



Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper- Greece

**From one extreme to the other: the
Greek pathway towards flexibility with
no security**

**Peer Review on "Flexicurity"
Copenhagen (Denmark), 20-21 November 2014**



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion

Unit C1

Contact: Emilio Castrillejo

E-mail: Emilio.Castrillejo@ec.europa.eu

European Commission

B-1049 Brussels

Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Directorate-General for Employment, Social Affairs and Inclusion
Peer Review on 'Flexicurity', Copenhagen, 20-21 November 2014

**Europe Direct is a service to help you find answers
to your questions about the European Union.**

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, **2014**

© European Union, **2014**

Reproduction is authorised provided the source is acknowledged.

Table of Contents

1	National approach to flexicurity.....	1
2	Assessment of the policy measure.....	3
3	Assessment of the success factors and transferability	6
4	Questions	8
5	Annex 1: Summary table	9
6	Sources:	11
7	Annex 2: Boxes & Diagrams	12

1 National approach to flexicurity

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

1.1 The Greek flexicurity regime before the crisis

The Greek flexicurity regime, even before the 2010 turning point, bore little resemblance to the Danish or the Dutch flexicurity model, owing to a drastically different national welfare and labour market system. Although the pre-crisis formal labour market institutions were considered relatively rigid and provided significant protection to the 'insiders' (mostly public sector and public utilities employees), an important pool of under-protected and low paid workers at the margins of the official labour market provided a high degree of flexibility for employers (undeclared work, own-account workers, unpaid family workers, etc.). To a large extent, the rigidity of the primary labour market sector was offset by the high degree of flexibility of the secondary sector and of the shadow economy. This deeply entrenched labour market dualism went hand-in-hand with the official policy efforts to keep in line with the European Commission's recommendations on promoting the flexicurity agenda across the EU. In this context, the following initiatives were undertaken by the Greek authorities:

- A social consultation process took place from November 2006 to April 2007, regarding the Green Paper on the modernisation of labour legislation, involving the Greek Labour Ministry, representatives of the social partners and of civil society organisations, as well as academic experts. The outcome of the dialogue was a Position Paper presented by the Ministry of Labour to the EU authorities.
- A Special Scientific Committee, consisting of eight experts, was set up in March 2007 to prepare a report on the issue of flexicurity.
- In 2009, a legislative preparatory committee was set up by the Labour Ministry with a view to drafting a new law on labour relations.
- In November 2009, a social dialogue process was launched, with representatives of the social partners, in view of proposing changes to the national insurance system. An expert committee was established to come forward with specific proposals on the issue. Its report, issued in March 2010, re-iterated the agreement of all the members on the wider goals of the social security system and signalled out the 12 points of convergence for its reform. The union representatives, however, walked out before the committee had completed its work, thus expressing their disagreement with some of the policy recommendations.

Weeks later, the country was forced to resort to a rescue programme, in order to avoid bankruptcy.

1.2 The concept of flexicurity under heavy strain during the crisis and the fiscal adjustment programmes

Greece is the country on the European periphery that has been the hardest hit by the financial crisis and the austerity policies that were introduced as part of the fiscal consolidation programmes that followed the two bail-outs of the Greek economy. Between 2008 and 2013, the Greek economy suffered a cumulative loss of GDP of over 26%¹, whilst unemployment rocketed from 7.8% to 27.5%, and the share of the population at risk of poverty or social exclusion (AROPE Indicator) rose from 28.1% to 35.7%. As a result of a sharp decline in wages and increased taxation, the disposable

¹ See <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries>

income of households declined by over a third since the onset of the crisis (Greek National Reforms Programme, 2014).

It is within this dire socio-economic context that drastic labour market reforms have been introduced, in an attempt to increase labour market flexibility, reduce labour costs and curb union power in collective bargaining. Within the time span of only two years, 2010-2012, a total of nine labour laws² were passed through the Greek parliament (through a controversial procedure, as regards the legitimisation process), radically reshaping the industrial relations and the collective bargaining systems in place for over two decades, and eventually transforming the Greek labour market from one of the most rigid in the OECD countries to one of the more flexible.

As a result of these radical and controversial changes, the concept of flexicurity does not make much sense in the present-day Greek context. Whilst the **flexibility** dimensions of the model have been strengthened to unprecedented levels, the same is not true for the **security** dimensions of the model, which have suffered serious drawbacks (see section 2.2). In addition, following the highly contested labour market reforms, the process of tripartite and bi-partite social dialogue has been inflicted a severe blow, cancelling out much of the progress achieved in previous years in the area of social consultation.

1.3 Conclusions

The crisis dramatically exacerbated pre-existing structural weaknesses of the Greek economy, whilst the reforms imposed through the fiscal consolidation programmes created new forms of labour market discrimination, in-work poverty, increased insecurity and precariousness, without re-establishing the economy's international competitiveness to its pre-crisis levels.³

² The most prominent laws include law 3863/2010, law 3899/2010, law 4046/2012, law 4093/2012, and law 4172/2013.

³ According to the Global Competitiveness Index 2014-2015, Greece holds the 81st position in the ranking, as compared to the 67th position in 2008-2009.

2 Assessment of the policy measure

2.1 The Danish policy response to the crisis

The policy response of the Danish authorities to addressing the crisis and the deep recession included a mix of labour market and welfare policies, such as:

- the reduction in the entitlement period of the unemployment benefit from four to two years;
- the introduction of greater flexibility for employers to reduce working hours temporarily ('work sharing');
- wage moderation implying a fall in real wages;
- the introduction of severance pay for blue collar workers with more than three years in employment;
- greater emphasis on training provision for unemployed workers and for workers being made redundant;
- the introduction of employment measures including the reform of the disability pension and flexi-job schemes, the reform of the sickness benefit scheme and of the cash benefit, the right to a new educational benefit for those dropping out of the unemployment benefit (UB) system and undertaking training for six months, and the reform of vocational education and training.

Overall, the measures implemented in Denmark have been balanced and effective and contributed to the rapid recovery of the Danish economy from the recession and the increasing levels of unemployment. To what degree this successful response should be attributed to the flexicurity model or to the wider macroeconomic policies and business cycle is an open question.

2.2 Are there any similar measures implemented in Greece?

In a radically different context, the Greek response to the crisis was externally determined by the lenders, through the two economic adjustment programmes introduced in 2010 and 2012. The conditionalities attached to the two bail-out agreements left little room for the elaboration of a national strategy to address the new challenges facing the Greek economy, whilst the implementation of the policies created significantly greater problems than those it was meant to solve, thus seriously deteriorating the employment and social situation.

The emphasis of the policies being on drastically reducing wage costs, through internal devaluation (on the assumption that this would restore Greece's lost competitiveness), meant that the flexicurity agenda was not explicitly amongst the concerns of policy makers. However, as mentioned earlier, the huge policy shift in labour market and social security policies (taking place since 2010) has directly impacted on the four pillars of flexicurity, albeit not with a goal of striking a balance between flexibility and security (see Box 1 and Diagram 1 in Annex 2).

In the area of **labour market policies**, numerical flexibility has been greatly enhanced through a series of reforms aimed at easing firing and hiring procedures, reducing notice periods and severance pay, and facilitating the use of part-time contracts and non-regular workers, whilst the drastic reduction of minimum wages by 22% (32% for those under 25 years of age) considerably increased wage flexibility. These policy measures contributed to a lowering of the Employment Protection Legislation (EPL) summary index from 2.97 in 2008 to 2.63 in 2013.⁴ At the same

⁴ The Employment Protection for Regular Contracts (EPRC) index was 2.85 in 2008 down to 2.41 in 2013, whilst the Employment Protection for Temporary Work (EPT) index fell from 3.17 in 2008 to 2.92 in 2013 (see <http://www.oecd.org/els/empl?EPL-timeseries.xlsx>).

time, active labour market policies – representing only 0.235% of GDP in 2010⁵ and until recently mostly geared towards addressing supply-side problems rather than the drastic fall in labour demand- benefit only a meagre proportion of the workforce⁶.

In the area of **social security**, rather than strengthening the safety net to address the soaring levels of unemployment – especially long-term unemployment, which accounts for 71% of total unemployment – the policy measures (and absence of appropriate policy initiatives) resulted in leaving large segments of the population without any form of formal or informal social protection.⁷ The monthly unemployment benefit was reduced from 461 EUR to 360 EUR in 2012; the net replacement rate is one of the lowest in the EU; the eligibility criteria remained extremely strict, thus constantly reducing the number of recipients. Less than 10% of the registered unemployed currently receive UB for a 12-month period.⁸

The introduction of an unemployment benefit – EUR 200 for some categories of the long-term unemployed and EUR 360 for the self-employed who have ceased their activity and are out of work, but do not owe arrears in their social security contributions – has not delivered the expected results, due to stringent eligibility criteria. A number of social benefits (cash and in kind) were either abolished or curtailed, whilst only a minor share of the budgetary savings achieved during the fiscal consolidation programmes (EUR 55 for every EUR 1000 saved) are being re-invested in reinforcing the safety net (Matsaganis, 2013). The pilot implementation of the Minimum Guaranteed Income scheme in 13 municipalities, announced in October 2014 after several years of inaction, is the first, limited attempt to remedy the social damage inflicted by the austerity policies.

Regarding **lifelong learning** and **vocational training** policies, there have been attempts to improve the quality and impact of lifelong services and programmes, as Greece has one of the lowest shares in the EU-28 of persons aged 25-64 involved in education or training: 3% in 2013, a very low performance by any standards, especially when compared to Denmark's rate of 31.4%. To this end, three new laws have been introduced since 2010 to support the national strategy on lifelong learning. However, the ambitious aims of the initial legislative initiative in 2010 (law 3879/2010) – putting emphasis on upgrading people's qualifications and linking qualifications to labour market needs – have been diluted and to some degree cancelled out by newer legislative initiatives, targeted more at increasing the number of accredited/licensed providers of vocational and non-formal education at the expense of qualification accreditation (see law 4093/2012 and related ministerial decrees). Also, law 4186/2013, though introducing the dual learning system and the apprenticeship year in upper secondary education, does not establish a solid link between the occupations offered by technical education and labour market needs. Finally, the provisions for horizontal and vertical mobility, if any, are quite restricted.

Some of the most important developments and policy initiatives emanating from the new legislative framework include the:

⁵ This is an estimated value. Accordingly, the share of passive labour market policies expenditure in 2010 was 0.73% of GDP.

⁶ During 2010-2012, although the labour market programmes implemented by the Greek Manpower Organisation OAED contributed in containing unemployment levels by an estimated 5-7 percentage points, they were unable to keep up with the huge rise in the number of people without a job. At present, it is estimated that the on-going job retention or job creation programmes implemented by OAED benefit approximately 165,000 unemployed people (see Greek National Reforms Programme, 2014). This represents a modest number when compared to the total number of registered unemployed seeking a job: 835,844 individuals in September 2014.

⁷ According to an OECD's recent report on Greece 'the overall risk of being unemployed, and the expected duration of the unemployment spell, are amongst the highest while unemployment insurance mechanisms (e.g. benefit coverage and generosity of unemployment insurance) are among the weakest across OECD countries' (see: OECD, 2014).

⁸ Only 79,621 individuals out of a total of 820,156 registered unemployed seeking a job received the UB in June 2014. This compares to 177,443 UB recipients in June 2010. See: http://www.oaed.gr/index.php?option=com_content&view=article&id=2243&lang=en

- Establishment of the National Organisation for the Certification of Qualifications & Vocational Guidance (EOPPEP), whose mission is to develop the National Qualifications Framework, to link VET with labour market needs, and to upgrade people's qualifications, thus reinforcing their employment perspectives. To this end, EOPPEP develops and implements comprehensive national systems for the accreditation of non-formal & informal learning and provides scientific and technical support in designing and implementing the vocational guidance national policy. EOPPEP is the National Reference Point for Quality Assurance in VET;
- Establishment of the Summit and of the 'Council for Lifelong Learning and its Association with Employment';
- Presentation of the 'National Programme for Lifelong Learning 2013-15'; Strategic Framework ' in June 2013;
- Submission of the Draft Referencing Report of The Hellenic Qualification Framework to the European Qualification Framework
- Organisation of annual meetings of the representatives of the social partners' organisations and of the regional and local government organisations to discuss the lifelong learning policy measures and programmes.

Considering the extremely low share of adults involved in lifelong learning, this appears to be a limited list, but it represents nonetheless a positive step forward towards linking formal and informal qualifications more closely to labour market needs, and establishing a permanent mechanism for skills' forecasting.

In short, the answer to the question of this sub-section, whether there are any similar measures implemented in Greece, is a straightforward 'no'. To the opposite, the flexicurity regimes prevailing nowadays in Denmark and Greece could not be more dissimilar (see Diagram 2 in Annex 2).

3 Assessment of the success factors and transferability

The success factors of the Danish flexicurity model and of the policy measures implemented during the crisis that have sheltered the country from the storm, include a mix of macroeconomic, labour market and welfare state features, as well as cultural elements: the high international competitiveness of the Danish economy, the resilience of the welfare state and of the social safety net, a high degree of trust in the institutions and the political system, and a shared awareness among all stakeholders of the issues at stake and of the vulnerability of a small open economy. To these, one must add the adaptability of the system, the strong institutional complementarities of the various elements of the model (benefit system, low EPL, active labour market policies and lifelong learning), and the existence of strong automatic stabilisers.

None of the above pre-conditions are present in the case of Greece. As illustrated earlier, the Greek economy ranks very low in the global competitiveness index; the residual welfare state has been further undermined, as a result of the crisis and the austerity policies. The institutional arrangements in place, rather than facilitating a common approach to the most urgent issues at stake, contribute to deepen pre-existing cleavages. The absence of a shared awareness of the major challenges and of the vulnerability of the country thwarts its chances for a quick economic and social recovery, whilst policy complementarities and evidence-based, long term planning have never been the strong points of government policies across time.

Although all the elements of the Danish 'golden triangle' are equally important and mutually-reinforcing, there is one dimension that intercepts all the others, though not explicitly mentioned: the long-established consensus culture and the partnership approach of the Danish model. This dimension is absolutely crucial in ensuring the effectiveness and the sustainability of the flexicurity model. In Denmark, there exists a very long tradition of social dialogue between the social partners, usually without the state's intermediation. By contrast in Greece, bi-partite social dialogue, despite being boosted by the process of European integration, has remained mostly superficial, restricted to 'low' policy issues, such as wage determination, benefits, leaves, working time, etc., leaving the most difficult and disputed issues in the hands of the state; tripartite social dialogue rarely delivers concrete results.⁹

Even so, for at least 20 years, the social dialogue process in Greece has had a mitigating effect on social inequalities and industrial disputes. Since the outbreak of the crisis, however, and following the austerity programmes imposed on Greece by the lenders, the socio-economic context has dramatically changed. The labour market reforms and the adopted internal devaluation policies have had a profound impact on industrial relations and on the social dialogue process. The present-day social environment in Greece is marked by growing discontent with the political system, intense social tensions, and traumatised labour relations, due to the dismantlement of the system for collective bargaining and the resolution of labour disputes.

The absence of consensus culture and of a partnership approach in Greece can be attributed to a combination of historic, institutional and cultural factors. Over time, these factors have favoured the predominance of a confrontational culture, and instilled a mutual mistrust amongst the main social actors. At the same time, it has set the ground for the prevalence of the factional over the collective interest, the gradual loss of confidence in the institutions, misconception of the reality facing the country, difficulties in adjusting to changing conditions and new challenges, and an inability to synthesise diverging views and interests through compromise. These deeply rooted national characteristics constitute a major obstacle to the successful

⁹ Despite the fact that social partners' organisations have institutionalised access to public policy within the framework of corporatist bodies, as their representatives are nominated in a wide array of public institutions, decision-making bodies, and committees, their involvement is not the outcome of a genuine evolutionary process but rather the result of a top-down process, that has been described as 'artificial neo-corporatism'.

design and implementation of policies that are based on a minimum level of political and social consensus and that can help the country out of the crisis, with a radically new production paradigm and a fairer social contract.

Although Greece remains an 'exceptional case' in many respects, there is a key concern which is shared by all EU members, irrespective of their level of economic performance and their different response to the crisis, and that is the on-going erosion of the welfare state. Even in countries that continue to have robust welfare state, income security and an adequate safety net in difficult times, like Denmark, the challenge is real, and it poses a serious threat to the sustainability of the flexicurity model. The trend towards the demise of the European Social Model is, however, not irreversible, depending on the policy priorities that are set.

As for the flexicurity model, the crisis has saliently exposed its unsuitability for all types of economies, labour market systems and welfare regimes (reminding that it is not a one-size-fits-all solution). Alternative approaches are needed for national settings that differ dramatically from the Danish 'ideal-type' case. These alternatives must ensure fair trade-offs between flexibility and security, without jeopardising either economic efficiency, or social cohesion. This appears increasingly difficult in a context of labour market segmentation and social exclusion, where a growing share of the workforce is not covered by the traditional post-war social contract providing full-time employment until retirement, access to employment and social security rights and collective agreement coverage. Addressing the proliferation of non-standard employment, precariousness and insecurity is a major challenge for all stakeholders.

4 Questions

- Are there any elements of the Danish flexicurity regime (the 'golden triangle') that are exclusive to Denmark and not transferrable to other national settings?
- Is the flexicurity model a positive-sum game for all categories of workers in Denmark, or does it leave out precarious and contingent workers, in order to protect the core workforce?
- Would the expansionary measures introduced in 2009, in order to boost employment and mitigate the impact of the crisis, have been possible if Denmark was a member of the Euro zone?
- What proportion of the unemployed continues to be without a job after the expiry of the 2-year duration of the unemployment benefit?
- Are there any plans to extend the right to severance pay to other categories of workers, in the near future?
- Could the gradual erosion of the Danish welfare system pose a threat to the viability of the flexicurity model, as unions might be inclined to demand more traditional job security to compensate for the loss of income security?

5 Annex 1: Summary table

National approach to flexicurity

- externally determined policy measures and labour market reforms in an unfavourable socio-economic context (fiscal adjustment programmes, 25% recession, 27% unemployment)
- drastic changes in the industrial relations and collective bargaining systems unilaterally imposed by government through a questionable parliamentary procedure
- increased flexibility and reduced security for the workforce, resulting into a significant reduction of the EPL index
- absence of an adequate safety net to compensate for the sharp wage cuts, the soaring unemployment levels and the alarming increase of LTU
- radical reforms introduced created new forms of labour market discrimination and exclusion, without improving the economy's competitiveness and productivity: a pointless sacrifice?

Assessment of the policy measure

- balanced measures: reduced income security off-set by more targeted active measures and the introduction of severance pay for some categories of workers
- resilience of the main elements of the flexicurity regime, despite changes in the policy mix
- effective response of Danish policies in addressing recession and growing unemployment through a series of policy initiatives
- difficult to assess the degree to which the flexicurity model contributed to the successful response to the crisis

Assessment of success factors and transferability

- strong institutional complementarities of the various elements of the model
- adaptability of the model to changing external conditions and internal pressures
- strong automatic stabilisers
- long-established consensus culture and partnership approach enabling compromises and long-term planning
- weak transferability of the model to countries with fundamentally different labour market and welfare systems: not a 'one-size-fits-all' model

Questions

- Are there any elements of the Danish flexicurity regime (the 'golden triangle') that are exclusive to Denmark and not transferrable to other national settings
- Is the flexicurity model a positive-sum game for all categories of workers in Denmark, or does it leave out precarious and contingent workers, in order to protect the core workforce?
- Would the expansionary measures introduced in 2009, in order to boost employment and mitigate the impact of the crisis, have been possible if Denmark was a member of the Euro zone?

- What proportion of the unemployed continues to be without a job after the expiry of the 2-year duration of the unemployment benefit?
- Are there any plans to extend the right to severance pay to other categories of workers, in the near future?
- Could the gradual erosion of the Danish welfare system pose a threat to the viability of the flexicurity model, as unions might be inclined to demand more traditional job security to compensate for the loss of income security?

6 Sources:

European Commission, 2014, *Standard Eurobarometer 81*, Spring. Available at: http://ec.europa.eu/public_opinion/archives/eb/eb81/eb81_first_en.pdf

European Commission, 2013, "Flexicurity in Europe". Report prepared by M. Nardo and F. Rosati for the Directorate-General for Employment, Social Affairs and Inclusion, Brussels

Eurostat, 2013, *Survey on Income and Living Conditions (SILC)*. Available at: <http://epp.eurostat.ec.europa.eu>

Eurostat, *Labour Force Survey, 2008-2013*. Available at: <http://epp.eurostat.ec.europa.eu>

Matsaganis, M., 2013, "Anti-poverty policy in Greece during the crisis", *Information Bulletin 6/2013*, Business University of Athens (in Greek)

Ministry of Finance, 2014, Greek National Reforms Programme, April

Ministry of Labour, Social Security & Welfare, 2014, Interview with Ioanna Palla, Department of Strategic Planning, Monitoring & Evaluation of Labour and Social Protection Policies

Mouriki, A., 2009, "Flexibility and security: an asymmetrical relationship? The uncertain relevance of flexicurity policies for segmented labour markets and residual welfare regimes", *AIAS Working Paper*, 09-74, University of Amsterdam, Amsterdam (118 p.)

OECD Employment Protection Database, 2013 update. Available at: <http://www.oecd.org/els/emp/EPL-timeseries.xlsx>

OECD Employment Outlook, 2014, "How does Greece compare?", September. Available at: <http://www.oecd.org/greece/EMO-GRC-EN.pdf>

World Economic Forum, 2013, *The Global Competitiveness Report 2014-2015*, Geneva. Available at:

<http://www.weforum.org/reports/global-competitiveness-report-2014-2015>

Websites:

<http://ec.europa.eu>

www.statistics.gr

www.eoppep.gr

www.oaed.gr

www.oecd.org

7 Annex 2: Boxes & Diagrams

Box 1

List of major labour market reforms introduced since 2010

- reduction of the minimum wage by 22% (32% for the under 25s)
- reduction in pay rates for overtime work
- incentives for the expansion of part-time work, new provisions for fixed-term contracts, Temporary Agency Work and teleworking
- extension of the trial period of newly recruited personnel from 2 to 12 months
- enhanced flexibility in working time arrangements for employers; extended period of recourse to intermittent work without workers' consent
- increased capacity of the authorities to discourage undeclared work, through a revision of fines and sanctions imposed for violating labour legislation, supported by effective monitoring mechanisms (ERGANI and ARTEMIS information systems)
- changes in the arbitration system and the wage setting mechanism: recourse to arbitration is now possible only by mutual consent of the parties, whilst basic rates are set by the government, following non-binding consultation with the social partners and academic experts
- reduction of severance pay and of the notice period; easing of hiring and firing procedures
- abolition of the 'most favourable clause' in the field of collective agreements; encouragement of company-level agreements at the expense of sectoral and occupational agreements
- suspension of the extension of sectoral agreements to non-signatory parties
- abolition of the six-month survival period of collective labour agreements; automatic expiry
- abolition of all but four allowances (seniority, child, study and hazardous work, if applicable)
- reduction in social security contributions for employers by 2.9%.

Diagram 1

**Policy measures introduced in Greece since 2010
according to the flexicurity matrix***

TYPES OF FLEXIBILITY		TYPES OF SECURITY	
<p>external numerical flexibility: <i>possibility to vary the amount of labour in response to even short-term changes in demand</i></p>	<p>extensive use by employers of own account workers ** to avoid SS payments</p> <p>easing of hiring & firing procedures (fall of the EPL index)</p>	<p>job security: <i>expectation of a high job tenure with the same employer</i> (objective and subjective job insecurity)</p>	<p>increased job insecurity</p> <p>relaxation of firing procedures</p> <p>reduction in severance pay</p>
<p>internal numerical flexibility: <i>possibility to change the number of hours worked and to determine the working time schedules</i></p>	<p>greater flexibility in the management of working time for employers</p> <p>growing recourse to part-time work and to longer periods of intermitent work</p> <p>reduction in the cost of overtime work</p>	<p>employment security: <i>degree of certainty to get a new job if losing the current one, even with a different employer</i></p>	<p>active labour market policies targeted more to safeguarding jobs, rather than creating new ones</p> <p>only a small share of the unemployed receive training</p>
<p>functional flexibility: <i>possibility to quickly redeploy employees to other tasks and activities</i></p>	<p>NONE</p>	<p>income security: <i>protection of income in case of sickness, unemployment or maternity</i></p>	<p>reduction in the UB</p> <p>abolition or curtailment of a number of social benefits</p> <p>reduction of the minimum wage by 22%</p>
<p>financial flexibility: <i>possibility to alter standardised pay structures</i></p>	<p>increased wage flexibility</p> <p>performance-related pay</p> <p>reductions in SS payments</p> <p>abolition of most allowances</p>	<p>combination security: <i>possibility to combine paid work with private life and social responsibilities</i></p>	<p>NONE</p>

* For the typology see: Eurofound, 2008, "Employment security and employability: a contribution to the flexicurity debate". Mentioned in Mouriki, 2009.

** bogus self-employment

Diagram 2
Comparison between the Danish and the Greek flexicurity regimes

Selected indicators	DENMARK	GREECE
unemployment benefit, 2014: amount	generous EUR 2,222 max.	minimal EUR 360*
replacement rate	up to 90% of previous income	45%
duration	2 years	1 year
share of insured employees	73.9% (2009)	9.7% (2014)
welfare state regime	Nordic, generous and universal	residual Mediterranean, familialist
active labour market policies-share of GDP (2012 for DK, 2010 for EL)	1.98%	0.26%
share of adults (25-64 years) in formal or non-formal education and training (2013)	31.5%	3%
EPL index for regular workers (EPRC, 2013)	2.32	2.41
unemployment rate (June 2014)	6.6%	26.7%
share of long term unemployment in total employment (2013)	26%	71%
AROPE indicator (2013)	18.9%	35.7%
share of people tending <u>not</u> to trust: political parties the national government the national Parliament (Eurobarometer, 2014)	<ul style="list-style-type: none"> ▪ 55% ▪ 51% ▪ 36% 	<ul style="list-style-type: none"> ▪ 91% ▪ 84% ▪ 83%
share of people considering the current situation in their country as bad (Eurobarometer, 2014)	16%	96%
cumulative loss of GDP 2008-2013 (annual change at constant 2005 prices)	-4.0%	-26.2%
Global Competitiveness ranking (2014-2015)	13 th	81 st

* +10% for every family member

Source: author's calculations from various sources.

HOW TO OBTAIN EU PUBLICATIONS

Free publications:

- one copy:

via EU Bookshop (<http://bookshop.europa.eu>);

- more than one copy or posters/maps:
 - from the European Union's representations (http://ec.europa.eu/represent_en.htm);
 - from the delegations in non-EU countries (http://eeas.europa.eu/delegations/index_en.htm);
 - by contacting the Europe Direct service (http://europa.eu/europedirect/index_en.htm) or calling 00 800 6 7 8 9 10 11 (freephone number from anywhere in the EU) (*).

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

Priced publications:

- via EU Bookshop (<http://bookshop.europa.eu>).

Priced subscriptions:

- via one of the sales agents of the Publications Office of the European Union (http://publications.europa.eu/others/agents/index_en.htm).



Publications Office