

**Group of non-governmental experts in the fight against  
poverty and social exclusion**

**FIRST REPORT**

**Assessment of implementation  
of the Greek NAPincl 2001-2003**

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# **FIRST REPORT**

## **SUMMARY**

Despite the strong economic growth and the gradual increase in social protection expenditures observed since the mid 1990's, Greece continues to exhibit a high percentage of population (21% in 1999) with income less than 60% of the national median, high levels of unemployment (9,6% in 2001) and a low employment rate (55,4% in 2001) which is 8,7 percentage points below the EU-15 average (64,1% in 2001).

However, acknowledgement should be made of the fact that in recent years efforts have been increasingly under way for social policy adjustments in order to improve its ability to meet existing and emerging needs of all those citizens at risk of social exclusion and poverty. These efforts are clearly reflected in the measures and the related legislative initiatives included in the first Greek NAPincl. Indeed, the policy mix pursued in Greece in recent years, especially in the area of employment, concerning the vulnerable social groups reflects a shift towards active measures, while accompanying support services and structures have been on the increase. Emphasis has also been placed on the development of integrated action plans for particular vulnerable social groups. In addition, an attempt is currently under way to establish an individualised approach towards the unemployed, aiming at the empowerment of the individual in order to provide him or her with a range of alternative social inclusion options. Furthermore, the undergoing legislative reforms in social policy related areas are expected to contribute to more efficient action for combating poverty and social exclusion.

Yet, despite these positive steps and the explicit social policy intentions to move away from traditional modes of functioning, social policy and in particular the social care and welfare system in Greece, in comparison with most of the EU member states, is still in a stage of evolution. The social policy adjustments carried out to date appear to have been short of meeting the multidimensional problems and needs in this area. For, separate measures in different areas, even if these are worthy and well thought-out, more often than not have failed to achieve results and they have turned out to be inconsistent and conflicting. The lack of appropriate institutional mechanisms required to promote synergy and close interaction between the various measures, not only in different policy areas but even in the same policy area, impedes the development and implementation of integrated policy approaches. Besides, none of these measures have been evaluated recently and hence their impact upon employment and social inclusion remain to a large extent unknown.

In examining the progress made to date since the Greek NAPincl was first submitted, it should be stated right from the outset that in the absence of progress and impact indicators, let alone the fact that no mechanism or procedure has been in place so far to monitor progress of implementation and collect and provide official and proper related data, it is hard to make a detailed and accurate implementation assessment, let alone an outcome assessment of the NAPincl. However, on the basis of scattered official and unofficial information gathered, it appears that the pace of progress of the majority of the measures has been rather modest.

In particular, most of the measures are now under implementation largely due to the fact that these (except the income support measures) run under the various E.S.F's O.Ps of the Greek C.S.F. 2000-2006. Yet, for a variety of reasons, progress of implementation to date appears to be slow. Among the main reasons for this slow progress are considered to be the following: The current re-organisation of the Manpower Employment Organisation (OAED), the current re-organisation of the Social Care and Welfare System following its very recent legislative reform, the persisting inadequacy of appropriate implementing and administrative structures, especially at the regional and local levels, the lack of coordination between the various competent Government Departments and, lastly, the introduction of new guidelines, rules and procedures regarding submission, selection and implementation of the programmes and actions under the Greek C.S.F.

As regards, in particular, the various income support measures, these continue to be provided at variance and do not form a "safety net", let alone the fact that with a few exceptions these have never been the subject of evaluation regarding their actual impact to date. Needless to say that the introduction of new measures and the amendment of existing ones, it only makes sense if it has been based on an ex-post or ex-ante evaluation exercise. The failure of the three new initiatives (income support measures) that were introduced in the first Greek NAPincl to meet their targeted objectives (mainly in terms of their coverage), confirm the urgent need for developing and maintaining, on a permanent basis, a monitoring and evaluation procedure. This, in turn, presupposes the existence of a properly structured monitoring system as well as good statistics, regular feedbacks from the social partners, etc which are still not in place in Greece.

Overall, it may be said that the social policy intentions expressed in the NAPincl undoubtedly reflect a real need to address the key social problems of the country. What is missing, however, is the proper tools, mechanisms and procedures to translate fully and dully these intentions into an effective social policy strategy and action. Enhancing participation of different actors in the elaboration and implementation of NAPincl and ensuring coordination among them, are also crucial prerequisites to achieving this.

## 1. BACKGROUND INFORMATION: SITUATION AND KEY TRENDS IN AREAS OF SOCIAL POLICY CONCERN

- **Macroeconomic and labour market conditions**

Output growth in Greece has been strong since 1996 reflecting an improvement in macroeconomic conditions. Real GDP growth accelerated in 2000 to 4,2% and continued at similar levels in 2001 and 2002 (4,1% and 4% respectively) outstripping considerably the EU respective average of 3,5% in 2000, 1,6% in 2001 and 1% in 2002.<sup>1</sup>

However, the situation in the Greek labour market has remained virtually unchanged as strong domestic economic activity has not led to employment gains as would have been expected. In fact, the total employment growth showed a slight decrease in 2000 by – 0,2% and in 2001 by –0,4%, against the EU respective averages of 1,9% in 2000 and 1,3% in 2001.<sup>2</sup>

Similarly, the total employment rate in Greece showed a slight decrease from 55,7% in 2000 to 55,4% in 2001 and remained considerably lower than the EU average (63,4% in 2000 and 64,1% in 2001), especially for women (40,9% in relation to 54% for the EU in 2001)<sup>3</sup>, young persons (26,0% in relation to 37,1% for the EU in 2001) and older workers (22,5% compared to 28,8% for the population aged 55-64).<sup>4</sup> However, the relative gaps in total employment rates are narrower once comparisons are made on the basis of FTE rates, reflecting the low incidence of part-time employment in Greece.<sup>5</sup>

As regards the unemployment rate, this has followed a modest downward trend over the last three years: 11,1% in 2000, 10,4% in 2001 and 9,9% in 2002. Yet, it remained significantly higher than the EU average (7,3% in 2001 and 7,6% in 2002). For, until recently, labour force growth – due to rising female participation, regularisation of illegal immigrants, recruitment restraints in the public sector and declining employment opportunities in agriculture – outweighed job creation. Unemployment is still concentrated mainly among young persons and women, reflecting a variety of institutional inefficiencies and structural imbalances. Although both the LTU rate and the youth unemployment rate follow a downward trend since 1999 ( LTU rate: 6,5% in 1999 to 6,1% in 2000 and 5,4% in 2001; youth unemployment rate: 31,3% in 1999 to 29,4% in 2000 and 28,1% in 2001), these are still significantly higher than the EU respective averages (LTU rate: 4% in 1999, 3,3% in 2000 and 3,1% in 2001; youth unemployment rate: 17% in 1999, 15,5% in 2000 and 14,9% in 2001).<sup>6</sup>

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<sup>1</sup> Eurostat, 2003, Growth Rate of GDP (1995-2001), Theme3: General Statistics, Luxemburg.

<sup>2</sup> Eurostat, 2003, Total employment Growth, Theme3: General Statistics, Luxemburg.

<sup>3</sup> Eurostat, 2003, Employment rate-females, Employed women aged 15-64 as a share of the total female population, Theme 3: General Statistics, Luxemburg [http:// europa.eu.int/com.....](http://europa.eu.int/com.....)

<sup>4</sup> EU (2003) «Employment in Europe 2002 », Brussels.

<sup>5</sup> Eurostat, 2003, «Employment in Europe 2002 », Brussels.

<sup>6</sup> Eurostat, 2003, “Monthly series of numbers of unemployed persons”.

- **Key social indicators**

Undoubtedly, over the last decade and especially since 1996, Greece is making serious efforts to extend and improve its social protection system in terms of both quantity and quality. Part of this effort is reflected in the substantial increase of the social protection expenditures as a percentage of GDP: from 22,9% in 1990 (against 25,5% E.U's respective average) to 26,4% in 2000 (against 27,3% E.U's respective average). In recent years, in particular, one notes a constant annual increase of approximately 1 percentage point: 24,5% in 1998, 25,5% in 1999 and 26,4 in 2000, while the E.U's respective average has shown a slight decrease over the same period: 27,7% in 1998, 27,5% in 1999 and 27,3% in 2000.<sup>7</sup>

In general it may be said that this evolution of social protection expenditures in Greece shows in quantitative terms a convergence trend to the respective EU mean average. Yet, the issue of quality in terms of efficiency and efficacy of social protection expenditures is still an open one. Moreover, measured as expenditure per capita in Purchasing Power Standards (PPS), expenditure on social protection in Greece stands at 4032 PPS in 2000, which is still far below the EU-15 average of 6155 PPS<sup>8</sup>. This, however, is largely due to the fact that Greece still lags behind in development as compared to the EU-15 average, although a gradual improvement has been observed over recent years: Greece's GDP per capita in Purchasing Power Standards (PPS) increased from 66,2% in 1999 to 68,6% in 2003 (EU-15= 100)<sup>9</sup>.

Furthermore, although Greece shows over recent years a substantial increase of its social protection expenditures as a percentage of GDP, these appear to have only a limited impact on the distribution of income and in combating poverty. For, ECHP data for 1999 reveals that the decrease in the percentage of poverty risk, which is due to social tranfers (i.e. income transfers except pensions) was only one percentage point in the case of Greece, whereas the respective average for EU-15 was 9 percentage points. The main reason for this is the low level of cash benefits in conjunction with the fact that the Greek system of social provision on the whole remains based on a "no means tested" approach. As a result, its effectiveness on the distribution of income remains insignificant. Besides, even in cases where income support (cash benefits) are based on a means tested approach, directly or indirectly, there are serious difficulties in locating the actual beneficiaries.

Nevertheless, looking into the various categories of social protection expenditures, one observes the following positive developments. The expenditures devoted to old age and survivors pensions as a percentage of total social expeditures have shown over recent years a constant decrease (from 52,6% in 1998 to 49,4% in 2000), reflecting a tendency to move towards the EU respective average (46,4% in 2000).

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<sup>7</sup> Abramovici G, (2003), pp.2

<sup>8</sup> Abramovici G, (2003), pp.3

<sup>9</sup> Eurostat (2003), "GDP per capita in Purchasing Power Standards (PPS), EU-15=100", Theme: General Statistics, <http://www.europa-eu.int/comm>

In the same direction, one notes an upward trend in the expenditures devoted to “unemployment compensation” category (from 4,8% in 1998 to 6,2% in 2000 as compared to 6,3% EU average), while there has also been an increase in the expenditures concerning the category “housing and social exclusion” (from 4,2% in 1998 to 5,4% in 2000). Yet, almost half of social expenditures are devoted to old age and survivors pensions, so the remaining resources are still limited for the rest of the functions of the social protection system.

Notwithstanding these positive trends, a point here that needs to be stressed is the fact that the growth of social protection expenditures in Greece is merely the net outcome of a significant upward trend of pensioners’ and employees’ social security contributions and not due to an increase of General Government’s contributions. For, during the period 1991-2000 the General Government’s contributions as a percentage of total receipts of social protection have diminished in Greece by 3.7 points (from 32.8% in 1991 to 29.1% in 2000), in contrast to the respective percentage in EU-15 which has shown an increase by 5.0 points (from 30.9% to 35.8%) over the same period.

A more close examination of the social security contributions, which constitute the most important source of financing of the social protection systems, reveals certain similarities between Greece and EU average. That is, these contributions represent in Greece 60,8% of total receipts in 2000 against 60,7% in EU-15. The employers’ contributions amount to 38,2% and the protective persons’ contributions amount to 22,6% which are similar to the EU-15 average of 38,3% and 22,4% respectively<sup>10</sup>.

On the other hand, one needs to highlight the differences found between Greece and the EU –15 in this respect. That is, General Government’s contributions in Greece are still lower than the EU average ( 29,1% against 35,8% in 2000), whereas the other receipts of social protection (non-guaranteed, non-institutional financial recourses such as donations, property yields ,etc) remain much higher in Greece (10,1% in 2000) than the EU average (3,5%)<sup>11</sup>. The latter, however, implies that a noticeable part of the financial sources of the Greek social protection system remains still not guaranteed and secured as this is the case with the other three types of contributions.

Overall, it may be said that this observed increase in the social protection expenditures in Greece is clearly a positive development. Yet, one needs to underline the fact that this increase is not due to the General Government’s or the employers’ increased contributions, but to the increased contributions of the protected persons and the receipts from other sources. This, in turn, implies that over the last ten years the Greek Social Protection System appears to have lost some of its redistributive strength in contrast to the EU-15 average, where one observes an improvement in the social protection systems’ redistributive impact over the same period.

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<sup>10</sup> Abramovici G, (2003), “The social protection in Europe”, Statistics in focus, THEME 3 –3/2003, Luxemburg, pp. 7

<sup>11</sup> Abramovici G, (2003), pp. 3

- **Inequalities in personal incomes**

It should be stated right from the outset that Greece to date has neither adopted an official poverty line nor a minimum guaranteed income,<sup>12</sup> which explains the co-existence of a great variety of scattered and un-coordinated income transfer schemes to certain population groups (e.g. persons with disabilities, unemployed, ex-prisoners, uninsured women, etc.). This complicated picture of the various benefits is getting more complicated when the income thresholds as a criterion for eligibility is taken into account. That is, these income thresholds are varying from a yearly income of 500.000 Drs (or 1467 Euros)<sup>13</sup> in the case of poor households living in mountainous areas to more than 10.000.000 Drs (or 29.374 Euros) in the case of large size households.

Moreover, according to Eurostat's statistical data for 1999, the poverty rate in Greece remains still high. That is, Greece exhibits a higher percentage of population (21%) with income less than 60% of the national median in comparison to the respective EU average (15%).<sup>14</sup> A point here that needs to be stressed is the fact that the poverty rate for EU-15 exhibited a downward trend during the period 1997-99 (from 18% to 15%), while during the same period the Greek poverty rate remained almost unchanged.<sup>15</sup> Furthermore, based on data regarding the income quantile share ratio, the ratio for Greece was found to be 6,5 against 4,6 EU-15 average in 1998 and 6,2 against 4,6 EU-15 average in 1999, which implies that it presents one of the most unequal distribution of income in comparison to the EU –15 mean average.

- **Concluding remarks**

Despite the strong economic growth and the increase in Social Protection Expenditures observed since the mid-1990's, the poverty rate in Greece has remained high for a number of years now. The evidence presented above reveals that social policy inadequacies have a significant bearing upon this situation. The need for a re-examination of the policy to fight poverty and social exclusion in Greece is indeed of utmost importance. It is in this respect that the importance of the NAPincl (in conjunction with the NAPempl) should be considered. For, it is a good opportunity for paving the way and facilitating at the same time the effort for a reshaping of policies and policy measures that would address effectively existing and emerging problems of poverty and social exclusion in Greece. Whether this opportunity will be fully exploited or not by the competent Greek authorities is still to be seen, for it is a matter for future evaluation.

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<sup>12</sup> EC (1999) "MISSOC: Social protection in the Member States of the European Union- Situation on January 1999 and evolution" DGV, Unit V/E/2, Brussels, pp. 503-585.

<sup>13</sup> 1 Euro= 340,750 Drs.

<sup>14</sup> Eurostat (2000) "The social situation in the European Union", Luxembourg, pp.33.

<sup>15</sup> Dennis I & Guio A.-C., (2003) "Poverty and social exclusion in EU after Laeken- part 1", Statistics in focus, THEME 3 –8/2003, Luxembourg

## 2. ASSESSMENT OF IMPLEMENTATION OF THE GREEK NAPincl

### An overall assessment

The Greek NAPincl 2001-2003 incorporates a structured analysis of the current situation in Greece regarding the main challenges and problems of social exclusion and poverty that the country is faced with. It identifies the main changes that the Greek society and the Greek economy undergo as well as the different socio-economic groups that are affected or are at greatest risk of social exclusion and poverty.

It then sets out a strategic framework for the promotion of social inclusion, which is structured along the following three parallel strands:

- I. The pursuing of General Policies in the areas of economy, employment and education that would create conditions favourable to promoting social inclusion such as funding for social policy as a result of economic growth, increasing employment opportunities and preventing as early as possible (at school years) the danger of social exclusion.
- II. The pursuing of Specialised policies to improve the density of interventions in the social protection area through:
  - a. the introduction of new policies aimed at concrete target groups facing severe problems likely to persist and
  - b. the extension of existing policies aimed at target groups “de facto” facing serious social inclusion difficulties which are intensified by a wide range of social barriers.
- III. Administrative interventions, which entail the improvement of coordination and the reinforcement of the administrative implementation and monitoring mechanisms.

In this context, three social policy adjustments are proposed:

- Adjustments to the needs for social policy (the demand). The NAPincl considers that the poverty of the elderly and the regional dimension of poverty reflect only traditional problems of the past, while new problems are linked to unemployment, the transition to new economic conditions and to global realignments. Future problems are expected to be increasingly linked to the labour market in contrast to the old problems.
- Adjustments to the delivery (the supply) of social policy through the adaptation of the administrative structures to serve the new role of the social policy.
- Adjustments to obtain new ways of information handling (both statistical indicators and administrative information).

Within this policy framework, the Greek NAPincl entails a great variety of measures (cash benefits, employment, training and social support related programmes and measures, legislative reforms, institutional arrangements etc) distributed across the four Nice objectives in the fight against poverty and social exclusion. Furthermore, it identifies six broad categories of population groups comprising the target-groups of these policy measures.

Overall, it may be said that the NAPincl reflects the efforts that are being underway for social policy in Greece to acquire a new vital role in preserving social cohesion by improving its ability to meet existing and emerging needs of all those citizens at risk of social exclusion and poverty. And this is clearly the main challenge of the Greek NAPincl.

Yet, and although its strategic framework is considered to be in the right direction to facilitate the reshaping and development of policy measures in the fight against poverty and social exclusion, it is not followed by quantified and clear strategic objectives to achieving this, while it relies largely on the reforms which have been under way with respect to Public Administration, Public Health and Social Care, Education and the Tax System. Moreover, the dispersion of policy measures within different policy areas, although reflecting an effort to form an integrated approach, continue -by and large- to constitute rather isolated policies and measures, failing thus to form integrated policy responses. For, it requires the development of appropriate mechanisms to ensure such an approach, which are still overdue in Greece.

In short, and notwithstanding the positive elements of the Greek NAPincl 2001-2003, the following shortcomings can be identified.

- Lack of hard evidence / Quantitative data leading to non-quantified objectives
- Strategic objectives are non-specific and in certain cases not so clear.
- Lack of a system for the systematic monitoring and evaluation of the impact of social policy related measures, leading, in turn, to a lack of forward planning or to poor planning
- Performance and impact indicators of policy measures are rare.
- The majority of policy measures are rather fragmented and are not underpinned by an integrated approach, mainly due to the lack of appropriate institutional mechanisms.
- Administrative and institutional appropriate mechanisms for the overall coordination and monitoring of NAPincl appear not to be in place.
- Innovative measures and approaches are rare.
- Measures under Objective 4 appear to be rather weak.

### **An assessment of progress of implementation of the main policy measures**

Undoubtedly, particular emphasis has been placed by the first Greek NAPincl on measures and actions that serve Objective 1.1 “Facilitating participation in employment”, the vast majority of which are measures included already in the Greek NAP for Employment. In particular, the measures presented are classified into the 4 pillars of the NAPempl from which a number of measures, programmes and actions that are directly related to this Objective has been selected to be included in the NAPincl.

The basic employment policy mix open to various vulnerable social groups (disabled, immigrants, unemployed individuals aged 45-64, ex-drug users etc) comprises of the following active measures: employment subsidies, start-up incentives and quotas, training-retraining programmes and accompanying-support services. Some of these actions and programmes are financed out of national resources (i.e. wage-subsidy programmes, start-up schemes, etc) whereas a large number of them are financed by the E.S.F under the various Operational Programmes of the Greek C.S.F 2000-2006, as well as under the Community Initiatives.

In general, it may be said that employment policies in Greece towards the social vulnerable groups have shifted significantly during the last few years in favour of active measures. Largely under the influence of the European Employment Strategy, the policy mix has increasingly placed emphasis on improving their employability instead of improving income support measures and other traditional passive policies. Attempts are also under way to establish the preventative and individualised approach as well as to promote the inclusion of persons from socially vulnerable groups in regular employment and training structures.

When it comes to examining the progress of implementation to date of the various employment promotion measures presented under the NAPincl, according to official data, the largest part of these measures are now under way although a delay in their starting point has been occurred in most of them. That is, the majority of them began implementation in the second half of 2002. One of the main reasons for this delay is considered to be the fact that OAED, the main public agency responsible for the integration of the unemployed, has been since 2001 under a process of re-organisation and restructuring. The other main reason has been the fact that since 2001 new administrative and management arrangements and rules have been put into effect regarding the submission, selection and implementation of the actions and programmes, which have been planned under the Greek C.S.F and the Community Initiatives. Needless to say that the largest part of these measures rely heavily upon the availability of E.S.F's financial resources.

Despite these delays, it appears that most of the actions and programmes that are now under implementation are targeted at facilitating greater access to the labour market for particular vulnerable social groups, which entail, among other things, the provision of supported accompanying services. Yet, these actions appear still to be mainly addressed to target groups rather than securing an individualised approach, although some progress has been made towards this direction during the last two years. This progress is reflected in the establishment and application of a computerised system of registered unemployment and the operation by OAED of approximately 56 Employment Promotion Centres over the country.

As regards the computerised system, in particular, it covers "on line" most of the Employment Promotion Centres as well as most of the rest of OAED's basic employment services. At present, the system facilitates the identification of flows in and out of registered unemployment but it is not ready yet to monitor and report on these flows and to provide thus adequate information and reliable data and indicators.

Regarding the Employment Promotion Centres, these have been designed to provide, among other things, individualised advice and vocational guidance to the unemployed with priority given to persons from the socially vulnerable groups. To this end, approximately 400 “councillors” have been recruited recently by OAED with the task to implementing an individualised management case approach, while the necessary methodological tools have been designed, the application of which is currently under way. The newly established Special Service in OAED, that is the “Human Resources Support Services”, which has been assigned the responsibility for the running of these centres, is expected to contribute to the effective functioning of the individualised approach. Nevertheless, the level of expertise in implementing such an approach, especially at the regional and local level, needs further improvement.

Furthermore, one needs to highlight a number of other drawbacks in this policy area which continue to prevail in Greece. That is, evaluation studies on the impact of these measures are scarce and hard to come by. In addition, the lack of hard evidence on the number and situation of the various vulnerable social groups raises serious questions regarding both the effectiveness of policy planning and the ordering of priorities in relation to the needs and the number of beneficiaries. Unless such drawbacks are significantly reduced, there is a real danger that the preventive and active character of most of these policy measures will be practically cancelled out. Of course these drawbacks characterise almost all social policy related areas though at variance.

Notwithstanding the above, acknowledgement should also be made of the fact that certain priority criteria for women’s participation are being increasingly applied in recent years in the majority of employment and training schemes (especially in OAED’ s programmes) which have led already to an increase in the share of women’ s participation in these schemes. In addition, promotion of investment projects which involve the provision of subsidies exclusively for women’ s business – start up and/or for the modernisation of existing business run by women has also been on the increase and it is expected to continue. Furthermore, the number of child-care centres, daylong kindergartens, nursery schools and creative children’s centres aiming at helping women to reconcile family life and work have been on the increase in recent years over the country, while there are plans for further increasing their number. Similarly, one observes an increase in the services provided (daycare centres, help at home etc.) to dependant household members (elderly and disabled persons) which, among other things, are expected to facilitate women’ s entry/ return into the labour market.

However, it should be pointed out that these interventions to date appear not to have had a positive impact on the women’s employment rate. For, this rate presents a downward trend from 41,2% in 2000 to 40,9% in 2001.<sup>16</sup>

Under Objective 1.2 "Facilitating access to resources, rights, goods and services", particular emphasis is placed on the so-called Cash Benefit Policy that entails a wide variety of categorical cash benefits to a large number of beneficiaries, which nevertheless have never been evaluated. Yet, given that in Greece there is not in force any minimum guaranteed income scheme, these cash benefit measures appear not to constitute a coherent safety net for the individuals and families living under conditions of extreme hardship. Apart from the fact that there is no general scheme for long-term

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<sup>16</sup> Eurostat, 2003, Employment rate-females, Employed women aged 15-64 as a share of the total female population, Theme 3: General Statistics, Luxemburg [http:// europa.eu.int/com.....](http://europa.eu.int/com.....)

unemployment compensation in Greece, benefits on the whole appear to be low, while there is no evidence that they cover all groups experiencing poverty. Besides, lack of information on the part of beneficiaries and existing bureaucratic procedures hinder access to existing benefits by eligible persons. It may be said that certain categories of socially vulnerable persons are over-provided for, while others receive very little.

Furthermore, the lack of information regarding the size of “would be” eligible beneficiaries more often than not leads to poor planning and renders the effectiveness of planned measures insignificant. The latter situation is clearly reflected in the three new initiatives (income support measures) that were introduced in the Greek NAPincl as forming the so-called Social Solidarity Network. These initiatives are:

- a. Income support to households living in mountainous and less favoured areas
- b. Cash benefits to families with children of ages up to 16 years old at school
- c. Cash benefits to the long term unemployed aged 45 to 65 years old

The above mentioned measures came into force in 2002. Yet, towards the end of 2002 and the beginning of 2003, it was realised by the competent Greek authorities that these measures had failed to achieve the expected results in terms of their coverage. That is, unofficial information reveals that the targets set as regards the number of eligible beneficiaries have been clearly by far away from the number of families/persons that to date have benefited from these measures. In particular, as regards measures a) and b), the total estimated number of beneficiaries was 275.000 families, whereas up to date only 30.000 families have benefited; as regards measure c), the estimated number was 35.000 beneficiaries but only 3.000 persons have benefited to date.<sup>17</sup>

These findings led very recently the Government to announce certain modifications of these measures as regards the amount of benefits and the threshold eligibility criterion so as to extend the coverage of these measures to a much greater number of eligible beneficiaries.

Besides the above, note should be made of the fact that no particular links have been established between the various income support measures and the measures implemented under the other Objectives such as employment programmes, social support related actions, integrated programmes, etc. For example, the newly introduced benefits to poor households of mountainous areas and to poor households with children at school are not related to any measures regarding the improvement of employment prospects of the members of these households nor to any other contemporary needs of these households. Again, the need for coordinated planning and implementation of the measures relating to combating poverty and social exclusion is of utmost importance.

As to the rest of this Objective’s measures (rights, goods and services) these are based mainly on general reforms of systems (e.g. education, health, social protection, etc), most of which have been carried out by legislative and institutional arrangements. As to the measures facilitating access to other goods and services such as housing, social tourism, etc, their significance is considered rather limited.

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<sup>17</sup> “Kathimerini” Newspaper, 1<sup>st</sup> June 2003, p.28

As regards the measures presented under Objective 2, “To prevent the risks of exclusion”, although they cover most population groups at risk, they appear to be fragmented and not linked to any measures presented under the rest of the Objectives. Some of the programmes presented such as the “Social Support and Training Centres for disabled individuals”, the “Development and expansion of the “PSYCHARGOS” Mental Health programme” and the “Integrated urban development interventions”, gather innovative elements especially by being based on an integrated approach. These programmes are now under implementation, although the pace of progress is considered low, let alone the fact that there has been a delay in their starting point. A description of these programmes is presented below:

- Social Support and Training Centres for disabled individuals : The operation of the first 24 Social Support and Training Centres for disabled individuals, is expected to enhance existing actions aiming at the socio-economic integration of disabled persons. The fact that are located in half of the prefectures of the country it is expected to facilitate the access of a considerable number of disabled to services that were non-existent before at local level. These centres encompass a wide range of services and facilities to the disabled, serving to a great extent almost all objectives, Yet the success of their operation will depend largely on the quality and quantity of the new structures’ personnel.
- Development and expansion of the “PSYCHARGOS” Mental Health programme (it should be under obj. 3) : This programme which has been under way since 1999 aims at the de-institutionalisation and the socio-economic integration of persons with mental health problems by providing: pre-training, training, employment opportunities, temporary housing, psychological support, health care, access to cultural events, etc, being based on an individualised approach. Regarding the actions implemented in promoting employment opportunities, the setting up of Social Co-operatives, among other actions, is considered an innovative measure per se. Overall, it may be said that this programme represents a new pathway to social inclusion for this vulnerable population group, while its coverage is spread all over Greece. The actions implemented under this programme serve to a great extent all four objectives.

Under Objective 3, “To help the most vulnerable”, a small number of measures are proposed, mainly through the provision of support in intercultural educational problems, while there is no evident link between the actions foreseen and the accompanying social support services that are needed for the specific groups. The policy pursued is based more on a target group approach rather than on a structural reform to prevent exclusion. Most of the measures are targeted at specific population groups although not all groups are covered. Here again, there are only a few measures, which could be characterised as innovative, being underpinned by an integrated approach, such as the Integrated Action Plan for ROM (gypsies) which combines infrastructural investment with investment in human and social capital. Yet, implementation of these intergrated programmes is in most cases in its initial phase.

The measures presented under Objective 4 “To mobilise all relevant bodies”, are not based upon any main measures/structures aiming at the achievement of this objective, but rather constitute separate actions and initiatives. For some of them there is no evident link with this objective, while some others seem to take a long time before are put into effect. The rest of the measures referring to the strengthening of voluntary activities are under a planning process, whereas the programme for setting up a Network of Support Services to vulnerable population groups at the Municipality level is at an early stage of implementation. Measures such as “The operational modernisation of the largest Social Insurance Fund” (IKA) and “The restructuring of OAED’s employment services” are still under implementation and are expected to take some more time before are put into full operation. However, acknowledgement should be made of the fact that in recent years in Greece, one observes an increasing involvement of NGO’s in the implementation of programmes towards particular social vulnerable groups, especially in the provision of training and accompanying support services.

### **A review of recent legislative reforms and institutional arrangements in place**

Over the last few years and, in particular, since 1998 significant changes in various branches of social protection have been underway in Greece mainly through legislative reforms and institutional arrangements. Yet, effective implementation of these reforms is in most cases still pending. For, it takes a long time before a Law in Greece is actually enforced and becomes operational. More often than not, it requires the issuing of a number of Presidential Decrees, Ministerial Decisions, organisational arrangements, etc. Besides, the lack of forward planning together with the lack of coordination between the various Government Departments, leads very often, and within a short-time period, to new legal arrangements modifying or readapting the legal framework of these reforms before even their implementation has been put into effect.

Notwithstanding the above, it should be pointed out that most of the legislative reforms in social policy related areas, which have been adopted in recent years in Greece, appear to be in the right direction and, undoubtedly, could contribute, when fully operational, to more efficient action for the promotion of social inclusion and especially for the socio-economic (re-) integration of the most vulnerable population groups of the Greek society. Yet, as regards the extent of the impact of these reforms on alleviating poverty and social exclusion, this remains an open question and it should be the subject of further and systematic investigation and evaluation in the near future.

Briefly, the most recent of these reforms are the following:

- The Social Security System :

It is generally accepted that demographic ageing is a factor that appears to affect Greece to a larger extent than most other EU member states. So, the issue of “ageing” has entered in recent years the Greek political and academic debate primarily as a “threat” to the viability of the pension system, while during the same period concern has been on the increase as regards the rising needs in the provision of care to the elderly.

Yet, it should be pointed out that the Greek pension system, for too long now, has been characterised by a number of structural problems, which are only partly related to the current demographic ageing problem. For, the social security system in Greece (for certain historical reasons) has evolved into a polymorphous, fragmented, uncoordinated maze of different institutions, applying different rules and regulations and certainly not governed by a common unifying philosophy.<sup>18</sup> Besides, the cumulative effect of the system has been grossly unjust, maintaining inequalities in the distribution of pensions (and even reinforcing at certain cases) with regard to both the level of benefits granted and the conditions provided (privileges and rights) for the acquisition of pension entitlement.

In 1999, a mini-reform of the social security system was attempted through the adoption of Law 2676 in order to rationalise the system and tackle fragmentation : some deficitary funds were amalgamated with larger and healthier funds; certain regulations for working pensioners as well as some changes in eligibility requirements for survivors pensions were introduced; a body of labour inspectors to combat contribution evasion was established. Even so, fragmentation and complexity of regulations of the various social insurance organisations remained high, while their overall deficit was kept also high and expected to increase further due to the rising financing needs as a result of demographic ageing and system maturity.

In view of this situation, the Government brought to the forefront in 2001 a new proposal for a radical reform of the social security system. This proposal, however, brought about social unrest and a wave of strike activity and led the Government to withdraw its proposal and to begin a new process of consultation with the Social Partners so as to jointly formulate a new proposal. Following a lengthy consultation, an agreement was reached by all parties involved and as a result a new Bill of Law for the reform of the pension system was adopted by the Greek Parliament in June 2002 (Law no. 3029/2002).

The main elements of this Law are:

- A commitment is made by the state to guarantee adequate finance by providing an annual payment to IKA, the largest Social Insurance Fund (private sector), of a sum equal to 1% of GDP in order to build up a reserve fund, so as to ensure sufficiency of finance in the long term;
- Provisions are made for IKA to become the first- choice Fund for all employees and gradually limit the fragmentation and legislative complexity of the system, so as to alleviate differences in provision;
- Certain provisions are made regarding Auxiliary Funds and their subsequent evolution;
- A new framework for the investment of the Funds' property is introduced;
- A legislative framework is introduced for the establishment of occupational Funds, hitherto forbidden by legislation.

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<sup>18</sup> See "THE GREEK REPORT ON PENSION STRATEGY", Ministry of Economy and Finance, Ministry of Labour and Social Security (2002), September, Athens, pp.8.

[http://europa.eu.int/comm/employment\\_social/socprot/pensions/el\\_pensionreport\\_en.pdf](http://europa.eu.int/comm/employment_social/socprot/pensions/el_pensionreport_en.pdf)

Meanwhile, the modernisation of the organisation and functioning of IKA, which was introduced by Law no.2972 in 2001, appears to be well under way. The setting up of a fully computerised system of IKA's activities is the main goal of this modernisation. And although computerisation has not as yet been fully completed, official data reveals that this already had a significant effect on limiting payment contribution evasion. Yet, qualitative improvements with regard to IKA's services provision appear to be very slow.

- Tackling unemployment and promoting employment :

In 1998, a law on Labour Relations was passed (Law n° 2639/1998) which provided, among other things, for the reinforcement and extension of part-time arrangements, the introduction of new work-contracts and the establishment of private employment agencies. Yet, no relevant information is available so to assess the overall impact of this law on the modernisation of work organisation and the promotion of employment. As far as its impact on the promotion of part-time employment is concerned, evidence suggest that it had no impact at all. The explanation given is that part-time jobs are low paid or are linked with low pay and thus are unattractive.

In an attempt to extend as well as to improve the effectiveness of flexible working time arrangements, a new Law was passed in 2000 (Law n° 2874/2000) for "Promoting Employment". This law, among other things : redefined flexible working time arrangements in close connection with provisions for cutting down overtime work from 40 to 38 hours per week in firms that opt for a flexible working time arrangement; introduced changes in dismissals conditions; and provided for an early retirement scheme for workers employed in " arduous and unhealthy environment". In addition, it introduced small increases to wages/salaries for part-time workers and a fixed benefit (for up to 12 months) to the long-term unemployed who take a part-time job.

OAED (The Greek Manpower Employment Organisation) is under a large-scale restructuring and modernisation, which was introduced by Law no. 2956 in 2001. According to the provisions of this Law, part of OAED's activities and competences are assigned to three state-controlled companies created within the framework of OAED, the funding of which is provided entirely by OAED. The tasks of the three non-profit companies are broken down as follows:

- The “Vocational Training” Company has been assigned to handle initial and continuous vocational training programmes, previously handled by OAED.
- The “ Human Resources Support Services” Company, has been assigned the responsibility for the operation of the recently established Employment Promotion Centres of OAED, which provide employment promotion, supportive and accompanying actions, to be based on an individualised approach, to the unemployed persons with the aim to (re-)integrating them into the labour market. Yet, this company was abolished very recently by law and its tasks have been assigned back to the Parent Organisation (OAED) as part of the rest of its activities.
- The “Employment Observatory, Research-Informatics” Company, has been assigned the task to carrying out studies and scientific research on labour market issues as well as to implementing and maintaining an Integrated

Information System for the collection and the statistical processing of primary data of OAED and its affiliates.

- The Health care system :

Among the main weaknesses of the Greek health system are the deficiency of primary care, the inefficient operation of public hospitals and the excessive expenditure on pharmaceuticals. And although a law was passed in 1997 aimed at dealing with these problems, very limited progress was made towards this direction by 2000. As a result a new bill of law was passed in 2001 (Law No 2889/2001) aiming at a thorough reform of the health system (The "National Health System") by placing great emphasis on the demand side and quality of service aspects, especially in the area of primary care, and by attempting to rationalise its financial structure. In particular, this new law attempted a shift of focus of the national health policy towards prevention and health promotion aiming at the same time to secure equal access for all citizens to health services.

Among the main measures, that the Law provides to achieve this, is the decentralisation of the National Health System through the creation of 17 Regional Health Authorities (PeSYs) which are to be responsible for issues of health policy in each region. In addition, the Law provides that hospitals should become independent, decentralised units of PeSYs run by professional managers rather than appointed directors, and that they should establish cost and quality control as well as a unitary accounting system.

Undoubtedly, progress of implementation of this health system reform has been well under way since 2001, given that almost all the new administrative and organisational arrangements have been put in place, but nevertheless its impact is yet to be seen. The main criticism made on this reorganisation of the National Health System is that decentralisation of the decision making procedures in the 17 Regional Health Councils, instead of reducing bureaucracy and improving flexibility of action at the regional level, it has rather multiplied the problems of bureaucracy and co-ordination and has made the whole system's operation more complexed. Besides, the capacity of human resources necessary to carry out such a reorganisation appear not to be adequate enough, since no provisions were made prior to this reorganisation.

- The social care and welfare system :

Following from above, it should be pointed out that for too long now the health care system and the social care provision in Greece have been developed separately in different time-spans, and their functioning has been governed by distinct laws and rules with almost no links with each other, despite the fact that both have been under the responsibility of the Ministry of Health and Welfare. An indicative example of this situation in recent years is the following: In 1997, a law was passed for the reform of the health system which was followed in 1998 by a separate Law for the reform of the social care system. Yet, due to the inadequacy of the 1997 Health Bill of Law to deal with the weaknesses of the Greek Health System, a new Law was eventually passed in 2001 (Law no 2889/2001 presented above). But again, this Law did not take into consideration the needs for social care provision. As a result, very recently (February 2003) a new Law was passed for the reorganisation of the social care system so as to follow the organisational changes that took place in the Health Care System.

Indeed, Law 3106/2003 acknowledges the need for the provision of health and social care services at an integrated manner. Among other things, it devolves responsibility of social care provision to the 17 Health Regional Authorities which are now called Health and Welfare Regional Authorities and entails provisions for the collaboration of the two sub-systems (interface aspects of Health and Social Care sub-systems ) as well as for issues relating to the administrative structure, the personnel and the financial aspects.

Other related initiatives include the drawing up of a map for the supply and demand of social care services at the regional and local levels, which will be linked with the integrated geographical information system to be developed for both health and social care. It appears that implementation of this initiative is already under way, though no official information is available as to the degree of progress made to date, neither as regards the expected completion date of such a system so as to be fully operational.

Overall, it may be said that these recent changes in the legal framework of health and social care policies, undoubtedly reflect a serious attempt to facilitate a better access for all citizens to better health and social care services in Greece. As regards social care provision, in particular, these new arrangements reflect a shift of emphasis from traditional policies of social care and welfare towards the prevention and combating situations of social exclusion, which is long awaited. Nevertheless, integrating social care services into the health care system, is not an easy exercise and it takes time to be fully operational. In addition, there is a danger for the whole system to become even more complexed and inflexible, which would eventually render the reform effort unsuccessful.

- Other institutional arrangements related to the NAPincl

The very recent Law on ‘Social Dialogue for the promotion of Employment and Social Protection’ (Law no.3144 of 2003) is considered an initiative which is expected not only to promote the Social Dialogue on social policy issues but also to establish a proper administrative mechanism that would ensure the overall coordination and monitoring of the measures of the NAPincl, which is still missing.

As regards the arrangements related to the Social Dialogue, the law provides, among other things, for the establishment of a National Committee for Social Protection with the participation of Social Partners and non-governmental organisations, which opts to function as a permanent forum of Social Dialogue on issues of social protection. One of its main tasks is to offer advice and contribute in the elaboration, monitoring and assessment of the Greek National Action Plan for Social Inclusion.

Regarding the arrangements for the coordination and monitoring of the NAPincl, this Law provides for the creation of a new Directorate in the Ministry of Employment and Social Affairs, which will be responsible for the Social Protection Policies pursued in Greece. This new Directorate will consist of three units, one of which will be entrusted with the responsibility of coordinating and supporting the elaboration and implementation of the NAPincl, constituting thus a permanent administrative structure which is missing today.

### **3. POLICY CHANGES TO DATE - IMPLEMENTATION OF NEW POLICY MEASURES IN THE CONTEXT OF POVERTY AND SOCIAL EXCLUSION**

Since June 2001, when the first Greek NAPincl 2001-2003 was submitted to the European Commission, no real social policy changes appears to have been made so far, neither any new policy measures have been introduced in the context of poverty and social exclusion in Greece.

The only change that has been made in this context is the introduction very recently of certain modifications with regard to the three new initiatives of income support to poor households, which were announced for the first time by the Government in 2001. These were presented as being the three new targeted policy initiatives that were to form the so called “Social Solidarity Network” to be funded by National Resources alone. These measures were:

- a. Income support to households living in mountainous and less favoured areas
- b. Cash benefits to families with children of ages up to 16 years old at school
- c. Cash benefits to the long term unemployed aged 45 to 65 years old

The eligibility criterion for the provision of these cash benefits has been the income threshold which was fixed to an annual family income: in the case of measure a, not exceeding 2200 euros whereas in the case of measures b. and c, not exceeding 3000 euros.

However, as mentioned earlier in this report, the coverage rate of these measures to date was found to be much lower than it was expected by the policy makers. This led very recently to certain modifications concerning, in particular, both an increase of the amount of the benefits to be provided and a rise of the income threshold, which stands as a criterion for the benefits eligibility, so as to extend the measures’ coverage.

In addition to the above, one should also mention certain provisions of new legal arrangements that were introduced very recently which are related (directly or indirectly) to the NAPincl. That is, the very recent Law on “Social Dialogue for the promotion of Employment and Social Protection’ (Law no.3144 of 2003) provides, among other things, for the establishment of a National Committee for Social Protection, with the participation of Social Partners and non-governmental organisations, which opts to function as a permanent forum of Social Dialogue on issues of social protection. Among its tasks is to offer advice and contribute in the elaboration of the National Action Plan for Social Inclusion, as well as, in the monitoring and evaluation of its implementation.

Moreover, this Law provides for the creation of a new Directorate in the Ministry of Employment and Social Affairs, which will be responsible for the Social Protection Policies pursued in Greece. This new Directorate will consist of three units, one of which will be entrusted with the responsibility of supporting the implementation of the NAPincl.

Yet, the same Law provides for the abolition of the State-controlled Public Company of “Human Resources Support Services”, which was established in 2001 by OAED. Among the main task of the company, was to implement, through its Employment Promotion Centres and by using appropriate methods, a preventive and individualised approach to ensure the (re-)integration of the unemployed, and especially those persons from social vulnerable groups, into the labour market. But although it was established, this company never came into operation (for a variety of reasons, the analysis of which extends the scope of this Report). So, with the abolition of this company, the tasks assigned to it have returned back to the Parent Organisation (OAED) to become part of the rest of its activities. Whether this is a positive or a negative development is yet to be seen. However, the fact remains that valuable time has been lost, especially in an area which is considered of high priority and where improvements have been long overdue.

Finally, in the recently adopted Law on the re-organisation of the National Social Care System (Law no.3106/2003), provision has been made for the establishment of a National Observatory for Persons with Disabilities, which is considered a positive development in the context of policy to promote the social inclusion of the disadvantaged groups of society.

#### **4. RECENT DEVELOPMENTS IN RESEARCH - TRENDS ON POLICY RELEVANT SOCIAL INCLUSION INDICATORS.**

##### **Research developments**

Despite the fact that the phenomenon of poverty and social exclusion has been increasingly recognised, especially during the last decade, as one of the main problems facing modern societies, it would be hard to maintain that this recognition stimulated any systematic research on these issues in Greece until very recently. The lack of appropriate statistical data and information have been broadly recognised by the academic and research community in Greece as the main barriers for developing a sufficient research output on social policy issues in general and on the abovementioned issues in particular.

Overall, it may be said that research on social policy issues has never been given a high priority by the state and it has remained, by and large, rather limited. As a result, almost no links have been established between research results and social policy development and, in particular, the elaboration of specific policy interventions to addressing existing and emerging challenges and problems of poverty and social exclusion facing Greek society.

However, the recently National Action Plans for Employment and Social Inclusion have brought to the forefront the need for reliable and detailed information and policy relevant indicators on these areas in Greece, so as to allow reliable and in-depth analysis of the dynamics of these phenomena. The acquisition of such data is expected not only to facilitate better comparisons with the other member states but, more importantly, to create the necessary conditions for reshaping specific social policies and designing

effective policy interventions in the context of the commonly agreed European strategies and objectives in these areas. This, of course, has already raised a demand for conducting special surveys on a number of aspects for which there is no information or only limited information so far in Greece.

In this context, the main –and most recent- developments in research activity in Greece on social policy related issues are reflected in three nation-wide research projects, which are currently under way. The two of them constitute part of European-wide research projects, while the third is a research initiative taken by the National Centre for Social Research, which is co-financed by the General Secretariat for Research and Technology under the O.P. “Competitiveness”.

In particular, the nature and main goals of these research projects are summarised below:

- i. The “European Social Survey” (ESS). This is a new, academically-driven, social survey designed to chart and explain the interaction between Europe's changing institutions and the attitudes, beliefs and behaviour patterns of its diverse populations. The survey covers more than 20 nations and employs the most rigorous methodologies. It is an initiative taken by the European Science Foundation, which has also sponsored the development of the study over a number of years, and is co-funded by the European Commission under the 5th Framework Programme for Research.<sup>19</sup> As regards Greece, a sample survey of 3100 interviews, based on a randomly-selected population sample size over the country, has been carried out by the National Centre for Social Research and has just been completed. Its preliminary results and conclusions are expected to be available by the end of 2003. Another round of this survey has already been planned for 2004-2005 that would be entailing certain new questions in addition to the core questions of the current one.
- ii. The European Union’s “Statistics on Income and Living Conditions” Survey (EU-SILC). This is the new instrument, replacing the ECHP Survey, launched in 2003 and financed by Eurostat. It aims at being the EU’s main reference source for comparative income distribution and for social exclusion statistics<sup>20</sup>. The National Statistical Service of Greece has undertaken the task to prepare and carry out this special survey in the country which is currently under way. It entails a nation-wide fieldwork with a sample size of approximately 8000 households. The selection, compilation and elaboration of the data in the EU member states is expected to lead to the formulation of EU comparative indicators on poverty and social exclusion, which are to be available by 2005.

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<sup>19</sup> More details can be found in:  
<http://www.europeansocialsurvey.org/>

<sup>20</sup> More details in: Clemenceau A., Wirtz C. (2001), p.3.

- iii. The nation-wide research programme titled “Poverty, Exclusion and Social Inequalities”, carried out by the National Centre for Social Research (EKKE). This programme covers the period 2002-2005 and it is currently well under way. The programme entails, among other things, the carrying out of a special survey in conjunction with the EU-SILC Survey mentioned above. Arrangements have been made with the National Statistical Service of Greece for carrying out the fieldwork and for providing EKKE the raw statistical data for elaboration and in-depth analysis. Preliminary results and conclusions regarding the extent and severity of poverty and social exclusion in Greece are expected to be available by the end of 2003 or early 2004.

It should be emphasised that the overall objective of this research programme is to provide a systematic and dynamic analysis on poverty, social exclusion and, more generally, on social inequality in Greece which is long overdue. In particular, the main goals of the programme are:

First, to fill up the existing gaps in the collection of proper statistical data on issues relating to economic and social inequality in Greece, enriching thus the information available for an in-depth investigation of the phenomena of poverty and social exclusion

Second, to ensure a certain degree of representativeness of the sample at a regional level, which will allow an analysis of disparities in Greece at regional and local level. This is expected to remove the barriers of the information provided by other available similar data sources, such as the HBS and the ECHP, which do not allow a detailed analysis on the dimensions of poverty and social exclusion at regional level.

Third, to help establish links between research and policymaking by providing the necessary information for effective policy interventions in this area (combating poverty and social exclusion) at a local, national and EU level. In this context, an observatory has been planned to be established in EKKE with the tasks to monitor developments in this field in a systematic and comprehensive way.

Given the above developments in current research activity, it is worth noting that among the main advantages of the aforementioned research projects and, particularly, the third, is the combination of two elements. That is, the acquisition of more and of better quality information linked with a much better speed in processing and analysing these data. For, updated data plays a crucial role for the formulation of effective social policy responses. However, and notwithstanding these positive developments, further research work is needed in order to clarify the complex dimensions of poverty and social exclusion problems in Greece.

## **Trends in Social inclusion indicators- the indicators debate.**

The quantification of NAPincl targets and the existence of appropriate indicators are regarded not only as crucial tools for monitoring and evaluation of social inclusion measures and interventions but also as a priority according to the Lisbon labour market strategy. This statement is been explicitly acknowledged and accepted in Greece by the main responsible ministry for policymaking in the field of social inclusion<sup>21</sup> and for the NAPincl, in particular, as well as by various bodies engaged in issues related to poverty and social exclusion<sup>22</sup>.

Nevertheless, up to now, there has not been a detailed discussion of any kind in relation either to the development of social inclusion indicators or the country specification of the three levels of social inclusion indicators as proposed by the Social Protection Committee in 2001<sup>23</sup>. Neither any action appears to have been taken by the responsible Greek authorities in this direction.

The only relative issue, which appears to be of high concern among policy makers in Greece, is the appropriateness of poverty rate, as it had been elaborated by Eurostat in the successive EU-wide European Community Household Panel –ECHP- research project 1994-1999, to accurately express the real extent of poverty in Greece. According to these views the main disadvantage of the poverty estimation methodology which Eurostat applies to all EU member states is that it “does not take into account the imputed income from home ownership”. For, this leads to an overestimation of the extent of poverty in Greece by 3 percentage points<sup>24</sup> given that the rate of home ownership in Greece is higher than that of the rest EU member states.

However, one needs to be cautious with such a view. For, it introduces at least two methodological and one conceptual problems. Firstly, the estimation of poverty rates using a different methodology renders comparison of the poverty indicators among EU member states useless. Secondly, the inexistence of supply and demand for rented houses in rural areas of Greece diminishes the accuracy of counting and thirdly, the acceptance of imputed rent as a part of income means that the notion of income must include any kind of imputed income steaming from the possession of real estate or other assets. In this case, the estimation base of poverty indicators is wealth and not income. Conceptually and methodologically this is considered to date to be an unexploited field and thus it is difficult to assess the dimensions of poverty according to a wealth based estimation.

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<sup>21</sup> Ministry of Labour and Social Insurance (2003a), p. 3.

<sup>22</sup> Economic and Social Committee of Greece (2000), p.3.

<sup>23</sup> Social Protection Committee (2001), p.

<sup>24</sup> Ministry of Economy and Finance, Ministry of Labour and Social Security (2002), p.24-25.

## **5. AN OVERALL VIEW OF PARTNERSHIP AND PUBLIC DEBATE ON POVERTY AND SOCIAL EXCLUSION IN GREECE.**

### **Partnership**

It goes without saying that the multi-dimensional nature of poverty and social exclusion requires integrated policies and action focusing on prevention and early, active intervention. It is thus of utmost importance that wider partnerships are established, bringing together the full range of relevant actors (national, regional and local authorities, social partners and the civil society) as part of the effort to ensuring multi-dimensional solutions to the multi-faced exclusion problems.

Undoubtedly, in this respect, progress has been made in Greece over recent years where one observes that partnership arrangements have been on the increase. This is mainly reflected in the increasing involvement, though at variance, of various stakeholders (the local authorities, the social partners, the non-governmental sector), except the users/people, in the management and implementation of a wide range of programmes aiming at combating social exclusion. Furthermore, given that most of these programmes and actions are financed under the various O.Ps of the C.S.F. for Greece 2000-2006 and the Community Initiatives, the abovementioned stakeholders are also being involved, again at variance, in the overall monitoring of these programmes by being members of the O.Ps Monitoring Committees.

Besides the above, it should be noted that Social Partners in Greece, i.e. mainly representatives of the Greek Federations of Employers and Employees, are being for a long time now members of the Management Boards of various Public Organisations. Such organisations are the Manpower Employment Organisation (OAED), which is the main planning and implementing body of employment policy measures in Greece, the Foundation of Social Insurance (IKA) which is the country's largest social security fund, et.c. They also participate in the Councils of Regional Authorities which are responsible for the planning and implementation of a wide range of measures and programmes relating to regional development, including programmes in social policy related areas.

However, and notwithstanding the above, it may be said that the issue of partnership is, in substance, still underplayed in Greece by the State. For, the very centralised system and the dominance of closed procedures characterising the Public Administration in Greece, although steps have been made over recent years to change this, continue to impede the active involvement and participation of various stakeholders in many areas of public policy decision making processes. Bottom-up and user-oriented approaches, open procedures and social dialogue processes that would enhance participation of various actors, are still not adequately developed in Greece, particularly in the context of poverty and social exclusion.

As regards the Social Partners, it would be fair to say that they have not as yet fully exploited the potentiality arising from their participation in various decision making bodies. Without any intention to deny or underestimate their valuable contribution to date, their involvement in these decision-making processes appears not to have had a significant impact on social policy development.

Furthermore, it should be underlined that mobilisation and active participation of various stakeholders presupposes a good level of public awareness on issues of social interest. Yet, the spread of information by the competent Public Authorities on matters of public social policy so as to heighten public awareness, let alone to change public attitudes towards the socially excluded groups, is also not adequately developed in Greece. Responsibility for this inadequacy, though to a limited extent, lies also with social partners.

An implication of this situation would be that Greek society, by and large, and the population groups that social policy is particularly concerned with, might become reluctant to acknowledge and participate in any efforts made by the state. Worse still, they might even lose their trust to the institutions of the social policy, an element which plays a crucial role in safeguarding social cohesion. With this in mind, it is evident that concerted action is required to establish and secure wider partnerships at all levels of decision making processes in the social policy field, while efforts need to be further intensified for upgrading the relevant institutions and structures that would reinforce society's trust to them.

The very recent law on "Social Dialogue for the promotion of Employment and Social Protection", as mentioned earlier in the Report, is considered an initiative in the right direction since it is expected to enhance participation of various stakeholders (including NGO's) by promoting a continuous process of dialogue and negotiation on crucial policy areas such as employment and social protection.

## **Public debate**

The latter development, however, that is the institutionalisation of a social dialogue on matters of employment and social protection, is expected to facilitate the development of a properly organised public debate on issues of poverty and social exclusion which is clearly missing in Greece. Indeed, in spite the fact that the persistence of unemployment over recent years and –to a lesser extent- the emergence of the phenomenon of poverty and social exclusion have increasingly become a cause of public concern and have triggered on a few occasions public discussions among politicians, no public dialogue and debate on an organised and institutional manner has been developed to date on these issues. The only exception being the dialogue organised in the context of the recent pensions' reform.

Partly as a result of the above and partly due to other related factors, policy-oriented debates that could have an apparent effect on policy making are scarce in Greece. Among the other related factors impeding the development of such debates one should mention the lack of processes to monitor effectively the needs of vulnerable social groups, the limited applied research on issues of poverty and social exclusion, the lack

of a policy evaluation culture etc. However, even when occasionally such debates come to the forefront of public discussions (mainly among politicians) they remain normative and generic, instead of focusing on specific policy issues. Besides, various attempts by the academic and research community to bring about specific policy debates based on research results, are often subject to “centrifugal” forces that make them part of broader political debates drawn along party (political) lines.

The latter can be illustrated by the fact that the publication of various study results over recent years- and especially during the last two years- regarding certain aspects of poverty and social exclusion in Greece, instead of becoming the subject of a constructive public dialogue that would lead to further understanding of these issues and to specific policy development, these eventually turned out to become the subject of political rivalries and led only to “sterile” argument and political confrontations.

Another directly related matter, which recently came into public discussion (newspapers’ front page, et.c) and became the subject of party –politics, has been the “poverty rate” for Greece that was released by Eurostat for the year 1999. Here again, no public debate took place neither on the issues underpinning this rate nor on the implications and the challenges for social policy. Instead, the opposition’s political parties found another opportunity to give the blame to the Government for the persistence of poverty and social exclusion problems facing Greek society, whereas the Government, in trying to defend its social policy achievements to date, kept on arguing that this rate does not accurately reflect the real extent of poverty in Greece. That is, Government and policy-makers alike supported and advocated the view that the Eurostat’s poverty rate overestimates the extent of poverty in Greece by 3 percentage points due to the fact that the calculation of this rate does not take into account the imputed income from home ownership, which is higher in Greece in relation to the EU average. So, again, the debate on this issue remained largely limited to questioning the methodology applied by Eurostat for the calculation of poverty rate in Greece.

Moreover, it may be said that this apparent lack of a constructive public dialogue on issues of poverty and social exclusion has more than one side-effects. That is, apart from not facilitating the need for systematic applied research and specific social policy development, it does not contribute to the promotion of public understanding and the rising of public awareness, let alone to the mobilisation and the active participation of all actors involved in the fight against poverty and social exclusion. Besides, there is a real danger that the lack of such a public debate may render social policy measures, even if well-thought of and well-designed, less effective.

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