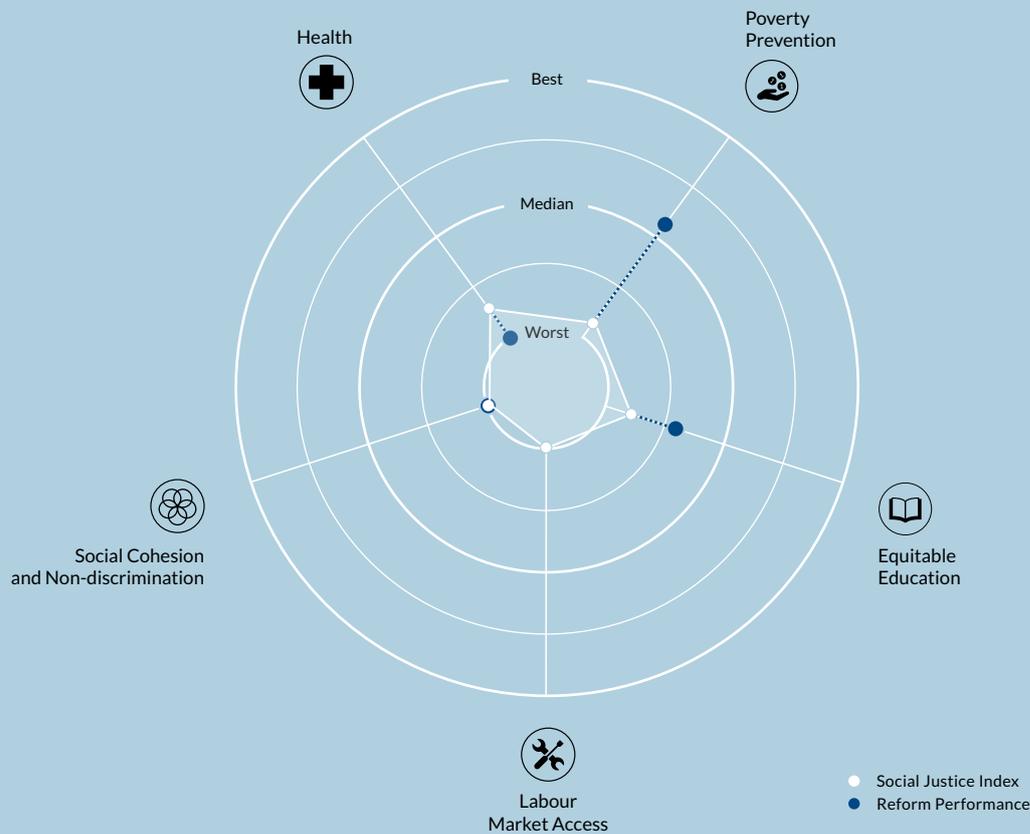


## Findings by Country



# Greece

How does the country rank in the EU?



## Overall Findings

**Need** With an overall score of 2.39, Greece ranks very last out of the 23 EU countries examined regarding the need for social reforms. This clearly reflects Greece's poor performance in the 2015 Social Justice Index (SJI), where the country also ranks last of all, finding itself among the bottom five countries in all six dimensions. Looking at the categories, the experts see an urgent need to improve Labour Market Access (2.54, rank 16/19), to foster Social Cohesion (2.4, rank 15/18), to tackle Poverty (2.32, rank 23/27) and to improve the Health system (2.74, rank 19/20). The need to ensure Equitable Education is assessed as somewhat lower (1.98, rank 10/22), which does not reflect the country's performance in the SJI (rank 25 in the Education dimension).

Regarding all policy objectives, the most pressing challenges for the Greek government are to:

- increase employment levels, especially for the total population, young people and the long-term unemployed (3.0 each)

### Overall Reform Performance Ranking



### Overview of Reform Barometer Scores



- improve public health, health system efficiency, health care governance and accessibility (all 3.0)
- reduce income inequality (2.69) and the number of NEETs (2.71)

**Activity** According to the experts, 34 percent of the overall reform need has been addressed in improving social inclusion. This is below the EU median (46%), ranking the country 21st out of 23, far behind the leader (Luxembourg 65%). Looking at the individual dimensions, the activity rates differ quite strongly. A rather high rate can be seen in the Health dimension (73%, rank 5/20). With regard to Poverty Prevention (26%, rank 22/27), Labour Market Access (29%, rank 17/19) and Social Cohesion (23%, rank 18/19), activity rates are quite low in both absolute and relative terms. In the Education dimension, only 10 percent of the reform need has been addressed by the government, ranking Greece last of all in this respect.

When considering the most necessary reforms, the experts report high activity rates for most of them (between 64 and 100%). The observed activ-

ity rates are only significantly lower (about 35%) with regard to income inequality and the number of NEETs.

**Quality** Overall, the experts expect that the reforms initiated so far will very slightly worsen the situation (-0.04, rank 19/20). Looking at the dimensions, the reform quality differs greatly. While the experts expect the activities concerning Poverty Prevention (1.11, rank 4/24) to have positive effects, they think the measures aimed at improving Health (-0.12, rank 18/19) will (very) slightly worsen the situation.

## Dimension Findings



### Poverty Prevention

**Need** In contrast to most other countries, the experts not only see a need for reforms to reduce poverty among specific societal subgroups, such as children (2.58), refugees (2.58) and single parents (2.27), but also for the population in total (2.31.) This clearly reflects Greece's poor performance in the 2015 SJI, where the country comes in 26th for Poverty Prevention.

**Activity** The activity rate concerning poverty is rather low in both absolute and relative terms (26%, rank 22/27). Looking at the different societal subgroups, activity rates are (very) low with regard to foreign-born people (4%), refugees (19%) and senior citizens (19%). For the total population (44%, rank 16), young people (38%, rank 21) and single parents (28%, rank 19), activity rates are rather modest in absolute terms, but quite low compared to the other countries.

Some experts mention a humanitarian crisis law that includes food, rent and electricity subsidies. As one writes: "Even though Greece is still going through a very rough economic period, some measures have been adopted related to the cost of energy, social meals and tenants' rent support. These initiatives were not in fact policy reforms, but rather better-calibrated measures to reach those most in need. However, needs are much higher than current policy efforts."<sup>1</sup> Other experts report on the implementation of a guaranteed minimum income (GMI). One writes: "The programme ran for the total population, but since it was a pilot, it ran for specific geographic areas (13 municipalities, or one for each region in Greece). The aim of the programme was to tackle extreme poverty through an income transfer defined as the difference between actual household income and the guaranteed minimum income threshold as set for each specific household type. The programme has been amended and will run again [and have its] national roll-out in 2017." Furthermore, the experts observe the implementation of a "unified means-tested child benefit", "some cash benefits to single parents" and an "extension of unemployment benefits". With regard to senior citizens, some experts report that pensions have been cut.

**Quality** The overall reform quality in this dimension is 1.11 (rank 4/24), showing that the experts expect the reform initiatives to have positive effects. Looking at the subgroups of society, the same is true with regard to single

<sup>1</sup> Thomas Maloutas, Harokopio University, Athens

parents (1.0) and refugees (0.67). Concerning poverty among young people, the experts expect the reforms to have rather strong positive effects (1.54, rank 3), and think the measures will “lead to (relative) poverty alleviation”. One expert explains that “for the first time these policies are means-tested and thus will affect those who are truly poor.” Some experts are not completely satisfied, as they think that “the reforms were very limited, while the needs were already immense before the crisis.” Another expert explains: “[The] overall policy stance is not proactive [and] simply reacts to troika recommendations. When reforms are implemented, it is in a half-hearted way that does not guarantee the benefits will ever be drawn down.”<sup>2</sup> A third expert states: “Some limited policy initiatives in 2015 targeted groups below the poverty line, but they were far too small in scale. The continuing cuts in pensions, rises in taxation and especially the fees applied to own-account workers, as well as the deteriorating wage developments in the labour market, affected poverty (at least in its absolute sense) negatively.”

On the other hand, some experts think that the Greek government could not do any more for the poor owing to its “limited fiscal space”. Despite this, some experts recommend introducing a universal minimum income guarantee scheme or universal family benefits.

#### Equitable Education

**Need** The overall need in this dimension is 1.98 (rank 10/22), which does not really reflect Greece’s performance in the 2015 SJI, where it comes in 25th in the Education dimension. Looking at the policy objectives, the most pressing matter for the Greek government is to improve the quality of teaching (2.48, rank 20), structural conditions regarding finances and human resources (2.22, rank 16) and the integration of refugees in the education system (2.2). A pretty low need is seen in preventing early school leaving (1.2, rank 4). This is again surprising, as it does not reflect the country’s performance in the SJI (rank 16). One expert argues: “There is a need to move away from an extremely centralized educational system to one determined at a local and/or regional level.”

**Activity** The activity rate to improve structural conditions is extremely low (10%), ranking Greece very much in last place among the 22 countries examined. For the policy objectives ‘improve the quality of teaching’, ‘safeguard educational mobility’, ‘prevent early school leavers’ and ‘improve integration of refugees’, no expert reports any relevant reform initiative at all. With regard to the structural conditions, the related activity rate is only slightly higher (6%). In contrast, 61 percent of the reform need to ensure equal opportunities has been addressed, though the need is rather modest (1.75). One expert explains why government activity was quite low in this dimension, writing: “During the period in question, we have had three elections and thus three new ministers of education. Consequently, it is difficult to outline ‘new’ initiatives. The targets remain the inclusion of all children and the reduction of impediments to access.”

<sup>2</sup> Antigone Lyberaki, Panteion University of Social and Political Sciences, Athens

**Quality** The experts expect the activities aimed at ensuring equal opportunities to have positive effects at the stages of tertiary education (0.63) and lifelong learning (0.57). On the other hand, they think these measures will slightly worsen the situation at the stage of secondary education (-0.11). With regard to the integration of refugees, one expert declares that “solutions to this are typically expensive, but involvement of NGOs already active in the field and integration into a wider inclusion programme would go a long way towards helping.”

## ✱ Labour Market Access

**Need** The overall need for reforms in the Labour Market dimension is very pressing (2.54, rank 16/19), which is not surprising, as Greece comes in last in the 2015 SJI Labour Market dimension. The experts see an urgent need to increase employment levels among the total population (3.0) and also among the specific subgroups of the labour market, such as young people (3.0), the long-term unemployed (3.0), low-skilled people (2.75) and women (2.69). Similarly, for the policy objectives ‘precarious employment’ (2.44) and ‘in-work poverty’ (2.44), the experts see a strong need for government action. With regard to precarious employment, one expert comments: “In 2011, the share of part-time and job rotation contracts of the total number of new appointments was 40 percent; in 2012, it increased to 45 percent; and it rose further in the following years. Also, since 2010, a significant number of full-time contracts have been converted into part-time or job rotation agreements each year. Uninsured labour has also increased.”

**Activity** According to the experts, 29 percent of the reform need has been addressed (rank 17/19). With regard to the policy objective ‘increase employment levels’, the activity rate in general is mediocre (50%), but it is significantly higher for the most pressing groups, such as young people (75%), the long-term unemployed (67%) and the total population (64%). For ‘precarious employment’ and ‘in-work poverty’, activity rates are quite low (14% each). One expert reports that “major reforms were introduced in early 2012. Legislation boosted flexible employment, facilitated redundancies and reformed the collective bargaining system. Reforms facilitated enterprise labour contracts and the individualization of employment conditions accompanied by reduced remuneration. The minimum monthly wage was cut by 22 percent by law in 2012, a sub-minimum wage was introduced for young people, and unemployment benefits were cut sharply. An extra benefit of €200 for the long-term unemployed has been introduced, but take-up has been very low, at 1.5 percent, due to highly restrictive eligibility criteria. For young workers (20–29 years) entering the labour market, there is only a meagre benefit of €73 for up to five months, provided that the young new entrants are registered as unemployed for 12 months.” With regard to in-work poverty, the same expert explains: “Legislation under the bailout deal facilitates the drawing up of employment agreements at the business level, even in very small enterprises and in the absence of enterprise-level unions. This effectively dismantled the regulatory framework of working conditions, in-

creasing flexibility to the detriment of security.”<sup>3</sup> Concerning long-term unemployment, one expert reports on “partnerships between the central government and municipalities to integrate the long-term unemployed into the labour market, particularly the public-sector labour market, for a period of between five and 18 months.”

**Quality** The measures aimed at increasing employment are expected to have slightly positive effects (0.40). This is true for all subgroups with one exception: The initiatives concerning low-skilled people are expected to slightly worsen the situation (-0.27). One expert explains: “The reduction in the minimum wage and the setting of a lower floor for young workers was supposed to address the unemployment problem, and some academic evidence exists suggesting that it partly helped.” Another expert thinks “the reform targeting youth has had an effect, but mainly by improving their relative opportunities vis-à-vis other groups.” Some experts think labour demand must be increased: “Under conditions of a deep and protracted crisis, even well-designed and -implemented ALMPs could hardly work effectively in practice due to the very weak labour demand. Last but not least, no labour market-policy breakthrough can be achieved if the economy does not recover.”<sup>4</sup> With regard to precarious employment, one expert recommends “making certain temporary contracts illegal”. Concerning in-work poverty, one expert thinks “the policy reforms that were introduced by the Greek governments in accordance with EU, ECB and IMF demands went in exactly the opposite direction. They forced the minimum wage below 60 percent of the national median.” Another expert comments: “The country is still implementing austerity measures, and the economy is still declining. Under these conditions, little can be done on this issue.”

### Social Cohesion and Non-discrimination

**Need** According to the experts, there is a rather strong need to improve Social Cohesion in Greece (2.4, rank 15/18). Looking at the policy objectives, all need scores are above 2.0. Most pressing seems to be reducing the number of youth not in education, employment or training (NEETs) (2.71) and tackling income inequalities (2.69). One expert declares: “External (EU) decisions were one-sided, taken on an economic basis only. The pace of the required reforms was extremely hasty. Society was not able and still is not able to follow. The implications for social cohesion are huge. The indicators of political trust and to some extent interpersonal trust are alarmingly decreasing.”<sup>5</sup> Concerning gender equality, one expert thinks “women are not 100 percent ensured regarding their job position in the private sector in case of pregnancy. This issue has to be addressed, and policymakers have to create a safety net around potential mothers.” Another one explains that “policymakers need to address the very long-term discrepancies between men and women regarding the much higher unemployment rate among women compared to among men, the much lower average annual income of women compared to among men for the same job, and the ‘glass ceiling’ preventing women from rising up the career ladder in most business sectors.”

<sup>3</sup> Maria Petmesidou, Democritus University of Thrace, Komotini

<sup>4</sup> Maria Petmesidou, Democritus University of Thrace, Komotini

<sup>5</sup> Theoni Stathopoulou, National Centre for Social Research, Athens

**Activity** The overall activity in this dimension is 23 percent, ranking Greece last out of 18 countries. Looking at the four policy objectives, activity rates differ significantly. No expert reports relevant activities to ensure gender equality, and only 11 percent of the reform need to improve integration policies has been met. For the other policy objectives ‘tackle income inequalities’ (37%) and ‘reduce number of NEETs’ (35%), the activity rates are somewhat higher but still relatively modest. Concerning integration policies, one expert reports on a new law for citizenship in July 2015. With regard to NEETs, one expert explains: “There are many promises to address issues of youth unemployment but, with the exception of fragmented social policy measures, in practice policymakers preferred to see the young highly skilled workers leave the country (brain drain) and the semi-skilled or unskilled stay, relying on the help of family networks to survive.”

**Quality** With regard to income inequalities, one expert recommends “tackling tax avoidance of the very wealthy and tightening regulation pertaining to offshore companies and various tax havens.” Another expert explains why he is not satisfied with integration policies, writing: “After January 2015, the open-door policy of the newly elected Greek government probably worsened the already growing problem of large numbers of incoming refugees. The latter have been fleeing their war-torn native countries in the Middle East. This was a wrong policy choice on the part of the Greek government. This was all the more so given that the open-door policy was not accompanied by government measures to help, protect and feed the refugees who gathered in the open fields of the northern borders of Greece.”