEs). In certain sectors or segments these developments are more advanced and therefore offer a more favourable environment for the development of MNEs' strategies.

Greece has been well established in global markets as a popular destination for international visitors seeking traditional 'sun, sea and sand' package vacations. The country has been selected solely as a place of recreation, whereas cultural and other qualitative elements are not the main incentives of tourist attractiveness (Patsouratis et al., 2005). This perception has resulted in a highly seasonal industry, focused primarily on the Islands, and largely dependent on low return package tours for its success (World Travel and Tourism, 2005).

The successful organisation of the 2004 Athens Olympic Games, however, accompanied by a successful marketing campaign helped to rejuvenate the transportation infrastructure, tourist resorts and hotels. The Greek tourism industry is transforming its competitive positioning from a low cost, to a higher quality and value for money destination. Tourism flows are buoyant with Greece ranking 15th globally with 16 million tourism arrivals in 2004, 90% of which came from European countries (World Travel and Tourism, 2005). In 2005, revenues were expected to rise by 11.5% to 31.7 EUR billion (World Travel and Tourism, 2005) with projections forecasting an average annual growth of 4.1% till 2015, with revenues reaching 60.3 EUR billion (World Travel and Tourism, 2005).

During the last two decades we have seen in Greece a substantial internationalisation process in the hotel and hospitality sector (Litteljohn, 1997). At the end of 2004, FDI in hotels and hospitality sector reached 819.4 EUR million, representing 3.8% of the total FDI stock located in the country (Greece, 2005). Large international hotel chains, like Club Med, Hilton, Hyatt Regency and Sofitel have established their presence in a market with significant potential in order to capitalise on this transition of the Greek tourism market from a low cost to a high value added, high profitable market. These firms further attracted other international competitors in a potentially prosperous market. This process is further supported and enhanced by a new legal framework that provides subsidies to investments, international and domestic, for the establishment of luxurious hospitality facilities.

It is the existence and development of locational factors that transforms Greece to an attractive tourist destination. There are excellent climatic conditions all around the year, enabling the industry to diversify both in winter/mountain and summer tourism activities. The regulatory framework, mentioned above, as described in the latest developmental and incentives investment law (3299/2004) indicates a clear commitment on behalf of the government not only to support high value added activities but also alternative forms of tourism (agro-tourism, golf courses, marinas, spas, thalasso-therapy centres, conference centres) fully exploiting the country's comparative and competitive advantages. Furthermore, the existence of well-trained and experienced human resources and the comparatively low operating costs provide the most favourable external environment for FDI.

3. Conceptual Framework and Hypotheses

3.1. Performance and Internationalisation

Firms' internationalisation process is a thoroughly investigated topic within the international business literature (Aharoni, 1966, Johanson and Vahlne, 1977, Johanson and Vahlne, 1990, Johanson and Wiedersheim-Paul, 1975, Welch and Luostarinen, 1988). Most studies adopt an evolutionary process of the firm which gradually expands abroad. This evolutionary process led eventually to the development of three conflicting models on the effect of internationalisation process and multinationality on firms' performance.

The first, being the simplest one, hypothesises a linear relationship between internationalisation and performance. Authors like Delios & Beamish (1999), Grant (1987) and Grant et al., (1988) show that there is a positive and linear relationship. In this case internationalisation creates new growth opportunities for firms and thus enhances their profitability potential. Other authors (Lu and Beamish, 2004, Qian, 1997, Ruigrok and Wagner, 2003) propose a U-shaped relationship. The firm during the initial stages of internationalisation shows deterioration in its performance. This deterioration can be attributed to the lack of internationalisation experience. This argument of course might hold conversely as internationalisation can initially enhance growth offering new profitable investment opportunities (Geringer et al., 1989, Geringer et al., 2000, Grant et al., 1988, Hitt et al., 1997, Tallman and Li, 1996) and thus create an inverted U-shaped relationship. Finally, newer studies (Contractor et al., 2003, Lu and Beamish, 2004) find an S-shaped relationship by combining the arguments of the above two conceptualisations.

It is, therefore, obvious from the above that the discussion on the effect of multinationality on performance has produced until now rather inconclusive evidence. Both in terms of profitability as well as company growth, researchers are far from reaching a consensus and results are influenced from the different methodologies, samples and theoretical standings. Through an empirical lens, some authors like Tallman and Li (1996) find weak if not mixed evidence on the effect of multinationality on firm's performance whilst others, Cantwell & Sanna-Randaccio (1993) show that domestic companies grow faster than MNEs. Finally, others (Siddarthan and Lall, 1982) go to the opposite extreme and suggest that there is a negative influence of multinationality on growth. To make things even more complicated a stream of the literature suggests that the relationship between multinationality and performance is not even linear (Geringer et al., 1989).

3.2. Performance and Multinational Ownership

An interesting point in this discussion is whether MNEs internationalise through greenfield investments, mergers & acquisitions, joint-ventures or other contractual arrangements. Some studies (Barbosa and Louri, 2002, Dimelis and Louri, 2002) suggest that the different ownership structures adopted by

MNEs demonstrate a way of protecting their property rights, their reputation or other intangible assets. These studies base their arguments on the property rights theory and link ownership structures with performance (Chhibber and Majumdar, 1999). The higher the control of the mother company over the subsidiary the more efficient it is to transfer higher level of technology and thus transform this subsidiary to a much more productive unit against its local competitors. This effect is further strengthened once we move from minority to majority holding as there is a substantial reduction in monitoring costs.

Building on this discussion, this study uses Dunning's Ownership, Location, Internalisation (OLI) framework to investigate the effect of multinationality and ownership structure on performance. The basic assumption of the eclectic paradigm is that the returns to FDI, and hence FDI itself, can be explained by a set of three factors: the ownership advantages of firms 'O', indicating who is going to produce abroad 'and for that matter, other forms of international activity' (Dunning, 1993 :142); by location factors 'L' 'influencing the where to produce' (Dunning, 1993 :143) and by the internalisation factor 'I' that 'addresses the question of why firms engage in FDI rather than license foreign firms to use their proprietary assets' (Dunning, 1993 :145). Using the above propositions one can explain not only the scope and geography of international value added activities but the performance of MNEs' activities as well.

In order to be able to compete in a foreign location and tackle the disadvantages generated by operating in a foreign environment, a firm must possess certain ownership advantages–sometimes called 'competitive' or ‘monopolistic’ advantages - that can compensate for the additional costs associated with setting up and operating abroad, costs which are not faced by domestic producers or potential producers (Dunning, 1988 :2). Dunning (1988) defines three different types of ownership advantages: the ones that stem from the excusive possession or access to a particular asset able to generate income such as trade marks, patents; those associated normally with a branch plant rather than a de novo firm, and those that are a result of geographical diversification or multinationality per se.

The second condition of international production is that the company must be better-off transferring its ownership advantages within the firm across borders, rather than selling them to a third party via licensing or franchising, for example. This second factor is the internalisation and has been defined by Dunning (1993) as a choice between investing abroad or not. In this point we further build on the extension of OLI suggested by Guisinger (2001 :264) in his ‘evolved eclectic paradigm’. In his model, Guisinger (2001 :264) replaces the ‘I’ factor with ‘M’ for the mode of entry. This allows differentiation between factors affecting different modes of entry in different countries.

The third condition of the eclectic paradigm is concerned with the ‘where’ of production. MNEs will chose to produce abroad whenever it is in their best interests to combine intermediate products produced in their home country which are spatially transferable with at least some immobile factors or intermediate products specific to the foreign country (Dunning, 1988 :4). Some of the location advantages include factors endowment and availability, geographical factors or public intervention in the allocation of resources as reflected by legislation towards the production and licensing of technology, patent system, tax and exchange rate policies which a multinational would like either to avoid or to exploit (Dunning, 1977 :11). In this paper this part of the eclectic paradigm is binded to Greece as we investigate the performance of investment decisions of MNEs in the Greek market. This discussion builds on the context specificity of the eclectic paradigm and enables us to draw general conclusions by comparing homogenous, with respect to the external environment, investment decisions.

It would be expected that the competitiveness of MNE subsidiaries would be dependent on the nature and extend of their O and on the ways in which they organise the deployment of these in the host country. Empirical work has been interested in explaining the employment of these assets in host countries in relation to the competitive advantages of domestic firms. The main findings of this literature are presented very briefly here.

Firstly, there are large differences across industries in the degree to which production and sales are accounted for by MNEs. Second, MNEs are firms which have the following characteristics: high levels of R&D relative to sales, high levels of product differentiation and a large share of professional and technical workers in their workforce. These constitute the most significant O of MNEs. Third, and related to the first, 'it is clear that the significance of the O varies between MNEs, and is both industry and country specific' (Dunning, 1993 :142). With this in mind we state our first testable hypothesis.

H1: The extent of multinationality will have a positive impact on the firms' performance

Is it reasonable to hypothesise that the MNEs will be more profitable than domestic enterprises in the host country? As Dunning mentions: "Discounting for risk, all that is required is that, at the margin, it should be earning profits at least equal to its opportunity costs" (Dunning, 1993 :424).

Conversely, theory and empirical research show that this is not always the case. It is not necessary for its long-term presence in a foreign market that an MNE subsidiary earns higher profits than a domestic firm. As several authors have pointed out, a subsidiary entering into a foreign market may be faced with certain disadvantages. These disadvantages depend on specific industrial and market structures as well as the economic, social and political structure of the host country. Domestic firms may be further up the learning curve as a result of operating in the market previously, but also may possess ownership-specific advantages of different types than those of multinationals - income generating assets (such as local links, or local market reputation) that are not originated from or promote multinationality. Furthermore, it is hard to imagine firms surviving in any competitive market without ownership advantages. MNEs may be more efficient in intermediate product markets, but not necessarily in all final product markets where they operate. There are industries though were the role of national responsiveness or national integration is of crucial importance for the success and performance of the firm under investigation. (Doz, 1986) In some cases, this need determines the profitability or the success of the local subsidiary of an MNE. Disadvantages related to specific industry or market imperfections as well as the differences in the social, political, economical and institutional environment need to be addressed from a multinational's perspective. (Maroudas and Y., 1995, Thimann and Thum, 1998) This leads to the formulation of our second hypothesis.

H2: Multinationals that employ local partners in their activities will outperform multinationals that operate on their own.

The literature is until now highly descriptive and does not provide conclusive evidence on the impact of multinationality on the tourism firms' performance (Zhao and Olsen, 1997). The possibility of collaboration between a multinational enterprise and local partners in different forms was investigated in a paper by Rodriguez (Rodriguez, 2002). He finds that if the local environment is stable and the local market perishable then Spanish MNEs will enter directly the market as their transaction costs are low and thus can afford to commit significant resources. In their study Lee and Jang (Lee and Jang, 2006) showed that international diversification in the hotels industry does not improve financial performance but contributes substantially to the stability of profits. Chen and Soo (2007) exploring the cost structure and productivity growth of the Taiwanese international tourism hotel find a significant substitutability effect among different production factors, i.e. capital, labour and material. This substitutability can lead MNEs to substitute capital investment by local labour or material from the domestic market. Then the local partner has an obvious advantage in securing this kind of inputs. In addition, local managers and partners can also help MNEs in the tourism sector to diminish cultural differences and increase the probability of success (Ayoun and Moreo, 2007). It is in this context that hotel managers need to find a proper balance between product standardisation and "responsive" policies both in facilities as well as services provided. This local responsiveness requires the presence of a local partner in order to accommodate this need (Whitla et al., 2007). Of course, hotel chains have to take into consideration local trends and tastes as well as any change in them. In this case the local partner being able to get in contact with members of the local industry or associations has an advantage (Litteljohn, 1997). Finally, the fact that most international hotel operators have to deal with multiple environments at the same time makes the need to use a local partner almost a necessity (Burgess et al., 1995).

4. Data Description and Estimation Methodology

Our sample covers 95 active firms in the Hotels and Hospitality sector located in Greece for a period of almost 10 years (1995-2004). Our primary source of information is the AMADEUS database, which covers a large number of European firms. The full list of companies participating in our sample can be found in table 2 in the appendix of the paper. The AMADEUS database provides financial as well as ownership data on the participating firms. The distribution of firms in our sample can be found in table 4.

Table 4. Description of Firms

NACE Revision 1.1	Description	Number of Firms
55	Hotels and restaurants	95
55.10	Hotels	80
55.22	Camping sites, including caravan sites	1
55.30	Restaurants	12
55.51	Canteens	1
55.52	Catering	1

Table 5. Variables Description and Basic Statistics

Variable	Variable Description	Mean	Std. Dev.
PERF	Gross Profits over Turnover	0.300	0.288
SIZE	Natural logarithm of Total Assets	16.505	1.253
PROD	Turnover per Employees	89930	320793
LEVERAGE	External Debt over Total Capital	0.325	0.243
LIQUID	Cash and Cash Equivalent over Total Assets	0.071	0.132
MNE	Dummy Variable (1 if the firm is a multinational, 0 if the firm is purely domestic)		
MNEMAJ	Dummy Variable (1 if a multinational controls the majority of shares, 0 if the firm is purely domestic)		
MNEMIN	Dummy Variable (1 if a multinational controls the minority of shares, 0 if the firm is purely domestic)		
SECTOR	Dummy Variable (1 if the firm belongs to 5510, 0 otherwise)		

The variables description can be found in table 5. Our first step in our statistical analysis was to identify differences between multinationals and domestic firms. Moreover, we were also able to identify whether the firms under investigation were controlled by an MNE through a majority or a minority ownership stake. As mentioned in the building of our conceptual framework, the main difference is that the minority owned MNEs would have local partners participating in their capital structure, providing the knowledge of the local market and adapting the strategy of the firm to the local environment.

Table 6. Descriptive statistics and t-tests of means

Variable	Performance			
	Observations	Mean	Difference from Domestic	t-test
Domestic	562	2.93%		
Multinationals	201	3.20%	0.27%	1.12
Majority MNEs	125	2.31%	-0.62%	-2.93***
Minority MNEs	76	4.65%	1.72%	5.36***

Variable	Size (Total Assets)			
	Observations	Mean	Difference from Domestic	t-test
Domestic	562	25000000		
Multinationals	201	33600000	8600000	3.15***
Majority MNEs	125	27100000	2100000	0.04
Minority MNEs	76	44600000	19600000	4.79***

Variable	Size (Employment)			
	Observations	Mean	Difference from Domestic	t-test
Domestic	562	185		
Multinationals	201	340	155	8.53***
Majority MNEs	125	330	145	5.52***
Minority MNEs	76	355	171	5.38***

Variable	Leverage			
	Observations	Mean	Difference from Domestic	t-test
Domestic	562	30.5%		
Multinationals	201	38.3%	7.8%	4.01***
Majority MNEs	125	39.5%	9.0%	3.61***
Minority MNEs	76	36.2%	5.7%	1.41

*** statistically significant at 1%, ** statistically significant at 5% , *statistically significant at 10%

Table 6 provides some basic descriptive statistics as well as the t-tests of the difference of means. In general, multinationals outperform domestic firms and are larger both in terms of their total assets and their employment. This provides preliminary evidence supporting our first hypothesis. Their leverage ratio is also larger indicating a tendency to rely more on external funding. The breaking up of MNEs to majority and minority owned reveals some interesting aspects of the sample. Minority owned MNEs are better performers and are in general larger than the majority owned MNEs. Again this result supports our argumentation that led to the formulation of our second hypothesis. This preliminary result creates a need for further exploration of the performance determinants and their differences between domestic, majority and minority owned MNEs. To shed further light we proceeded adopting an econometrical exercise.

In this paper the performance variable (dependent variable) is not normally distributed across firms. As figure 1 and 2 reveal the distribution is highly skewed and thus departs from normality.

Figure 1. Normal Quantile Plot

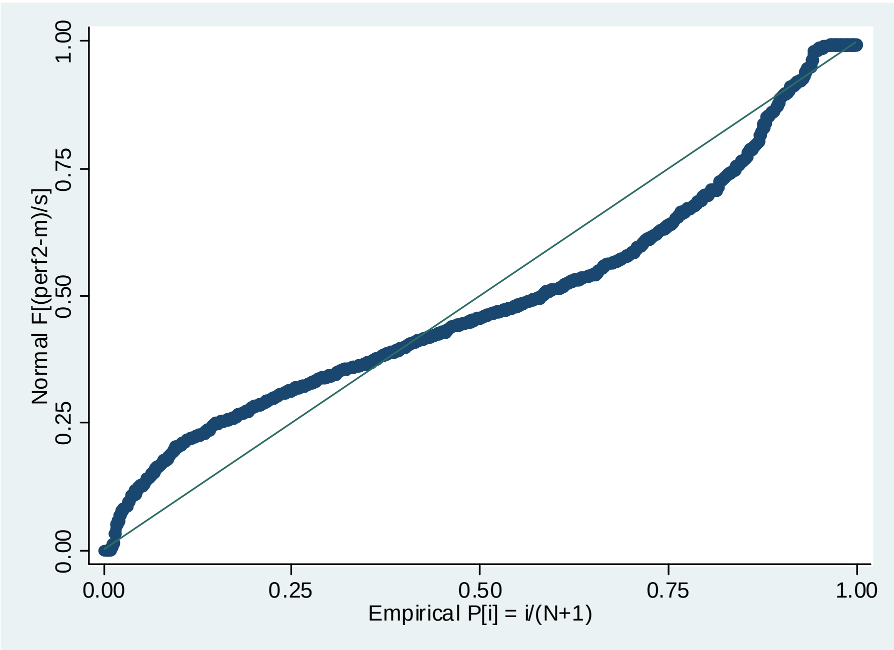
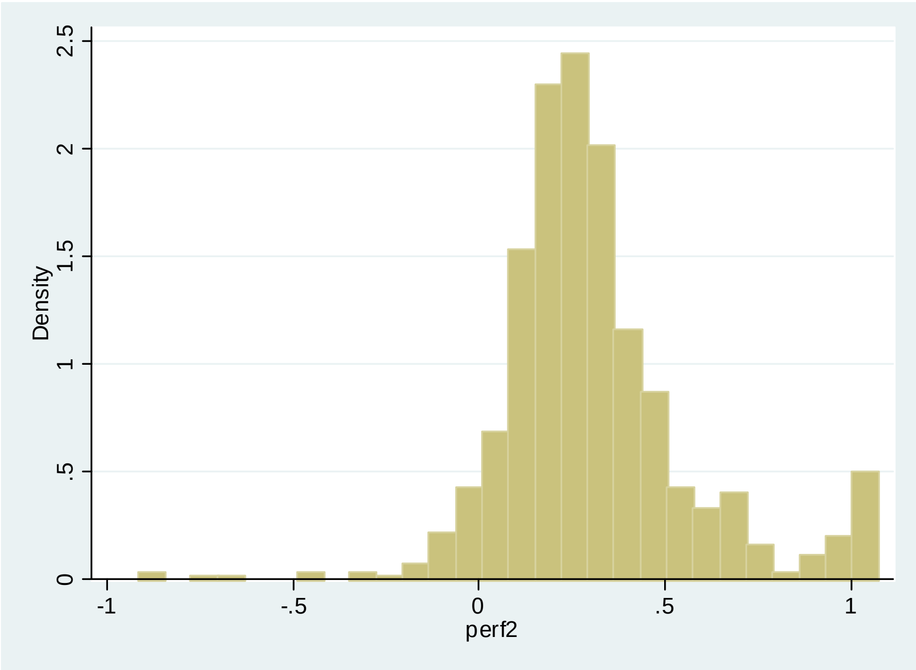


Figure 2. Performance Histogram



A Shapiro-Wilk (1965) and Shapiro-Francia (1972) test, reported z-values 11.21 and 9.05 respectively verifying the results obtained from the histogram and the normal distribution plot. The application of Ordinary Least Square (OLS) estimation will not produce the best linear unbiased estimators (BLUE) as our error term will be affected by the skewness of the dependent's variable distribution. Our sample requires an alternative estimation technique which puts less emphasis on outliers. Quantile regression as developed by Koenker and Basset (Koenker and Basset, 1978) takes into consideration the skeweness of the distribution and gives a more complete picture of the way performance is affected by the various independent variables. This technique was further developed by Koenker and Hallok (Koenker and Hallock, 2001) and Koenker (Koenker, 2005). In our case we also accounted for heteroscedastic errors, applying a bootstrapping technique which reports robust standard errors (Gould, 1992, Horowitz, 1998).

Quantile regression provides estimations of models for the conditional median function and the full range of other conditional quantile functions (Buchinsky, 1994, Dimelis and Louri, 2002, Koenker and Hallock, 2001). Departing from a standard linear model in the form: $y_i = x_i^{'}\beta + e_i$[1], the parameters of the above model are estimated in different quantiles and the quantile regression model takes the following form: $y_i = x_i^{'}\beta(q) + e_i \; = Q_q(y_i) + e_i$ where $0 < q < 1$, β(q) is the vector of explanatory variables estimated in a given value for *q* in (0,1) and $Q_q(y_i)$ represents the *qth* quantile of the conditional distribution of y_i given the vector of x_i. In simple words quantile regression is using the median or different quantiles of the distribution instead of the mean for estimation. This solves the problem of skewed distributions with respect to the dependent variable.

5. Results and Interpretation

Table 8 reports the results for all firms irrespective of their sectoral participation. Size (SIZE) produces a negative and statistically significant sign indicating that complexity emerges as an obstacle for performance. On the other hand the variable that measures turnover over employees (PROD) is

[1] Where y_i is the dependent variable (in our case firm performance), x_i is the vector of explanatory variables, β is the vector of parameters to be estimated and e_i is the vector of independently and identically distributed error terms with a symmetric distribution around zero.

negative and statistically significant. A possible explanation comes from the seasonality of the sector. A heavy reliance on employment reduces the ability of the firm to allow for seasonal changes to its customer base. This result is also mirrored in the positive and statistically significant sign of liquidity. The excess liquidity provides the firm with a flexibility to respond to seasonal expenses and thus a high degree of liquidity is a prerequisite for performance. Multinationality as captured by our dummy variable (MNE) has a positive and statistically significant sign, indicating that MNEs outperform their domestic competitors. This provides strong support to our first hypothesis (H1) but reveals half of the story.

Table 8. Quantile Regression, Dependent Variable PERF, All Firms

	Model 1	Model 2	Model 3	Model 4
SIZE	-0.013*	-0.015	-0.017**	-0.021***
	(-1.67)	(-1.62)	(-2.12)	(2.93)
PROD	-0.275**	-0.256*	-0.262**	-0.194*
	(-2.04)	(-1.67)	(-1.96)	(-1.73)
LEVERAGE	0.045	0.026	0.061	-0.054
	(1.17)	(0.59)	(1.58)	(-1.59)
LIQUID	0.690***	0.692***	0.704***	0.407***
	(9.13)	(7.98)	(9.25)	(6.26)
MNE		0.048**		
		(2.18)		
MNEMAJ			-0.009	-0.065***
			(-0.39)	(-3.29)
MNEMIN			0.122***	0.104***
			(4.42)	(4.40)
SECTOR				-0.265***
				(-13.00)
CONSTANT	0.453***	0.479***	0.505***	0.148***
	(3.39)	(3.08)	(3.71)	(1.28)
N	763	763	763	763
Pseudo-R Square	0.497	0.551	0.658	0.755

t-statistics in parentheses. *** statistically significant at 1%, ** significant at 5% , * significant at 10%.

When the MNE variable is separated to firms owned by an MNE through a majority share the sign changes and turns out negative and statistically significant in some cases (Model 4). Contrary, firms that are owned by an MNE through a minority share face a positive and statistically significant impact on their performance. This is a strong confirmation of our second hypothesis (H2). The characteristics of the Greek tourism market make it imperative for MNEs to find a local partner with a good strategic fit in order to deal with the local complexities.

Table 9. Quantile Regression, Dependent Variable PERF, (NACE 5510 Only)

	Model 1	Model 2	Model 3
SIZE	0.017**	0.015*	0.018**
	(2.06)	(1.87)	(2.37)
PROD	-0.201*	-0.187*	-0.189*
	(-1.71)	(-1.73)	(-1.78)
LEVERAGE	-0.021	-0.032	-0.023
	(-0.56)	(-0.91)	(-0.66)
LIQUID	0.321***	0.365***	0.380***
	(3.87)	(4.45)	(4.90)
MNE		0.051***	
		(2.89)	
MNEMAJ			-0.008
			(-0.41)
MNEMIN			0.110***
			(4.28)
CONSTANT	-0.048	-0.014	-0.081
	(-0.35)	(-0.11)	(-0.63)
N	562	562	562
Pseudo-R Square	0.244	0.309	0.481

t-statistics in parentheses. *** statistically significant at 1%, ** significant at 5% , * significant at 10%.

Finally a sectoral dummy was introduced to account for differences between firms active in the Hotels sector and firms in the Hospitality. The negative and statistically significant sing indicates that Hotels under-perform. These results require further investigation and thus we estimated our model only for firms active in the Hotels sector. The results are presented in table 9.

The results are similar to the ones presented in table 8, indicating that our suggestions for a closer cooperation between MNEs and domestic partners can lead to higher performance. Moreover, size changes sign and becomes positive and statistically significant. This reveals economies of size-scale for firms active in the Hotels industry.

6. Conclusions

This study offers a first step towards the investigation of performance determinants in the Hotels and Hospitality Industry in Greece. An eclectic approach of multinationality was used to explain differences in profitability and performance between domestic and multinational firms. Our results indicate that overall MNEs outperform their domestic competitors and are generally larger in terms of size. An interesting aspect is revealed though, when we break our MNEs to majority and minority owned. Minority owned MNEs perform better as they make use of local partners who bring into the firm knowledge of the local market, an aspect important for an industry as Hotels and Hospitality.

With this in mind we believe that further research is needed to identify the underlying differences between majority and minority MNEs and to provide interesting policy implications in FDI attraction in the Hotels and Hospitality Industry. From an initial reading, policy makers should focus on actively attracting MNEs in the Hotel and Hospitality sector overall. These bring with then new technologies, human resource or total quality management practices and through their spillovers enhance the capabilities of the domestic tourism companies. From a second, closer reading, though, seems like the investment incentives do not necessarily have to target majority owned investments as the employability of a local partner from a multinational might improve performance and further enhance the positive spillovers to the rest of the sector. This finding requires further examination in order to verify our results.

Another possible extension would be to compare the Greek case with other similar countries and test our hypotheses in an expanded country sample. As tourism industry becomes a global industry but with local attributes this behaviour should not be seen only in the Greek case but in most locations that share common characteristics of the tourism product.

Appendix

Table 1. Firms participating in the sample

Number	Company name	NACE Rev.1.1, primary code
1	HYATT REGENCY HOTELS & TOURISM (HELLAS) S.A.	5510
2	IONIAN HOTEL ENTERPRISES S.A.	5510
3	CARAVEL HOTELS S.A.	5510
4	GREGORYS MIKROGEVMATA S.A.	5530
5	FOOD PLUS S.A.	5530
6	ATHENAEUM S.A.	5510
7	LAMPSA HELLENIC HOTELS CO. S.A.	5510
8	ESPERIA S.A.	5510
9	CASINO PORTO CARRAS S.A.	5510
10	LOUIS HOTELS S.A.	5510
11	MARIS HOTELS TEAB S.A.	5510
12	ALDEMAR S.A.	5510
13	GOODY'S S.A.	5530
14	CHANDRIS HOTELS (HELLAS) S.A.	5510
15	HELIOS S.A.	5510
16	SANI S.A.	5510
17	ASTIR PALACE VOULIAGMENI S.A.	5510
18	KOBATSIARIS BROS AMALTHEIA S.A.	5530
19	MITSIS CO. S.A.	5510
20	ASTY S.A.	5510
21	DASKOTELS S.A.	5510
22	FAIAX S.A.	5510
23	MCDONALD'S HELLAS SOLE SHAREHOLDER CO. LTD	5530
24	KIPRIOTIS, G., & SONS S.A.	5510
25	CLUB MEDITERRANEE HELLAS S.A.	5510
26	ATHENS AIRPORT HOTEL COMPANY "SOFITEL" S.A.	5510
27	MOUSSAMAS BROS S.A.	5510
28	CAPSIS TOURIST COMPLEX S.A.	5510
29	UNET S.A.	5530
30	TITANIA S.A.	5510
31	GEKE S.A.	5510
32	ATLANTICA HELLAS S.A.	5510
33	ATTIKOS ILIOS S.A.	5510
34	SUNWING HOTELS HELLAS S.A.	5510
35	MAGIC LIFE GREECE LTD	5510
36	ABELA HELLAS S.A.	5552
37	MILOMEL HELLAS S.A.	5530
38	M.E.T.A. S.A.	5510
39	EUREST - PLATIS S.A.	5530
40	KASTELLORIZO S.A.	5530
41	STANLEY S.A.	5510
42	OLYMPUS PLAZA CATERING LTD	5551
43	VARNIMA S.A.	5510
44	HELLENIC HOTEL ENTERPRISES S.A.	5510
45	ELECTRA S.A.	5510
46	SOUTH TOURIST ENTERPRISES S.A.	5510
47	ELOUNDA S.A.	5510

48	VARDIS HOTEL ENTERPRISES S.A.	5510
49	OLYMPIC HOTELS S.A.	5510
50	AKS HOTELS S.A.	5510
51	DIVANIS ACROPOLIS S.A.	5510
52	OLYMPIC HOLIDAYS S.A.	5510
53	LOUTRA KYLLINIS S.A.	5510
54	LYTTOS S.A.	5510
55	E.P.T.E.A. S.A.	5510
56	TOURISTIKA SYNGROTIMATA ELLADOS S.A.	5510
57	TOURIST ENTERPRISES OF SOUTHERN AEGEAN S.A.	5510
58	CRETA STAR S.A.	5510
59	PANORMO S.A.	5510
60	AMALIA S.A.	5510
61	R.E.X.T.E. S.A.	5510
62	PLAKA S.A.	5510
63	MAHO S.A.	5510
64	DAIDALOS S.A.	5510
65	MELITON BEACH PORTO CARRAS S.A.	5510
66	ELLINIKI TOURISTIKI S.A.	5510
67	REXEKA S.A.	5510
68	HERSONISSOS S.A.	5510
69	HATZILAZAROU, J., S.A.	5510
70	CAPSIS TOURIST ENTERP. OF THESSALONIKI S.A.	5510
71	MESSONGHI BEACH S.A.	5510
72	DIONYSOS ZONARS S.A.	5530
73	ELINTOUR S.A.	5510
74	TRIA ASTERIA S.A.	5510
75	SOUNIO ENTERP. S.A.	5510
76	LANDA S.A.	5510
77	MIRASOL S.A.	5510
78	CRETE PROVENCE S.A.	5510
79	HAPPYMAG HELLAS S.A.	5510
80	SOULOUNIAS, N., S.A.	5510
81	AGAPI BEACH S.A.	5510
82	ARGOLIKOS ILIOS S.A.	5510
83	KAKETSIS, EFSTR., S.A.	5530
84	TOXOTIS S.A.	5510
85	ANAPTYXI AIGAIOU S.A.	5510
86	HERMES HOTEL & TOURIST ENTERP. S.A.	5510
87	MANTONANAKIS S.A.	5510
88	AKTI VRAVRONOS S.A.	5510
89	YES S.A.	5510
90	G.M. XENODOXEIAKES - TOYRISTIKES EPIXEIRISEIS S.A.	5510
91	ESTRELIA S.A.	5530
92	SKOURA SPORTS CAMPING S.A.	5522
93	HELLENIC TOYRIST & HOTEL ENTERPRISES S.A.	5510
94	MIRABELLO S.A.	5510
95	SVYRIADIS S.A.	5510

References

AHARONI, Y. (1966) *The Foreign Investment Decision Process,* Boston, Harvard University.

ANASTASSOPOULOS, G. & PATSOURATIS, V. (2004) Labour Productivity and Competitiveness: an initial examination of the Hotels and Restaurants Sector in selected Countries. *East West Journal of Economics and Business,* VII.

ARCHER, B. H. (1987) Demand forecasting and estimation. IN RITCHIE, J. R. B. (Ed.) *Travel, tourism and hospitality research.* New York, Goeldner, Wiley.

AYOUN, B. M. & MOREO, P. J. (2007) The influence of cultural dimension of uncertainty avoidance on business strategy development: A cross-national study of hotel managers *International Journal of Hospitality Management*.

BARBOSA, N. & LOURI, H. (2002) On the determinants of multinationals' ownership preferences: evidence from Greece and Portugal. *International Journal of Industrial Organization,* 20**,** 493-515.

BUCHINSKY, M. (1994) Changes in the U.S. wage structure 1963-1987: Application of quantile regression. *Econometrica,* 62**,** 405-458.

BURGESS, C., HAMPTON, A., PRICE, L. & ROPER, A. (1995) International hotel groups: what makes them successful? *International Journal of Contemporary Hospitality Management,* 7**,** 74-80.

CANTWELL, J. & SANNA RANDACCIO, F. (1993) Multinationality and firm growth *Weltwirtschaftliches Archiv,* 129**,** 275-299.

CHEN, C.-F. & TONG SOO, K. (2007) Cost structureand productivity growth of the Taiwanese international tourist hotels. *Tourism Management,* 28**,** 1400-1407.

CHEN, J. J. & DIMOU, I. (2005) Expansion strategy of international hotel firms. 58**,** 1730-1740.

CHHIBBER, P. K. & MAJUMDAR, S. K. (1999) Foreign ownership and profitability: property rights, control and the performance of firms in Indian industry *Journal of Law Economics,* 52**,** 209-238.

COMMISSION OF THE EUROPEAN, C. (2005) The EU Economy 2005 Review: Rising International Economic Integration. . *ECFIN (2005) REP 55229-EN.* Commission of the European Communities.

CONTRACTOR, F. J., KUNDU, S. K. & HSU, C.-C. (2003) A three stage theory of international expansion: the link between multinationality and performance in the service sector. *Journal of International Business Studies,* 34**,** 5-18.

DELIOS, A. & BEAMISH, P. (1999) Geographic scope, product diversification, and the corporate performance of Japanese firms. *Strategic Management Journal,* 20**,** 711-727.

DIMELIS, S. & LOURI, H. (2002) Foreign Ownership and Production Efficiency: a quantile regression analysis. *Oxford Economic Papers*, 54**,** 446-469.

DOZ, Y. (1986) *Strategic Management in Multinational Companies,* Oxford, Butterworth-Heinemann.

DUNNING, J. H. (1977) Trade, location and economic activity and the multinational enterprise: a search for an eclectic approach IN OHLIN, B., HESSELBORN, P. & WIJKMAN, P. (Eds.) *The International Allocation of Economic Activity.* London, MacMillan.

DUNNING, J. H. (1988) *Explaining International Production,* London, George Allen and Unwin.

DUNNING, J. H. (1993) *Multinational Enterprises and the Global Economy,* Wokingham, Addision-Wesley.

DUNNING, J. H. (2001) The eclectic (OLI). paradigm of international production: Past, present and future. *International Journal of the Economics of Business,* 8**,** 173-190.

DUNNING, J. H. & KUNDU, S. (1995) The Internationalization of the Hotel Industry: Some New Findings from a Field Study. *Management International Review,* 35**,** 101-133.

DUNNING, J. H. & MCQUEEN, M. (1982) Multinational corporations in the international hotel industry. *Annals of Tourism Research,* 9**,** 69- 90.

EUROSTAT (2004) *European business, facts and figures*.

GALANI-MOUTAFI, V. (2004) Tourism Research on Greece: A critical overview. *Annals of Tourism Research,* 31**,** 157-179.

GERINGER, J. M., BEAMISH, P. W. & DACOSTA, R. C. (1989) Diversification strategy and internationalization: implications for MNE performance. *Strategic Management Journal,* 10**,** 109-119.

GERINGER, J. M., TALLMAN, S. & OLSEN, D. M. (2000) Product and international diversification among Japanese multinational firms. *Strategic Management Journal,* 21**,** 51-80.

GOULD, W. (1992) Quantile regression with bootstrapped standard errors *Stata Technical Bulletin,* 9**,** 19-21.

GRANT, R. M. (1987) Multinationality and performance among British manufacturing companies. *Journal of International Business Studies*, 13**,** 79-89.

GRANT, R. M., JAMMINE, A. P. & THOMAS, H. (1988) Diversity, diversification, and profitability among British manufacturing companies 1972-84. *Academy of Management Journal,* 31**,** 771-801.

GREECE, B. O. (2005) Section for Balance of Payment Statistics. Bank of Greece, Office of Foreign Investments.

GUISINGER, S. (2001) From OLI to OLMA: Incorporating higher levels of environmental and structural complexity into the eclectic paradigm. *International Journal of the Economics of Business,* 8**,** 257-272.

HARALAMBOPOULOS, N. & PIZAM, A. (1996) Perceived Impact of Tourism. The Case of Samos. *Annals of Tourism Research,* 23**,** 503-526.

HITT, M. A., HOSKISSON, R. E. & KIM, H. (1997) International diversification, effects on innovation and firm performance in product-diversified firms. *Academy of Management Journal,* 40**,** 767-798.

HOROWITZ, J. L. (1998) Bootstrap Methods for Median Regression Models. *Econometrica,* 66**,** 1327-1352.

JOHANSON, J. & VAHLNE, J.-E. (1977) The internationalization process of the firm – a model of knowledge development and increasing foreign market commitment. *Journal of International Business Studies,* 8**,** 23-32.

JOHANSON, J. & VAHLNE, J.-E. (1990) The mechanism of internationalization. *International Marketing Review,* 7**,** 11-24.

JOHANSON, J. & WIEDERSHEIM-PAUL, F. (1975) The internationalization of the firm – four Swedish cases. *Journal of Management Studies,* 12**,** 305-22.

JOHNSON, C. & VANETTI, M. (2005) Locational Strategies of International Hotel chains. *Annals of Tourism Research,* 32**,** 1077-1099.

KELLER, P. (2004) Conclusions of the OECD Conference on Innovation and Growth in Tourism. *OECD Conference on Innovation and Growth in Tourism.* Lugano, Switzerland, OECD.

KOENKER, R. (2005) *Quantile Regression,* Cambridge, Cambridge University Press.

KOENKER, R. & BASSET, G. (1978) Regression Quantiles. *Econometrica,* 50**,** 649-670.

KOENKER, R. & HALLOCK, K. (2001) Quantile Regression. *Journal of Economic Perspectives,* 15**,** 143-156.

LEE, M. J. & JANG, S. C. (2006) Market diversification and financial performance and stability: A study of hotel companies. *Hospitality Management,* in press.

LITTELJOHN, D. (1997) Internationalisation in hotels: current aspects and developments. *International Journal of Contemporary Hospitality Management,* 9**,** 187-192.

LU, J. W. & BEAMISH, P. W. (2004) International diversification and firm performance: the S-curve hypothesis. *Academy of Management Journal,* 47**,** 598-609.

MACE, E. (1995) International trends in the hotel industry or, survival in the global economy. *Hotel and Motel Management,* 210**,** 11-13.

MAROUDAS, L. & Y., R. (1995) La Bulgarie dans les stratégies' internationalisation des firmes occidentales. *Revue d'Etudes Comparatives Est-Ouest,* 26**,** 115-138.

MELIAN-GONZALEZ, A. & GARCIA-FALCON, J. M. (2003) Competitive potential of tourism in destinations. *Annals of Tourism Research,* 30**,** 720-740.

PATSOURATIS, V., FRAGOULI, Z. & ANASTASSOPOULOS, G. (2005) Competition in Tourism among the Mediterranean Countries. *Applied Economics,* 37**,** 1865-1870.

PHILLIPS, P. A. & SIPAHIOGLU, M. A. (2004) Performance Implications of Capital Structure: Evidence from Quoted UK Organisations with Hotel Interests. *The Services Industries Journal,* 24**,** 1-21.

QIAN, G. (1997) Assessing product-market diversification of US firms. *Management International Review,* 37**,** 127-149.

QUER, D., CLAVER, E. & ANDREU, R. (2007) Foreign market entry mode in the hotel industry: the impact of country-and firm specific factors. *International Business Review,* 16**,** 362-376.

RODRIGUEZ, A. R. (2002) Determining factors in entry choice for international expansion. The case of the Spanish hotel industry. *Tourism Management,* 23**,** 597-607.

RUIGROK, W. & WAGNER, H. (2003) Internationalization and performance: An organizational learning perspective. *Management International Review,* 43**,** 63-83.

SHAPIRO, S. S. & FRANCIA, R. S. (1972) An Approximate Analysis of Variance Test for Normality. *Journal of the American Statistical Association,* 67**,** 215-216.

SHAPIRO, S. S. & WILK, M. B. (1965) An analysis of variance test for normality (complete samples). *Biometrika,* 52**,** 591-611.

SIDDARTHAN, N. S. & LALL, S. (1982) The recent growth of the largest US multinationals. *Oxford Bulletin of Economics and Statistics,* 44.

TALLMAN, S. & LI, J. T. (1996) The effects of international diversity and product diversity on the performance of multinational firms. *Academy of Management Journal,* 39**,** 179-196.

THIMANN, C. & THUM, M. (1998) Investing in terra incognita: Waiting and learning. *Economic Systems,* 22**,** 1-22.

WELCH, L. S. & LUOSTARINEN, R. K. (1988) Internationalization: evolution of a concept. *Journal of General Management,* 14**,** 36-64.

WHITLA, P., WALTERS, P. G. P. & DAVIES, H. (2007) Global strategies in the international hotel industry. *Hospitality Management,* 26**,** 777-792.

WILLIAMS, A. M. & BALAZ, V. (2002) The Czech and Slovak Republics: conceptual issues in the economic analysis of tourism in transition. *Tourism Management,* 23**,** 37-45.

WORLD TRAVEL AND TOURISM, C. (2005), World Travel and Tourism Council, Greece.

ZHAO, J. L. & OLSEN, M. D. (1997) The antecedent factors influencing entry mode choices of multinational lodging firms. *International Journal Hospitality Management,* 16**,** 79-98.

Other papers in this series

8. **Anastassopoulos George, Filippaios Fragkiskos** and **Phillips Paul**, *An 'eclectic' investigation of tourism multinationals' activities: Evidence from the Hotels and Hospitality Sector in Greece*, GreeSE Paper No8, November 2007

7. **Watson, Max**, *Growing Together? – Prospects for Economic Convergence and Reunification in Cyprus*, GreeSE Paper No7, October 2007

6. **Stavridis, Stelios**, *Anti-Americanism in Greece: reactions to the 11-S, Afghanistan and Iraq*, GreeSE Paper No6, September 2007

5. **Monastiriotis, Vassilis**, *Patterns of spatial association and their persistence across socio-economic indicators: the case of the Greek regions*, GreeSE Paper No5, August 2007

4. **Papaspyrou, Theodoros**, *Economic Policy in EMU: Community Framework, National Strategies and Greece*, GreeSE Paper No4, July 2007

3. **Zahariadis, Nikolaos**, *Subsidising Europe's Industry: is Greece the exception?*, GreeSE Paper No3, June 2007

2. **Dimitrakopoulos, Dionyssis**, *Institutions and the Implementation of EU Public Policy in Greece: the case of public procurement*, GreeSE Paper No2, May 2007

1. **Monastiriotis, Vassilis** and **Tsamis, Achilleas**, *Greece's new Balkan Economic Relations: policy shifts but no structural change*, GreeSE Paper No1, April 2007

Other papers from the Hellenic Observatory

23. Klarevas Louis, *Greeks Bearing Consensus: An Outline for Increasing Greece's Soft Power in the West* Hellenic Observatory **Discussion Paper** No 18, Hellenic Observatory, LSE, September 2004

22. Koutalakis Charalampos, *Environmental Harmonization in Central Eastern Europe: Lessons from the Southern Enlargement* **E-Paper** No4, Hellenic Observatory, July 2004

21. Kamaras Antonis, *Market Reforms and Urban Disparity: the cases of Athens and Thessaloniki* **E-Paper** No 3, Hellenic Observatory, LSE, July 2004

20. Sotiropoulos Dimitri A., *Democratization, Administrative Reform and the State in Greece, Italy, Portugal and Spain: Is There a 'model' of South European Bureaucracy?* Hellenic Observatory **Discussion Paper** No17, Hellenic Observatory, LSE, April 2004

19. Sotiropoulos Dimitri A., *Formal Weakness and Informal Strength: Civil Society in Contemporary Greece* Hellenic Observatory **Discussion Paper** No16, Hellenic Observatory, LSE, February 2004

18. Klarevas Louis, *The Eagle and the Phoenix: The United States and the Greek Coup of 1967* Hellenic Observatory **Discussion Paper** No 15, Hellenic Observatory, LSE, January 2004

17. Papaspyrou Theodoros, *EMU strategies: Lessons from Greece in view of the EU Enlargement* (Graph, Table) Hellenic Observatory **Discussion Paper** No 14, Hellenic Observatory, LSE, January 2004

16. Papadimitriou Dimitris, *The limits of engineering collective escape: the 2000 reform of the Greek labour market* Hellenic Observatory **Discussion Paper** No13, Hellenic Observatory, LSE, October 2003 (*also published as Hellenic Observatory **E-paper** No2*)

15. Featherstone Kevin, *The Politics of Pension Reform in Greece: modernization defeated by gridlock* Hellenic Observatory **Discussion Paper** No12, Hellenic Observatory, LSE, October 2003 (*also published as Hellenic Observatory **E-paper** No1*)

14. Stavridis Stelios, *Assessing the views of academics in Greece on the Europeanisation of Greek foreign policy: a critical appraisal and a research agenda proposal*, Hellenic Observatory **Discussion Paper** No11, Hellenic Observatory, LSE, September 2003

13. Stavridis Stelios, *The Europeanisation of Greek Foreign Policy: A Literature Review*, Hellenic Observatory **Discussion Paper** No10, Hellenic Observatory, LSE, September 2003

12. Bratsis Peter, *The Constitution of the Greek-Americans***,** Hellenic Observatory **Discussion Paper** No9, Hellenic Observatory, LSE, August 2003

11. Bratsis Peter, *Corrupt Compared to What? Greece, Capitalist Interests, and the Specular Purity of the State* Hellenic Observatory **Discussion Paper** No8, Hellenic Observatory, LSE, August 2003

10. Anastasakis Othon and Bojicic-Dzelilovic Vesna *Balkan Regional Cooperation & European Integration* Hellenic Observatory **Policy Paper** No2, Hellenic Observatory, LSE, July 2002

9. Stavrakakis Yannis, *Religion and Populism: Reflections on the 'politicised' discourse of the Greek Church* Hellenic Observatory **Discussion Paper** No7, Hellenic Observatory, LSE, May 2002

8. Stefanidis Ioannis D., *Pressure Groups and Greek Foreign Policy, 1945-67* Hellenic Observatory **Discussion Paper** No6, Hellenic Observatory, LSE, December 2001

7. Tsoukalis Loukas (ed.) ***Globalisation & Regionalism: A double Challenge For Greece*** Hellenic Foundation for European & Foreign Policy (ELIAMEP), Athens 2001 (hard-copy only, available upon request; please post a cheque of £10 payable to "LSE" to: The Hellenic Observatory, European Institute, LSE, Houghton Street, London WC2A 2AE, UK)

6. Woodward Susan L., *Milosevic Who? Origins of the New Balkans* Hellenic Observatory **Discussion Paper** No5, Hellenic Observatory, LSE, July 2001

5. Kamaras Antonis, *A Capitalist Diaspora: The Greeks in the Balkans* Hellenic Observatory **Discussion Paper** No4, Hellenic Observatory, LSE, June 2001

4. Anastasakis Othon, *Extreme Right in Europe: A Comparative Study of Recent Trends* Hellenic Observatory **Discussion Paper** No3, Hellenic Observatory, LSE, November 2000

3. Holm Erik, *High Politics and European Integration: From EMU to CFSP* Hellenic Observatory **Discussion Paper** No2, Hellenic Observatory, LSE, November 2000

2. Rozakis Christos, *The Protection of Human Rights in Europe: Evolving Trends and Prospects* Hellenic Observatory **Discussion Paper** No1, Hellenic Observatory, LSE, October 2000

1. Gligorov, V., Kaldor, M., and Tsoukalis, L. *Balkan Reconstruction and European Integration* Hellenic Observatory **Policy Paper** No1 (jointly with the Centre for the Study of Global Governance, LSE and the Vienna Institute for International Economic Studies), October 1999