

City Strategy for tackling unemployment and child poverty

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1. Greek context

1.1. National Action Plan for social inclusion 2008-2010

The national strategy on Social Inclusion for the period 2008-2010 includes two distinct axes of measures that aim at raising the obstacles for the people furthest from the labour market and supporting families, with a special emphasis on children welfare. Employment possesses a key role in the fight against poverty and social exclusion. Therefore raising labour market participation lays at the core of all efforts undertaken in the National Action Plan's framework. As the data show, in 2006, only 14% of employed individuals faced risk of poverty in Greece, while the overall national poverty rate amounted to 20%. At the same time, 33% of the unemployed were below the national poverty line in 2006. Furthermore, a strong interrelation is observed between the employment status of parents, and more specifically the intensity of their employment¹ and the risk of child poverty. More specifically, the higher the intensity, the lower the risk of poverty risk is. Namely, as we move from unemployment to full-time employment, the risk of child poverty is significantly reduced. This trend is obvious not only in Greece but in all EU member states. In the extreme case of households with no employed member, the risk of poverty increases radically to 53% in EU and 61% in Greece (Hellenic Ministry Of Employment and Social Protection, 2008)².

The Hellenic National Action Plan has set coherent measures and targets regarding employment and poverty, namely enhancing employment and making employment attractive, especially for women, young people, the long-term unemployed and other groups in an adverse position in the labor market, addressing the disadvantaged position of individuals and groups as to education and training, providing family support, with an emphasis on child poverty and the support of the elderly, and promoting social inclusion of Persons with Disabilities, immigrants and individuals groups with socially vulnerable cultural characteristics.

1.2. National Action Plan for employment

In spite of constant and extended efforts to boost employment during the previous periods, resulting in a total employment increase, increasing the employment rate for specific population groups such as the young, older employees, the long-term unemployed and women in particular, remains a challenge.

¹ Employment intensity is defined as the rate of employed to the total 15-64 population. Regardless of their age, students are not taken into consideration.

² In Greece, 3,7% of children lived in jobless households in 2007.

The efforts of the last years pertain mainly to:

- The creation of a strong and utilizable network of 121 employment promotion centres (KPA). During the 2005-2008 period, the OAED employment network was expanded and completed by creating twelve (12) new Employment Promotion Centres (KPA) and by renovating, relocating or extending another thirty eight (38) services.
- Better targeting of active policies, mainly through customized intervention (coverage of 100% of job seekers who visit OAED services) and use of new innovative counselling tools.
- Intensification of active employment policies implementation. A total of 122,350 unemployed benefited from their participation in the programs New Job Positions, New Self-employed Persons and Acquisition of Working Experience (up to the beginning of 2008). The OAED programs are of specialized and targeted nature mostly at population level (e.g. women, the young, unemployed over 50 years of age, vulnerable groups), at territorial level (an emphasis on the countryside) and at sectoral level (Culture, Natural Environment, New Technologies).
- Particularly with regard to employment of elderly employees, OAED is implementing significant interventions for unemployed who are close to retirement, while incentives were given under the recent insurance reform (L. 3655/2008) to remain in the workforce (3.3% rise of special pension increase, article 145) for those who remain in active duty for 3 years as well as counter-incentives for early retirement.

Active inclusion of vulnerable social groups is still a challenge for the national policy planning and implementation agencies as the problem of not sufficient access of these people to quality employment services persists due to social, financial or cultural characteristics.

In general, notwithstanding the efforts access to the labour market for some groups is difficult and thus the risk to be excluded is increased. Greater efforts are needed to counter this situation in order to increase the labour intensity of low income households and especially households with dependant members.

1.3. Regional employment programmes

Although employment policy remains quite centralized in Greece, initiatives have been taken in order to enhance the regional/local dimension. Namely, Local Employment Pacts were introduced in the third and fourth Programming Period, in the framework of the Operational Programs “Employment and Vocational Training” and “Human Resources Development” respectively.

1.3.1. 3rd Programming Period Operational Program “Employment and Voc. Training” Local Employment Pacts

Local Employment Pacts were first established in Greece in 1997. The initial planning was for a three-years period in seven pilot-regions suffering from high unemployment (Western Region of Athens- Western Region of Piraeus, Kozani- Florina, Himathia, Drama, Viotia, Magnesia, Achaia).

At the core of the Local Employment Pacts Initiative was the shaping of partnerships between local authorities, local stakeholders, social partners, enterprises. In these partnerships could also

participate local developmental enterprises, NGOs, Training and Research Institutions as well as Financial Institutions.

The objective was to bring together local stakeholders to design and implement a comprehensive strategy on unemployment, employment and social inclusion and to transcend the policy fragmentation. The underlying ambition was that these local partnerships would promote employment through local development, preserve existing job places and create new job opportunities by using innovative policies and measures. Key to the success of the “Local Employment Pacts” Initiative was that they would be based on a “bottom-up” approach concerning policy objectives, measures and instruments.

Emphasis was given to increase employability of vulnerable population groups as well as to better match skills to jobs. Actions could concern: job creation, training programs, supplementary support to SMEs, Pilot programs on sustainable employment and social economy. Several Pacts also included measures to improve local administration services, involved in designing and implementing development and employment policies, such as laying local investment incentives, support to SMEs, and reduction of municipal taxes to boost tourism business

Although Local Employment Pacts brought in a new dimension in national employment policies, namely social partners’ involvement in development efforts within a new local policy framework, the planned actions were quite fragmented and did not emphasize, enhance or create local comparative advantages.

Additionally, local businesses were in most cases unwilling to participate, thus nullifying the whole initiative; the limited ability of the partnerships to provide new private resources creates reasonable questions about the sustainability of the jobs created in this framework.

*1.3.2. 4th Programming Period
Operational Program “Human Resources Development”
Integrated Employment Plans*

During the 4th Programming Period, the Operational Program “Human Resources Development 2007-2013” includes local action plans which concern the development of Integrated Employment Plans adjusted to the needs of local labour markets, especially in areas with diminishing sectors, facing restructure.

The latter measure of 100.000.000€ budget, is mainly focused on:

- Publicity
- Pre-training
- Training
- Vocational Orientation
- Social Enterprises Consulting
- Promotion to Employment
- Supporting Services
- Networking and closer co-operation.

Moreover, our target is to support the design and implementation of integrated local intervention for the promotion of employment and entrepreneurship of, through the establishment of local and regional partnerships among Public Employment Services, social partners, Local Government,

education institutions, NGOs etc. To this direction we promote social economy partnerships in order to support and enhance the employment of vulnerable groups.

Additionally, measures are taken in order to tap GLOBAL GRANTS, by developing appropriately adjusted programs to sectors or areas facing restructure and elaborating SWOT analysis.

1.3.3. Additional Measures

It should be also stressed that recently a Memorandum Agreement between the Ministry of Employment and Social Protection, the Greek Manpower Organization and the Central Union of Municipalities and Communities was signed. The latter Memorandum gives subsidized employment to 20.000 unemployed. The subsidy given is equal to the unemployment benefit and the duration of this measure is 36 months. The main criteria that are taken under consideration are the intensity of regional unemployment, the average income of the region compared to national average and the structural weaknesses of the local economies.

In order to enhance and promote the local dimension of employment policies, OAED Service Network is further decentralized with 16 Local Employment Services and 123 Employment Centers. In addition, Citizens' Service have been given the competency to offer Employment Services in order to reduce bureaucracy and facilitate the appropriate procedures.

1.4. Funding

Labour market as well as Social Inclusion Policies in Greece is highly centralized. The centralization of the system is also apparent in financing as it is mainly funded by the state budget. The European Social Fund is the main co-financing instrument of labour and social inclusion policies whereas the funding by municipal budgets and private sector is quite limited.

2. Relevance of the City Strategy to Greece and potential transferability

2.1. Relevance

In the context of the City Strategy, Greece has set up a proper legal framework that supports local dimension of employment and social policies. Furthermore, an expanded service network as well as decentralized policy structures is already in place. Despite these, further localization of the Employment Policies remains a challenge as true activation of local stakeholders is not yet fully developed.

To this end, City Strategy serves as a useful policy paradigm, concerning three particular aspects

1. Development of Partnerships and synergies at local levels
2. Activation of local stakeholders and Empowerment of local institutions
3. Development of integrated local employment strategies, serving developmental goals

2.2. Some main similarities and differences

Activation of vulnerable social groups lies at the core of both City Strategy and the Greek Employment and Social Cohesion Strategies. Since 2004, Greece has implemented a National Reform Program which addresses the country's main economic and social challenges, namely unemployment and poverty, with emphasis placed on the groups facing serious obstacles in integrating into the labour market and society in general.

In the Greek labour market, as the figures show, 'gender' and 'age' remain determinants of employment and unemployment, which constitutes an important problem. In spite of the emphasis on enhancing female employment and combating youth unemployment, there is still significant diversity as to employment and unemployment rates.

Poverty in Greece persists at the levels of around 20%, with rising concern about the aspects of child poverty and working poor, aspects that constitute a challenge for the British policy makers as well. Child poverty is rising up in the Greek policy agenda as it regenerates and attributes to poverty permanent characteristics. Among the key determinants of child poverty in Greece are the employment status and the employment intensity of the adult members of the household while the latter is the main cause of the "working poor" phenomenon.

The strong interrelation among the causes and the impacts of poverty leads to the conclusion that an integrated anti-poverty strategy should comprise effective employment policies with a special focus on local level as well as supporting (e.g. childcare) services, education, lifelong learning and healthcare policies etc in order to prevent the intergenerational transmission of poverty and to have sustainable results.

As is the case in the United Kingdom, both unemployment and poverty appear to have strong regional dimension in Greece too. However in Greece unemployment pockets are observed mainly in urban areas, whereas poverty is mostly observed in rural and semi-urban areas (Tables 1 and 2). This is explained by the fact that, contrary to the situation in the U.K., primary sector in Greece represents a significant share of the economy while it mainly concerns self-employment. Thus, although unemployment rates are below the national average, farmers' income does not correspond to the average income of employees in the industrial and service sectors.

Table 1

Unemployment rate/ Urbanization	2006	2007	2008
TOTAL	8,9	8,3	7.7
1. Urban	9,35	8.7	7.9
<i>a. Wider Region of Athens</i>	8,48	7.6	6.4
<i>b. Wider region of Thessaloniki</i>	9,5	9.2	9.1
<i>c. Other urban areas</i>	10,4	9.7	9.6
2. Semi-urban	8,3	8.2	7.4
3. Rural	7,6	6.9	6.6

Table 2

Poverty Rate /Urbanization	2004	2005	2006
Total	20%	20%	21%
Urban	13%	14%	14%
Semi-urban	25%	21%	25%
Rural	38%	35%	36%

Source: National Statistics General Secretariat, Income Statistics

2.3. Potential transferability of the City Strategy to the Greek practice

In Greece the system is mainly centralised as far as employment policies concern. Though there have been positive steps towards decentralisation, in relation to regulation and structural reforms, a lot remains to be done. The low participation of the local stakeholders and the rigid system structure prevent the formation and the enactment of a more flexible, decentralised and effective system of employment services. Furthermore, although unemployment and poverty have regional dimensions, these depend on the rate of the urbanization and are not experienced to the same extend in urban, semi-urban and rural areas. This implies that a differentiated approach and policy tools are needed. Nonetheless, the peer review offers a unique opportunity to take into consideration the examples given regarding the role of the social economy, as a tool to promote employment. Moreover, local employment services can be developed in order to evaluate problems, opportunities and possible difficulties at local level and at the same time, in order to plan future employment policies that will correspond to the local needs. In this way, not only we promote employment but also we combat social exclusion.

3. Key questions

In Greece employment and Social Policies are considered as inseparable parts of a comprehensive developmental approach. The threefold Growth- Employment and Social Cohesion constitutes the cornerstone of the national strategy. Therefore Social Cohesion should not be outweighed by the two other dimensions. On the contrary it should be considered as a vital element of the developmental process.

This aspect is not clearly seen in the City Strategy. Although employment is one of the most effective means of active inclusion it does not per se guarantee social inclusion and active social participation. In order to be most effective and maximise its impact on welfare, the pillar of employment should be complemented by the other two pillars of active inclusion; income support and access to quality services, such as childcare, healthcare and education. Concluding, the main question that rises is whether City Strategy has focused solely on employment and thus underestimated the importance of the other two pillars of active inclusion.

Furthermore, our questions concern mainly the following aspects :

1. Has the social protection axis in the “City Strategy Initiatives” been taken into consideration?
2. How do you achieve active Involvement of target groups’ population?
3. Have you focused on development of services at local level as a means of fostering employment, e.g childcare facilities?
4. Have you taken full advantage of social economy potential?
5. Have you attained social mobility among the participants?
6. What actions have you taken in order to address regeneration of poverty through the mechanisms of child poverty
7. How sustainable are the results achieved in the framework of City Strategy?