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The new Greek Government's Social Policy Priorities

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Theme(s):	<i>Broad social policy orientations</i>
Title:	The new Greek Government's Social Policy Priorities
Category:	<i>Reform proposals</i>
Abstract:	In the new Government's policy statements, priority is given to combating poverty, guaranteeing the existing level of pensions and ensuring universal access to healthcare provision. The specific measures and reforms announced will, nevertheless, be severely tested by the financial constraints produced by the obligation to service outstanding debt.
Description:	<p><u><i>The new political context</i></u></p> <p>Following national elections on the 25th of January, a new "anti-austerity" coalition government was formed. The mandate of the new Government is to alter the policy directions and constraints which have been imposed by the fiscal consolidation programme over the last five years and replace them by a new approach, which will focus on the protection of the most vulnerable groups (and the society at large) against the social consequences of the fiscal crisis and the economic recession, as well as on the restructuring of strategic sectors of the Greek economy.</p> <p><u><i>The new social policy context</i></u></p> <p>According to the programmatic statements of the new Prime Minister Alexis Tsipras made in the Greek parliament, first and foremost priority will be given to addressing the humanitarian crisis, to tackling high unemployment and to supporting the weakest part of the population. In this respect, social protection, healthcare and low incomes are among the major policy fields for action. To this end, a package of new measures have been announced, while various policy measures and reforms taken in these fields over recent years, in the framework of the consolidation programme under the two Memorandums of Understanding, would be abolished.</p> <p>On the basis of the policy statements and announcements made by the competent Ministers in the social policy related areas, the following planned reforms in the field of healthcare, pensions, social inclusion and labour market should be singled out.</p> <p><u><i>Reforms planned in the field of healthcare</i></u></p> <ul style="list-style-type: none"> • Efforts will be concentrated on supporting and strengthening the implementation of recent reforms made in the healthcare sector, namely in the National Organisation for the Provision of Health Services (EOPPY) and, in particular, National Primary Healthcare Network (PEDY). These will include a number of organisational amendments and the recruitment of health personnel with a view to increase the efficiency and adequacy of healthcare provisions, while ensuring universal coverage. • Priority will also be given to reducing the patients' contribution

to the cost of medicines, as well as to removing bureaucratic obstacles in the provision of hospital care services to all the uninsured.

- It is also the intention of the Government to abolish, possibly from the beginning of March, the 5 euro hospital admission fee for those having an AMKA (Greek Social Security Number), as well as the 1 euro fee per pharmaceutical subscription.

Reforms planned in the field of pensions

- Changes will be made in some of the provisions of the 2010 pension reform Laws (L.3863 and L.3865), which concern the transformation of the pension system from a defined benefit unfunded scheme to a defined contribution funded scheme. In this respect, the formula of the pension calculation will be amended in order to establish a closer link between pension contributions and income.
- No reductions in the main and auxiliary pensions, and no change in the entitlement requirements for EKAS (Pensioners Social Solidarity Benefit) will take place during 2015. The State will continue to guarantee the payment of the main and auxiliary pensions as a whole.
- Low pension earners, who receive less than 700 euros per month, will receive the 13th month "pension Christmas bonus".
- A Fund of national wealth and social insurance will be created, which will be autonomous.

Reforms planned in the field of social inclusion

- Immediate actions will be taken to address the humanitarian crisis through the implementation of measures such as: the provision of free food, electricity, shelter, transport and medicine to families that have been hit hard by the economic crisis.
- An integrated policy will be established focusing on the protection and inclusion of migrants. First priority is the voting of a law for Greek citizenship attribution to second-generation immigrants.
- The "minimum guaranteed income" pilot scheme will be evaluated and reviewed with a view to extending it to the whole country.

Reforms planned in the field of labour market

- Minimum salary will be lifted from 586€ today to 751€ by 2016; minimum salary will be the same for all ages (today young people's minimum salary is 510€).
- Collective bargaining rights will be strengthened. There will be a return to collective contracts and a strict framework for protection against mass lay-offs, while establishing a balance between flexibility and fairness.

<p>Outlook & Commentary:</p>	<p>The above-mentioned initiatives are still in the initial stage of official policy statements and could not yet be translated into specific actions. Undoubtedly, from the viewpoint of addressing the humanistic crisis, these measures are considered -by and large- to be moving towards the right direction on the condition that the Government makes all necessary administrative changes to increase the efficiency of social expenditures.</p> <p>However, the successful accomplishment of the anti-austerity plan must be treated with caution, as the existence of fiscal consolidation policies along with the obligation to service country's outstanding debt produce significant financial constraints which put the whole project at risk. Thus, it remains to be seen whether and when the social policy related announcements will actually be put into force and what their actual content will be.</p>
<p>Further reading:</p>	<p>1) Primeminister's A. Tsipras speech, during the programmatic statements of the Government, February 8, 2015, http://www.primeminister.gov.gr/english/2015/02/08/primeministers-a-tsipras-speech-during-the-programmatic-statements-of-the-government/</p> <p>2) The New Greek Government Promises Everything to Everyone But Creditors - See more at: http://greece.greekreporter.com/2015/02/09/the-new-greek-government-promises-everything-to-everyone-but-creditors/#sthash.RncmbBHW.dpuf</p>
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