MUTUAL LEARNING PROGRAMME:

PEER COUNTRY COMMENTS PAPER -GREECE

Bringing lone parents into focus in Greek public policies

Peer Review on "Pathways to Work for Lone Parents" Northern Ireland, 10-11 May 2010

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Greece's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

1.1 Context

There is a notable lack of focus on single parent families in the context of labour market and social policies in Greece. This is due to a number of reasons: the relatively small share of single parent households (just above 5% of all households with children less than 18 years of age), as compared to other EU countries; the residual welfare state that addresses welfare needs in a fragmentary and erratic way and heavily relies on the informal support networks; the weak bargaining power of lone parents, as opposed to, for example, large families' organisations that lobby successfully in favour of their members; and, finally, a reluctance, on behalf of public authorities, to view single parent families as a vulnerable group in its own right, requiring specially targeted policy measures. As a result, there is an acute "welfare deficit" in terms of services provided to children and families living in single parent households that are in difficulty (services consist mostly of non cash benefits). Similarly, labour market policies only indirectly address the needs of single parents seeking a job or already in paid employment. Some innovative policy initiatives triggered by various EU-funded programmes over the past 20 years have been short-lived and discontinued. owing to a lack of funding. This "invisibility" of single parent families to the public authorities is in sharp contrast with the fact that in Greece, as elsewhere, this type of family faces a greater danger of poverty compared to two-parent families, and the likelihood of child poverty is double in single parent households than it is in two-parent households, whilst -in the absence of a safety net- the concurrence of unemployment and living in a single parent household leads directly to social deprivation.

1.2 Labour market

One of the main features of the labour market in Greece is the high degree of segregation between the formal and the informal labour market on one hand, as well as a further segregation within the formal sector, between public sector and private sector employees, and between core and periphery workers. As a result, women, new entrants and migrant workers are over-represented in low paid, low skilled, precarious and often undeclared jobs, whilst men tend to be over-represented in the well protected, primary labour market. Another important feature is the still low rate of female employment, 48% as opposed to the Lisbon target of 60%, and the high level of female unemployment compared to male unemployment (12.5% and 6.3% respectively, 2009-2nd quarter). The presence of a young child under the compulsory school enrolment age constitutes a barrier to work for all mothers, whether living in a single parent household or in a two-parent household. The opposite is true for fathers of young children, whose employment rate rises as a result of parenthood.

1.3 Characteristics of lone parents in Greece ¹

There exist 69,426 households headed by a lone parent. This type of household accounts for 1.7% of all households and for 5% of all households with dependent children. Their proportion to the total number of households with children under 18 has remained constant over the past few years, despite their fall in absolute numbers as a result of low fertility rates.

¹ Data are based on the EU-SILC 2003 and 2007 surveys and National Statistics Service of Greece, Labour Force Survey, unpublished data





- Almost 90% of lone parents are women; the share of male lone parents has slightly risen since 2000.
- The total number of dependent children living in single parent families (SPFs) is estimated at over 77,000.Two out of three (66.9%) lone parents have one child less than 17 years of age, 24.5% have two children, 7.1% have three children and 1.4% has four children or more.
- More than half (54.3%) of the children of SPFs are over 12 years of age (the respective figure for children living in two-parent households is 28.1%); the number of young children (0-5 years) present in single parent families households is lower, 13.6%, compared to 36.8% in two-parent families;
- The average age of heads of SPFs is around 43-45 years. Almost 1 in 2 heads of family in single parent households falls within the age bracket 35-44 years. This indicates that young lone parents are an exception in Greece, as opposed to the UK;
- Lone parents tend to be slightly more educated than partnered parents: there are fewer lone parents having completed compulsory education (17.5% of total as compared to 23.4% of total in two-parent family households) and more lone parents having completed secondary and post secondary education (54.1% and 49.9% respectively);
- Lone parents in Greece are more likely to be in paid employment than partnered parents, 69.8% and 58.4% respectively, and less likely to be non-active (14.0% and 35.1% respectively). However, their unemployment rate is also much higher: 16.2% in SPFs, as opposed to 6.5% in two parent families (TPFs);
- The incidence of poverty is higher in households headed by a single parent than in two adults households, 34.4% and 20.4% respectively; in fact, 28.8% of SPFs are under the poverty line (4741.12 euros per annum), as compared to 17.2% of TPFs;
- Unemployment and non activity are closely associated with poverty, in all types of households, but the correlation is much stronger in single parent families: the poverty rate of unemployed SPFs is 80.2%, as compared to that of TPFs, which is 33.5%, whilst the poverty rate of non-active SPFs is 45.3%, as opposed to 27.4% of TPFs;
- Part-time employment increases the risk of poverty in all types of households, but significantly more so in households headed by a lone parent: 58% of lone parents working part-time are at poverty risk, as compared to 34.8% of two-parent family households. It should be noted, however, that the incidence of part-time employment in Greece is very low, just 6% of total employment, hence the absolute numbers are also relatively low.

1.4 Welfare provisions for lone parents

Very few cash benefits are specifically targeted at lone parents and/or their children:

- an "allowance for unprotected children": children up to 16 years of age that are orphans from both parents or their father, children without paternal protection (in cases where the father has abandoned them, is sick, imprisoned or serving in the armed forces) and children born out of wedlock are entitled to a means tested benefit by the welfare authorities (44,02 euro per month per child, provided the monthly family income does not exceed 234,78 euro for a three-member family, plus 20,54 euro for every additional member). The amount and the thresholds have remained unchanged since 1997;
- an "orphan's pension" awarded to children under 18 years of age (or under 24, if they are students);
- a school allowance of 300 euro per annum for low income families earning less than 3000 euros annually with children in compulsory education;
- single parents (unwed) are entitled to a family allowance (like married employees) paid by their employer, until their child is 18 years old, or 24 years old if a student (35 euro per month plus 18 euro for each child);
- free health and medical care for uninsured and low income lone parents (unwed mothers, divorced or separated parents);
- a rent subsidy for unwed mothers and special housing programmes.





Additionally, non cash benefits for lone parents include:

- priority places in public or local government run childcare institutions;
- improved working hours arrangements and additional leave for single parents; and
- shorter military service for the elderly son of a single parent family.

2 ASSESSMENT OF THE POLICY MEASURE

2.1 Assessment of the pilot project "Pathways to work for lone parents

The policy measure implemented in Northern Ireland in view of encouraging lone parents to move from welfare benefits into paid employment seems to have been very well designed and effectively supported by generous funding (4 million pounds over a three year period) and qualified personnel. The dedicated personal advisers and the financial incentives, in particular, have proved to be the two most effective tools in raising the percentage of job entry for lone parents from 1% in the non-pilot areas to 12% in the four pilot areas where the programme was implemented. It is unfortunate that the establishment of two local development officers has not had the added value that had been anticipated and their posts were not retained.

On the negative side, the policy measure lost some of its impact owing to the fact that the issue of affordable and quality childcare has not been adequately addressed. Unless this critical problem is solved, the lone parents will continue to find it difficult to make the transition from welfare to work, no matter how motivated and well prepared they are.

The major challenge to address, however, in Northern Ireland would be to substantially increase the number of lone parents wanting a job rather than living on welfare benefits. This would require policy initiatives at three levels:

- i) an economy that can provide decent jobs with a living wage;
- ii) an upgrading of the skills of lone parents, so as to increase their employability;
- iii) and a political system that can imbue a work ethic in segments of the population that have been stranded for too long in the benefit trap and lack of perspective.

2.2 Incidence of similar policy measures in Greece

No similar policy measure has been introduced in Greece or is being planned so far.

As mentioned earlier, there exist few government interventions in Greece focussed on lone parents in particular. Lone parents have benefited, however, from the marked improvements in childcare arrangements ² and in equal opportunities policies, as a result of the implementation of the second and third Community Support Frameworks and various Community Initiatives during the past 20 years. ³

Labour market policies in Greece are mostly targeted at widely defined disadvantaged groups, such as unemployed women, young unemployed, unemployed over 45 years of age, and those faced with unemployment in geographical areas or sectors of industrial decline. Occasionally, some policy initiatives are targeted at particularly vulnerable groups of the workforce, such as female lone parents, the long term unemployed and disabled persons. Overall, employment and welfare policies tend to be universal rather than categorical for lone parents.

³ Under the 2nd round of the Community Initiative "Equal" (2005-2008), 3 of the projects targeted single parent families, along with other vulnerable groups.





² Availability of formal childcare for children aged 3-6 has risen to 55%, but it scores very low, 10%, for children aged 0-6 (EU-SILC, 2006 data). Primary school children are covered by the "All-day School" programme.

Along this line, a recent policy initiative that is also addressed to lone parents (amongst other vulnerable groups) has been launched by the public employment organisation (OAED), aiming to create 65,000 new full time jobs for:

- young unemployed persons under 30 years old
- unemployed persons approaching retirement age
- long term unemployed women over 45 and unemployed women over 50 years of age
- parents of 3 or more children
- heads of single parent families.

The programme – that consists of two distinct job creation schemes- will cover the wage and non wage cost of employers' social security contributions in private firms recruiting from the above categories. Priority will be given to small firms with less than 50 employees and to firms investing in the green economy and in innovative sectors. The first scheme, with a total budget of 170,000,000 euro is targeted at 25,000 unemployed persons for a three year period, whilst the second scheme, with a total budget of 501,424,000 euro is targeted at 40,000 unemployed persons for a four year period. The annual breakdown of the total budget directed to the two schemes is as follows:

Number of unemployed	2010	2011	2012	2013	2014
25,000	€ 45.584.000	€ 85.470.000	€ 39.886.000	-	-
40,000	€ 91.168.000	€ 170.940.000	€ 125.356.000	€ 79.772.000	€ 34.188.000

In view of qualifying for a subsidised recruitment, the unemployed must have gone through the process of establishing a personal action plan with the public employment services.

No other government interventions specifically focussed on lone parents are under way at present. Overall, active labour market policies in Greece are heavily under-financed as they account for a mere 0.17% of GDP, as opposed to 1.83% in Denmark, which has the highest expenditure rate in the EU-27.





3 ASSESSMENT OF THE SUCCESS FACTORS AND **TRANSFERABILITY**

Can the success factors be transferred to Greece? 3.1

Regarding the question whether the policy measure introduced in Northern Ireland could be transferred to Greece, the answer is a crystal clear no.

- the high cost of the Northern Irish Pilot Project (4 million pounds, or 4.4 million euros) is prohibitive for Greece, not only under the present dire financial constraints, but in "normal" times as well;
- apart from the financial considerations, it would be difficult to transfer the organisational and managerial requirements of the project to Greece. In Northern Ireland there exists a long standing tradition of designing and implementing a wide array of labour market initiatives targeted at the most vulnerable social groups. In addition to financial incentives, these initiatives also provide clients with guidance, training and job placements, thus increasing the chances of success. A similar approach is hard to envisage in Greece;
- the individualised approach to the problems facing lone parents by the Personal Advisers has been of paramount importance in the case of the pilot project and greatly contributed to its success. Yet, in Greece, public employment services have introduced the individualised approach of unemployed persons in only a few offices, and a dedicated and qualified personal adviser for special categories of unemployed like lone parents seems a luxury;
- the Northern Irish pilot project, like other similar projects and initiatives, has been closely monitored and evaluated, so as to assess its effectiveness. In Greece, the culture of evaluation has yet to be embedded in policy making, as well as elsewhere:
- the holistic approach adopted in the Northern Irish policy measure, has ensured that most of the barriers impeding lone parents from entering into paid employment is being overcome: skills, psychological problems, low self-esteem, few suitable job opportunities, housing conditions, travelling distance, etc. By contrast, in Greece, the approach to the problems faced by lone parents, especially in relation to their access to employment, is ad hoc and fragmentary.

However, there is one major constraint encountered in the Northern Irish context that does not apply to Greece, that of childcare provision. Childcare seems to be more widely available and affordable in Greece than in Northern Ireland and the UK. Moreover, formal childcare arrangements are often supplemented and reinforced by informal care arrangements, thanks to the still thriving informal support networks. Childcare provision remains a problem for lone parents with children less than three years of age, as there are only few places available for the 0-3 age group in the public or subsidised crèches. School operating hours have been extended to cover the time frame of a full time morning job; the problem, however, persists for lone parents working irregular or unusual hours.

Another difference with the Northern Ireland example is the issue of the benefit trap. Owing to the very low level of welfare benefits and the extremely low income threshold, in Greece, there are no incentives for lone parents to prefer welfare to workfare.

3.2 What policy changes are needed to make the transfer possible and successful?

In times of growth, the pre-conditions for a successful policy transfer of the Northern Irish experience to Greece would include:

- (a) provision of affordable and quality childcare for all children under the compulsory school enrolment age, with flexible hours for parents working irregular or unusual hours:
- (b) an individualised and holistic approach to the numerous obstacles faced by lone parents, in their quest for paid employment;





- (c) job opportunities that provide a decent wage ("make work pay" policies);
- (d) financial incentives to firms employing lone parents and tax credits to lone parents;
- (e) work-life balance initiatives on behalf of employers and the local government, in order to facilitate lone parents in taking up a paid job (flexible employment options, career breaks and paid leaves, solutions to practical problems, workplace nurseries, etc.);
- (f) strengthening and empowerment of welfare institutions;
- (g) establishment of local information offices; and
- (h) last but not least, an effective mechanism that will design, implement, monitor and evaluate every step of a holistic approach that will facilitate the access of lone parents to employment.

However, the present economic downturn and the ensuing recession are having a devastating impact both on lone parents' employment prospects, as well as on targeted policy initiatives in their favour. Fiscal constraints and the need to urgently address the public deficits are translated into limited resources for supporting growing numbers of vulnerable groups. Moreover, rising unemployment levels exert increased pressure on public authorities to prioritise passive labour market measures (unemployment benefits) over active measures (training, individualised approach, etc.) Funding problems go hand in hand with staffing problems. On the other hand, there are fewer job opportunities and vacancies available and greater competition amongst the job applicants. More qualified, male job seekers are likely to crowd out low skilled, inexperienced female job seekers. In this context, the prospects for lone parents entering employment seem bleaker than ever.

Government concerns are focussed, at present (and for the three to four years ahead) on addressing the daunting challenges associated with the economic, financial and social crisis that is striking Greece. In the foreseeable future, only piecemeal initiatives can be expected, regarding the employment prospects of the most vulnerable segments of the population, which include lone parents. Within this unfavourable context, it is of paramount importance not to lose sight of the fate of those worst off and those hardest hit by the crisis. This is the time for more focussed employment and social policies that will protect the most disadvantaged from sliding into poverty and social exclusion.





4 QUESTIONS

- How common is it in Northern Ireland for lone parents to live with their parents and to be financially supported by them?
- Given the lack of adequate and affordable childcare provision, what is the extent of informal arrangements?
- The establishment of Local Development Officers provided the missing link between the providers and the users of services. Why has the measure been discontinued?
- Why were only 6% of the lone parents with recorded activity referred to WPPLP?
- How are the public authorities thinking of motivating more lone parents to seek a paid job
 if their practical problems (esp. childcare and commuting) are not adequately addressed?
- In times of economic downturn and drastic cuts in government spending in Northern Ireland, as elsewhere, what initiatives can be put forward?





ANNEX 1: SUMMARY TABLE

Labour market situation in the Peer Country

- in 2008, there were 69,426 single parent households in Greece, representing 5% of all households with dependent children
- the employment rate for lone parents is higher than it is for partnered parents: 69.8% and 58.4% respectively
- the incidence of poverty is significantly higher in households headed by a single parent than in two adults households, 34.4% and 20.4% respectively
- welfare provisions (in particular cash benefits) are too low and ineffective to act as a counter-incentive for lone parents to move into paid employment

Assessment of the policy measure

- very well designed policy measure, effectively supported by generous funding and qualified personnel
- the dedicated personal advisers and the financial incentives, in particular, have proved to be the two most effective tools
- the lack of affordable childcare has been the major drawback, reflected in the reluctance of lone parents to move into employment
- motivating greater numbers of lone parents to make the transition to work remains the major challenge in Northern Ireland

Assessment of success factors and transferability

- a combination of an individualised approach by competent advisers, financial incentives and operational skills
- a holistic approach to the complex problems facing lone parents in their quest for a job
- high cost of the project is prohibitive for other countries with similar problems
- · administrative and cultural barriers also affect transferability

Questions

- how are the public authorities in Northern Ireland thinking of improving the skills of the lone parents and making them more employable?
- in times of rising unemployment and drastic cuts in government spending in Northern Ireland, as elsewhere, what initiatives can be put forward to increase employment opportunities for lone parents?



