



ESPN Thematic Report on Access to social protection of people working as self-employed or on non-standard contracts

Greece

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Summary

Self-employment in Greece has fallen broadly in line with the disastrous reduction in total employment during the period of economic crisis. A significant decline in the number of self-employed people with employees has been observed, as the consequences of widespread firm closures have spread across all occupational categories. However, self-employment as a percentage share in total employment continues to be high, being one of the highest among EU28 countries (30.2% in Greece as against 15% in the EU28 in Q2 2016), making a significant contribution to both employment and economic activity. Nevertheless, as the at-risk-of poverty rate for the self-employed is the highest of any group, special treatment and social policy measures should be undertaken.

The category of 'self-employed' persons comprises the 'independent self-employed' (or 'liberal professions'), 'freelancers' and 'farmers', who are insured in different social insurance funds depending on their profession – giving rise to differences and gaps in provision. Not all funds provide supplementary pension and lump-sum benefits, while there is no coverage against the risk of unemployment for self-employed farmers.

There has been a notable increase in certain flexible forms of employment ('non-standard employment'), and particularly in part-time employment (up by 42% over the period 2008-2016), while 'dependent self-employment' and 'bogus self-employment' appear also to be on the increase. The latter two forms conceal what is in fact a dependent employment relationship, but one which does not entail the relevant social protection benefits and employment rights. On the whole, this increase in flexible forms of employment has significantly changed the social protection levels of employees and has created key problems – not only in terms of benefits provision and coverage, but also in terms of the revenues received by social insurance funds. The evasion and avoidance of social insurance contributions (i.e. non-payment of contributions or total concealment of employment from the social insurance institutions etc.) have also been on the increase in recent years, which has led many self-employed people and those employed with non-standard contracts to suffer a limitation or complete loss of their social protection benefits.

Despite various measures taken over recent years, there remain certain differences and inequalities in social protection obligations and rights as between employees (including part-time and temporary workers) and the self-employed (including the dependent self-employed and bogus self-employed). These clearly favour employees, and relate to both the level of social protection coverage and (especially) the amount and duration of the various cash benefits provided, including pensions. The coverage of self-employed people against the risk of unemployment has remained very weak; and at the same time all other benefits are low and of limited duration, and thus inadequate to provide the necessary social protection against poverty and social exclusion.

The gradual implementation, since May 2016, of a reform of the social protection system (Law 4387/16) is expected, among other things, to narrow further the remaining gaps and differences in social protection benefits as between the self-employed and employees, as well as among the different types of self-employed people and those in non-standard employment. Despite the new law, however, there are still gaps in coverage for the self-employed in relation to the risk of unemployment, accidents at work and temporary disability. Finally, specific action should be taken to deal with those persons active in the 'black' economy (both employees and the self-employed), who conceal their employment relationship so as to avoid paying social insurance contributions and, as a result, lack a minimum level of social protection coverage.

1 Context: self-employment and non-standard work relationships in the national economy and labour market

In the period between 2008 and 2016, total employment in Greece declined by 934,600 people or by 20.2%¹. As presented in Table 1 below, the number of salaried employees, who constitute the vast majority of those in employment (65.3% in 2008 and 65.9% in 2016), decreased by 19.4% over the aforementioned period, while the number of employers (7.3% of total employment in 2016) dropped by 28.9%, and 'own-account workers' (22.9% of total employment in 2016) showed a decline of 11.5%. Together the two main categories of the self-employed, namely employers and own-account workers (who together made up 30.2% of total employment in 2016), showed a decline during the period of economic crisis of 219,800 people, or 16.4%; while the number of 'unpaid family workers' also declined significantly, by 46.6%.

Table 1: Change between 2008 and 2016 in employed persons aged 15 years and over by occupational status

Year/ 2 nd Quarter	Employed Persons	Occupational status			
	Total	Employers (self-employed with employees)	Own-account workers (self-employed without employees)	Salaried employees	Unpaid family workers
Change 2008-2016 in thousands	-934,6	-109,7	-110,1	-588,5	-126,4
% Change 2008-2016	-20.2	-28.9	-11.5	-19.4	-46.6

Source: LFS, 2nd Q, 2008-2016

It is worth noting, however, that the **share of the self-employed in total employment remains at very high levels in Greece** (30.2% in 2016) compared with the EU28 (about 15% in 2016). It is also worth mentioning that **the share of the self-employed in total employment showed an increase between 2008 and 2016** (from 28.8% to 30.2%), while the share of unpaid family workers dropped from 5.9% to 3.9%. Greece was estimated to have the second-highest proportion (over 50%) of non-standard employment in the EU28 in 2014 (Matsaganis et al, 2016, p.10). This estimate includes not only flexible forms of employment, such as part-time work and temporary employment², but also self-employment (both independent and dependent). No hard data exist on forms of self-employment such as dependent self-employment and bogus self-employment in Greece: however, press reports indicate that the number of those working under these forms of self-employment is numerous and has been on the increase in recent years (mainly due to the economic crisis).

¹ Employment data in this section are taken from the Labour Force Survey (LFS) 2ndQ (ELSTAT or Eurostat database), unless otherwise stated.

² Temporary employment can be separated into four (non-mutually exclusive) main categories: fixed-term contracts, seasonal work contracts, project-work contracts and temporary agency work (temporary employment via a third party).

With regard to gender, women's employment has shown a decline over the period of economic crisis, but a smaller one than that of men (15% as against 23.5%), so that women's share in total employment rose from 39.6% in 2008 to 42.1% in 2016. In 2008, 79.4% of employers were men and 20.6% were women, whereas by 2016 women had increased their share to 28.5% as against 71.5% for men. A small increase has also been observed in women's share of own-account workers (from 32.1% in 2008 to 34.3% in 2016) and salaried employees. The category of unpaid family worker remains a female-dominated occupation, although women's share declined from 65% in 2008 to 61.5% in 2016.

Younger age groups have borne the greater part of the decline in total employment. For the age groups 20-24 and 25-29, total employment decreased by 54.2% and 40.9% respectively during 2008-2016, while for the age groups 30-44 and 45-64 employment declined by 19.2% and 6.9% respectively. The vast majority of both employers (90.8%) and own-account workers (89.7%) belong to the latter two age groups.

With regard to different sectors of the economy, manufacturing, construction and wholesale/retail trades have been worst affected by the economic crisis and have, therefore, suffered the most severe falls in employment. In particular, in the period 2008-2016, all occupational categories in manufacturing showed a significant decline: the number of employers decreased by 27,600 (51.5%), own-account workers by 18,400 (30.4%), salaried employees by 136,200 (33.5%) and unpaid family workers by 12,900 (52.7%). In construction, one of the traditionally leading economic sectors of the country, a significant decline in the number of employers was observed (37,300 or 77.3%), which was followed by an unprecedented decrease in salaried employees (192,600 or 67.5%), while own-account workers also decreased by 11,330 (18.6%). In wholesale and retail trade (including repair of motor vehicles and motorcycles) the number of employers decreased by 32,990 (30.9%), own-account workers by 59,300 (27%), salaried employees by 64,300 (17%) and unpaid family workers by 38,300 (52.7%).

In the primary sector, own-account workers represent 66% of total employment, while salaried workers make up 13%. In the secondary sector, salaried workers represent 74% of total employment, while employers and own-account workers represent 7% and 17% respectively. Finally, in the tertiary sector salaried workers again make up 74% of the sector's employment, while employers and own-account workers represent 7% and 16% respectively.

With regard to educational level by occupational status, it is worth mentioning that 34.4% of employers and 22.8% of own-account workers have completed tertiary education (including a postgraduate degree), compared with 40.4% of salaried employees. Only 10.2% of unpaid family workers have completed tertiary education (including a postgraduate degree).

One of the main features of the Greek labour market has always been the relatively low level of part-time employment. In fact, in 2008 part-time employees in Greece made up just 5.6% of total employment, while in the EU28 it was 18.1%³. However, during the period of economic crisis (2008-2016) full-time employment decreased by 1,043,381 (23.8%), while part-time employment (both permanent and temporary workers) increased by 108,732 (42.5%). In 2016, part-time jobs in Greece reached the level of 9.8% of total employment. This significant change is due to a 97.6%⁴ rise in the

³ It is worth noting that although Greece has always had a low overall employment rate (61.9% in 2008 against 65.7% in the EU28), mainly due to the low participation rate of women in the labour market, the full-time equivalent (FTE) employment rate was higher in Greece, i.e. 60.9% against 60.4% in the EU28 (see European Commission, Employment and Social Situation in Europe 2014-Statistical Annex).

⁴ In fact, part-time salaried employment shows considerable dynamism. According to the Ergani Monthly Report for December 2016 ("Flows of salaried employment in the private sector"), in 2016 part-time employment constituted 40.11% of total new recruitment in the private sector.

proportion of part-time salaried employees, while other occupational categories have shown a decrease in part-time employment: among employers by 35.8%, own-account workers by 8.4%, and unpaid family workers by 41.1%.

It should be noted that the increase in part-time employment mostly concerns males (100.3%) and to a much smaller extent females (17.9%). In 2016, part-time employment among men reached 7.1% (against 2.8% in 2008), although it continued to be higher among women at 13.5% (as against 9.8% in 2008). Moreover, evidence suggests that the vast majority of part-timers (69.7%) declared that they had accepted a part-time job because they could not find a full-time one⁵. According to the Institute of Labour of the Greek General Confederation of Workers (INE-GSEE), the expansion of part-time employment has occurred mainly through the transformation of full-time contracts into part-time contracts; in most cases this has occurred without the consent of the employee⁶.

As regards other forms of non-standard employment, and especially temporary contracts, LFS Eurostat data for Q2 2016 revealed that temporary employment, both full-time and part-time, represented 8% of total employment. This was a slight increase since 2008 (when it was 7.8%), although in absolute numbers it had declined by 62,000⁷. Similarly, temporary employment as a percentage of the total number of employees showed an increase of 0.4 percentage points (from 11.7% in 2008 to 12.1% in 2016)⁸.

In addition to the above, according to Ergani administrative data only 45.26% of new job contracts in the Greek labour market in 2016⁹ were for full-time jobs. Of the remainder, 40.11% were for part-time jobs, while 14.63% concerned 'rotating employment'¹⁰, which is a relatively new form of employment. In September 2016, new part-time and rotating employment taken together outnumbered by far new full-time employment, representing 61.4% of all new job positions¹¹. Worsening living conditions are an expected consequence of the harsh employment picture described above. According to EU-SILC¹², poverty and social exclusion in Greece has increased since 2008 by 7.1 percentage points, standing in 2015 at 34.9%. The poverty and social exclusion rate is 43% for persons not in employment, as against 22.4% for employed persons. Employees have the lowest rate (17.8%), while the category of 'employed persons except employees' – who are considered as self-employed – presents a rate of 31.3%, i.e. 8.9 percentage points higher than all employed persons and 13.5 percentage points above employees. Additionally, while the in-work at-risk-of-poverty rate (13.4%)¹³ stands well below the

⁵ ELSTAT, LSF Q2 2016 excel file: A0101_SJO01_TS_QQ_01_2001_03_2016_07_F_GR(1)
<http://www.statistics.gr/el/statistics/-/publication/SJO01/->

⁶ INE-GSEE, The Greek Economy and Employment: Annual Report of 2015, Athens, 2015, p. 16

⁷ Eurostat, LSF Database: Temporary employees by sex, age and duration of work contract (1,000) (lfsq_etgadc), <http://ec.europa.eu/eurostat/web/lfs/data/database>

⁸ Eurostat LSF Database: Temporary employees as a percentage of the total number of employees, by sex and age (%) (lfsq_etpga), <http://ec.europa.eu/eurostat/web/lfs/data/database>

⁹ Ministry of Labour, Social Insurance and Social Solidarity/Ergani Information System "Flows of salaried employment in the private sector", Monthly report for December 2016 (in Greek)

¹⁰ This form of employment was introduced in 2010 (Laws 3846/2010 and 3899/2010) with the aim of avoiding job redundancies in many firms, following the collapse of economic activity in most sectors of the Greek economy. This new form is considered a specific form of part-time employment and is legally defined as "employment on fewer days each week or fewer weeks each month, or fewer months each year or a combination thereof, compared to full-time work". Its duration cannot exceed nine months in any one calendar year. See article "The recent changes in Labor Law" available at <http://www.greekjustice.gr/include/print.php?aWQ9MjlQJmxhbmJZD0yJmNhDD0x>

¹¹ It should be noted that Ergani data do not distinguish between temporary contracts and open-ended contracts. Thus, it is hardly possible to identify how many of the new full-time jobs are on fixed-term or open-ended contracts.

¹² ELSTAT/EUROSTAT, EU-SILC 2008 & 2015

¹³ Compared with 9.5% for the EU28.

at-risk-of-poverty rate for the whole population (21.4%), for employed persons in part-time jobs it is much higher (28.2%)¹⁴.

Summing up: self-employment in Greece has fallen broadly in line with the disastrous reduction in total employment during the period of economic crisis, while flexible forms of employment (such as part-time jobs) have increasingly replaced full-time jobs. A significant decline in the number of the number of self-employed people with employees has been observed, as the consequences of widespread firm closures have spread across all occupational categories. However, the share of self-employment in total employment continues to be high, being one of the highest percentages among EU28 countries, and playing a significant part in both employment and economic activity.

The high incidence of self-employment in Greece – despite both the crisis and some recent tax legislation measures – can be partly attributed to the following: firstly, self-employment has been perceived by many jobless people as a way out of unemployment¹⁵; and secondly, self-employed people can conceal the real incomes stemming from their professional activities, thus avoiding tax. As to the latter, efforts are under way to combat tax evasion by the self-employed.

Nevertheless, as the at-risk-of poverty rate for the self-employed is the highest of any in-work group, special treatment and social policy measures should be undertaken. To this end, certain provisions of the recent social protection reform are expected to improve – to some extent – the level of social protection benefits provided to the self-employed, especially to those with a low income.

2 Description and assessment of social protection provisions for the self-employed and people employed on non-standard contracts

2.1 Description of social protection provisions for the self-employed and people employed on non-standard contracts

There is no detailed definition of the concept of self-employment in Greek legislation other than the general definition, which reads that “self-employed are defined as all persons pursuing a gainful activity for their own account”, as provided by Law 4097 of 2012 (Official Government Journal 235/A/3.12.2012). The latter concerns the transposing of the European Parliament and Council Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity¹⁶.

It should be noted, however, that, under social insurance legislation, there are several types of self-employed¹⁷ persons, such as the independent self-employed (or liberal professions), freelancers and farmers, who, until the end of 2016, were insured in different social insurance funds depending on their profession. The liberal professions of doctor, dentist, veterinarian, pharmacist, lawyer, notary, architect, engineer, topographer etc. were insured in the ‘Unified Fund for Independent Employed’ (ETAA); freelancer journalists were insured in the ‘Unified Fund for Insurance for the Mass Media Staff’ (ETAP-MME); and all other freelancers, excluding those in agriculture, were insured

¹⁴ As expected, this rate is significantly above that for persons having full-time jobs (11.6%).

¹⁵ The findings of the Eurofound Sixth European Working Conditions Survey carried out in 2015 showed that 28% of respondents in Greece (against 20% in EU28) stated that they had ‘no other alternatives for work’ as their reason for becoming self-employed. (Eurofound, 2016, p. 23)

¹⁶ See Law 4097/2012, available at:

http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=99836 (in Greek)

¹⁷ Tax legislation uses the term ‘freelancers’ for all types of self-employed persons, except for farmers. In general, the terms used for self-employed persons differ to some extent between social insurance legislation and tax legislation.

in the 'Insurance Organization for Freelancers' (OAEE). Farmers and other professions in the primary sector were insured in the 'Farmers Insurance Organization' (OGA).

The existence of different social insurance funds for the various types of self-employment gives rise to gaps and differences in social protection, in terms of both the level of contributions and the level of benefits (in cash or in kind). In any case, social protection provisions for the self-employed are, by and large, inferior to those applying to dependent employment (i.e. lack of certain benefits, stricter eligibility criteria, shorter duration and lower amount of benefits - see Tables in Annex 1). This situation, however, is expected to change gradually, given that new legislation provides that from 1 January 2017 all existing social insurance funds will be integrated into one single social insurance agency¹⁸ with common rules as regards contributory requirements and social protection benefits.

The term most widely used in Greece to describe other forms of non-standard employment (such as temporary work, part-time work, dependent self-employment and bogus self-employment) is 'flexible' employment. This comprises all types of employment other than permanent (contract of indefinite duration) full-time employment. Temporary employment can be separated into four (non-mutually exclusive) main categories: fixed-term contracts, seasonal work, project-work contracts and temporary agency work (temporary employment via a third party). Part-time employment is on the increase, starting from low levels before the economic crisis (see Section 1).

All the aforementioned types of salaried employee (full-time, part-time and temporary employment) are dependent forms of employment and are entitled to the basic social rights under specific conditions (unemployment, sickness and maternity benefits, basic retirement benefits and healthcare provision), though entitlement varies as to the amount and duration of the benefits provided. That is, those in temporary and part-time jobs are more likely to have fewer contributions, lower wages, and/or shorter working hours than standard employees, thereby affecting their eligibility for benefits as well as the amount and duration of payments (Matsaganis et al, 2016, p.13). Flexible types of employment differ from the model of full, permanent and dependent employment on at least three different levels:

- The time of employment (part-time, seasonal employment, job rotation).
- The duration and nature of the contractual relationship with the employer (various forms of fixed-term or fixed-work contracts, or temporary employment or independent service contract).
- The place of employment (home working, piece work, teleworking).

It should be pointed out that another important criterion for establishing an employment relationship (independent or dependent) for social insurance purposes is the level of supervision over the work done. This criterion is the most important for the legal conversion of an independent work contract into a dependent employment relationship. Notwithstanding this, the distinction between dependent and independent work has generally narrowed, because, as has been observed, it constitutes a classification relationship rather than a contradictory relationship¹⁹. Independent work acquires more and more features of dependent work and vice versa²⁰. This development in turn can facilitate the application of common rules for social protection coverage among dependent employees and the self-employed.

¹⁸ The new agency, which is called the Unified Agency of Social Insurance (EFKA), was established on 2 January 2017. Preparation of the new Social Insurance Regulation is under way, expected to be completed by the end of June 2017.

¹⁹ Stergiou, A., *"Self-employed and salaried employee in social insurance"*, Sakkoulas Publications, Athens-Thessaloniki, 2005, p. 470 (in Greek)

²⁰ Greek Ombudsman, Special Report about the Unemployment Benefits: The Rights of the Unemployed and the function of the OAED services, 2007, Athens, p. 17 (in Greek).

There is no legal definition in Greece of either dependent self-employment or bogus self-employment. The term 'dependent self-employment' refers to the self-employed (mainly the liberal professions such as doctors, civil engineers, lawyers, etc.), who provide services to one or two work providers in a continuous or fixed-term manner under a contract different from a contract of employment. As to the term 'bogus self-employment', this reflects a disguised employment relationship. It involves self-employed people (except farmers) who are incorrectly designated as self-employed in order to save money for the employer. It is used by many employers to evade taxes and engage workers without having to respect the employment rights and entitlements attaching to a standard work contract.

Although people in both the above categories are classified as self-employed, they are in reality employees – except that they are not entitled to severance payments and to unemployment benefits and other benefits relating to salaried employees. As already mentioned in Section 1, there are no official available data in Greece for these two forms of employment, though there are indications that the numbers involved are high and on the increase (mainly due to the economic crisis).

Moreover, there are two other types of dependent self-employment in Greece that lack a clear legal definition and have no social insurance obligations. These are: (a) unpaid family members, who are unpaid workers assisting in family businesses and not insured directly (except the wives of farmers, who are obliged to be insured directly), but who are co-insured in the same social insurance fund as the family member who owns the business; and (b) persons employed by legal entities to provide extraordinary and short-term services without a contract (the only proof of payment being a receipt of business expenditure), who have no obligation to be insured.

Self-employed persons in Greece are covered (in full or partially) for most social risks by the public social insurance system (see the subsections which follow and the Table for the self-employed in Annex 1). Their participation in (and thus their contribution to) the social insurance system is mandatory for some social protection entitlements, such as old-age pensions, healthcare and unemployment benefits (except for farmers); while for other entitlements, such as supplementary pensions and lump-sum benefits, their participation is either mandatory or voluntary, depending on their profession.

Registration in the social insurance system is mandatory for the independent self-employed (or liberal professions), following the acquisition of a professional licence, while for farmers and freelancers registration is required only after the beginning of their activity. However, there are important differences in social protection provisions and labour rights as between the self-employed (including the dependent self-employed and bogus self-employed) and salaried employees. Moreover, a self-employed person pays the whole amount of contributions for social insurance and is taxed as a trader/entrepreneur and not as an employee, thus having a higher financial burden (unless more than 75% of their annual earnings come from one work provider – person or legal entity – and their services are provided to fewer than three different persons or legal entities per calendar year).

When comparing the level of social insurance contributions and benefits for self-employed people as against employees, it becomes evident that there are distinct differences between the two in favour of employees (see Table 2 below). The contribution rate for the main pension is 20% of monthly earnings for both self-employed people and employees, but in the case of employees one-third is paid by the employee and two-thirds by the employer. The contribution rate for healthcare coverage is 6.95% for self-employed people, while for employees it is 7.1% in total, one-third paid by the employee and two-thirds by the employer.

The contribution rate for the supplementary pension and for the lump-sum benefit is 7% and 4% (respectively) for both self-employed people and employees: but 50% of employee contributions for the supplementary pension are paid by the employer. In addition it should be noted that participation in the supplementary pension scheme is

mandatory for employees and the self-employed liberal professions, while for self-employed freelancers and farmers it is voluntary. In the case of the lump-sum benefit scheme, participation is mandatory for the liberal professions and some categories of employee, but voluntary for farmers and freelancers.

It is also worth noting that in the case of salaried employees (both permanent and temporary) contributions are calculated as percentages of the monthly salary, whereas for the self-employed contributions were calculated, until the end of 2016, as percentages of so-called 'imputed income', which is a notional income rather than the real income²¹. From 1 January 2017 onwards, however, contributions by the self-employed are calculated as percentages of their net taxable income of the previous year, to be paid in 12 monthly instalments.

Moreover, it should be pointed out that, for employees, there is an explicit legal provision regarding the contribution of the employer for pension and healthcare coverage, which amounts to two-thirds (one-third by the employee) and to 50% for the supplementary pension. Conversely, the self-employed (except farmers) pay the whole amount of the contributions by themselves. (For farmers, the state pays two-thirds of all contributions. So, while for the self-employed the contribution for pensions is 20%, for farmers it is effectively only 7%. The contribution rate for healthcare coverage is 6.95% for the self-employed, whereas it is effectively only 2.5% for farmers.) The detailed rates are shown in the table below:

²¹The 'imputed income' of the self-employed constituted (for social insurance purposes) a pre-defined average income attributed to the social insurance category that the self-employed belonged to. Until the end of 2016, the self-employed were classified in different social insurance categories according to the number of years practising their profession.

Table 2: Rates of Social Insurance contributions by the insured, before the application of Law 4387/16

Social Insurance Branch	Employees with permanent contracts or fixed-term contracts			Self-employed		
	Social insurance contributions as a percentage (%) of the insured's salary			Social insurance contributions as percentage (%) of the 'imputed income'		
	Employee	Employer	Total	'liberal professions' and 'freelancers'	'Self-employed farmers'	
					Farmers	State
Main Pension	6.67	13.33	20	20	7	13
Supplementary Pension	3.5	3.5	7	7 (mandatory for 'liberal professions' -except doctors- and voluntary for 'freelancers')	7 (voluntary)	-
Healthcare	2.5	4.6	7.1	6.95	2.5	4.45
Unemployment	1.83	3.17	5	€10 per month	-	-
Other benefits	1.35	0.75	2.1	-	0.25	-
Lump sum benefit	4 (not mandatory for all)	-	4	4 (it applies only to 'liberal professions')	-	-

Source: Data based on Social Insurance legal provisions

As noted above, contributions by the self-employed were based, until very recently, on imputed income²², which in most cases differed from actual declared taxable income. This discrepancy left many self-employed people unable to pay their contributions, especially those who had had many years practising their profession and for whom the imputed income was higher than their actual income.

Some of the existing social insurance regulations for the self-employed facilitate transitions between self-employment and contractual employment. In particular, in the case of the independent self-employed (liberal professions), the regulations make it easy to move from independent professional practice to dependent salaried employment, or to parallel employment (having two jobs, one as an independent self-employed person and another as a salaried employee). Where an independent self-employed person is also employed as a salaried employee, their contributions are the same as for employees. The procedure for changing employment status is simple; as is that regarding the suspension of professional practice in the case of unemployment, the removing of professional practice suspension and the reactivation of social insurance. The new social insurance regulation, which is planned to be in force by 1 July 2017 (following the integration of all the different social insurance funds into the Unified Agency of Social Insurance-EFKA), is expected to continue to facilitate such transitions.

In the case of farmers and freelancers, there is no framework which facilitates the transition from employment to unemployment and vice versa. As regards the transition from independent employment to dependent salaried employment, there is no such provision for farmers other than the possibility of having parallel contractual dependent employment. As for freelancers, until the end of 2016 the Insurance Organization for

²² Ibid

Freelancers (OAEE) provided the choice for those insured in OAEE after 1 January 1993 (Article 39 of Law 2084/92), and who were salaried employees, of being insured in either OAEE or IKA (the Social Insurance Fund for Salaried Employees). Those insured in OAEE before 1 January 1993 were required to have parallel insurance in the case of parallel dependent contractual employment and self-employment. Nevertheless, given that the expected new social insurance regulation will apply common rules for all the self-employed, it is likely that farmers and freelancers will be provided with the same options for such transitions as the rest of the self-employed.

In the following subsections, the conditions for access to, and the level of, various social protection benefits for the self-employed are presented, compared with those for employees. However, before embarking on a description of the various social protection provisions, it should be underlined that these will remain in effect only until 1 July 2017, when the new social insurance regulation is expected to be issued. The new regulation will introduce uniform entitlement rules and will provide the same benefits to all insured persons in the Unified Agency (EFKA), whether employees or self-employed, thus resulting in an extension of the coverage of social protection to the self-employed.

2.1.1 Healthcare and sickness: cash benefits and benefits in kind

Healthcare insurance is mandatory for all categories of self-employed persons and for employees of all employment types. The relevant contribution rate, as mentioned in the previous section, is 7.1% in total for employees (one-third paid by the employee and two-thirds by the employer) and 6.95% for the self-employed (all of which they pay themselves, except in the case of farmers, who until 31 December 2016 paid 2.5% while 4.45% was paid by the state). Healthcare services are provided by the National Organization for the Provision of Health Services (EOPYY) to all insured people in Greece. EOPYY is a public entity, established by Law 3918/2011 to act as a single purchaser of healthcare services for the insured segment of the population, financed by the social insurance organizations. Thus coverage is provided to both employees and the self-employed.

As for primary healthcare services, these are provided by the Primary National Health Network (PEDY), established in 2014 (Law 4238/14), which is a public health provider of medical and diagnostic services. In this respect, the health benefits in kind that are provided to employees and the self-employed are uniform and are defined by the Single Rule for Health Benefits.

However, as far as sickness cash benefits are concerned, there are some differences and gaps in provision as between employees and the self-employed. Employees (part-time, full-time or fixed-term), may receive a sickness allowance of between three days and 270 days, depending on the social insurance contributions made (one year of contributions is required for 25 days of the allowance). However, such benefits are lower for the self-employed, and at the same time there are significant differences between the various categories of the self-employed.

In particular, for the liberal professions, there are sickness cash benefits only for lawyers, who receive sickness allowance lasting between one and 90 days (one year of contributions is required for 30 days of the allowance). Even so, compared with employees, lawyers' coverage is partial (see Table for the self-employed in Annex 1). As to freelancers and farmers, there is as yet no allowance in case of sickness. It should be noted that for all insured people, both employees and the self-employed, there is provision for reimbursement of funeral expenses, though the amount of the benefit varies among them.

2.1.2 Maternity/paternity cash benefits and benefits in kind

For all insured people in Greece, EOPYY covers the cost of childbirth in all public hospitals and affiliated clinics. When childbirth takes place outside hospital facilities, the benefit consists of a lump sum of EUR 900 for one child, EUR 1,200 for twins and EUR 1,600 for triplets. In addition, for women employees on any type of contract (full-time, part-time, or fixed-term), maternity leave (accompanied by an allowance) is provided for 56 days before and 63 days after childbirth. After the end of maternity leave covered by the social insurance fund, women employees are entitled to an extra six months of maternity leave and, thus, to an extra allowance, which is paid by the Manpower Employment Organization (OAED). In order to be entitled to these benefits, the required contributory period is 200 days of work during the two years prior to childbirth.

As regards self-employed women, the period of maternity leave is shorter than that for women employees, while the amount of the respective allowance is lower. In other words, their coverage is partial (see Table for the self-employed in Annex 1). In particular, self-employed women are entitled, for a period of four months, to a monthly maternity allowance of EUR 200 in the case of those in liberal professions and EUR 150 for freelancers. Women farmers are entitled only to a lump-sum allowance of EUR 437.

However, it should be underlined that the new social insurance regulation which will be in force by 1 July 2017 (following the integration of all the different social insurance funds into the Unified Agency of Social Insurance-EFKA), is expected to provide the same maternity benefits to all insured women (both employees and the self-employed).

2.1.3 Old-age and survivors' pensions

The old-age and survivors' main pensions for the self-employed, but also for employees, were provided until recently through the public **mandatory** distributive (pay-as-you-go) social insurance system of defined benefits (unfunded defined-benefit scheme). However, following the recent pension reform (Law 4387/2016), this system has changed to a unified multi-pillar system, which consists of a 'national' (quasi-universal) non-contributory pension (financed by the state budget), and a contributory pension under a defined-contribution pay-as-you-go scheme. The latter uses the method of 'notional individual accounts' in order to achieve a closer relationship between contributions and pensions.

Supplementary pension insurance is compulsory for employees and the independent self-employed (i.e. liberal professions, except doctors), and voluntary for freelancers and farmers. Supplementary pensions are based on the same entitlement criteria (pensionable age and contributory period) as those applying to the main pensions.

The qualifying conditions for the main old-age pension have been the same for all employees and the self-employed since 18 August 2015 (Law 4336/15):

- For a full pension, the statutory retirement age is set at 62 for a contributory period of 40 years, or at 67 for a contributory period of 15 years.
- For a reduced pension, the statutory retirement age is set at 62 for a contributory period of 15 years (for farmers, there is no provision for the granting of a reduced pension).

The only exceptions to the above are (a) mothers with children with disabilities, and (b) salaried workers in heavy and arduous professions; for these groups the statutory age of retirement is lower and the contributory period is shorter.

All insured employees and self-employed people (except farmers) who retired after 12 May 2016 (Law 4387/16) receive the national pension equal to EUR 384 for 20 years of contributions, reduced by 2 percentage points for every year less than that. The minimum contributory period for eligibility for the national pension is 15 years. Also, everyone receives a contributory pension, which is the product of multiplying the

pensionable salary by the replacement rate. The pensionable salary is calculated on the basis of the average salary over the whole working life for employees, and the average monthly taxable income over the whole working life for the self-employed. The replacement rate is the sum of the annual replacement rates, which range from 0.77% to 2% (of the pensionable salary) depending on the number of years of contributions.

For farmers, given that they had a specific contribution scheme which was different from the rest of the insured population, there are transitional provisions which concern the amount of the pension benefits to be granted to them. Their pension benefits are expected to be gradually harmonized, by 2030, with the rest of the insured population.

As regards survivors' pensions, uniform rules are applied to all insured persons. The amount for a widow(er) is equal to 50% of the pension the deceased spouse received or would have received. As far as the children (orphans) are concerned, the amount of the pension equals 25% of the pension the deceased parent received or would have received.

2.1.4 Unemployment benefits and social assistance benefits

Unemployment insurance is mandatory for all employees and self-employed persons in Greece, except farmers. However, it is structured on the basis of previous work and contributions and thus does not constitute a typical unemployment assistance scheme. In short, it is more like an unemployment insurance system with limited coverage.

In particular, for employees on every type of contract (part-time, full-time or fixed-term), the contribution rate for housing and unemployment benefits is 7.1% in total (3.18% paid by the employee and 3.92% paid by the employer). Unemployment benefit is granted for between five months and 12 months (maximum), depending on each individual's contribution record. As regards full-time and part-time employees, to be entitled to unemployment benefit for the maximum period of 12 months, it is necessary to have paid contributions for at least 200 days in the previous two years. To be entitled to the benefit for the minimum period of five months, it is necessary to have paid contributions for at least 125 days during the preceding 14 months. As to fixed-term employees, the required minimum days of work are 125 days during the 14 months preceding job loss. For seasonal workers, at least 100 days of work are required in the last year. The amount of the benefit is very low, at EUR 360 per month.

For the self-employed, there was no provision of unemployment insurance and, thus, of unemployment benefits until 2011 (Law 3986/11)²³, when unemployment insurance was introduced for the first time for freelancers and the independent self-employed (but not for farmers), provided by the Manpower Employment Organization. A monthly contribution of EUR 10 per month is required. It lasts from three to nine months, depending on the period of contributions (the minimum being three years), and is also means-tested.

Following from the above, it becomes evident that, apart from the fact that self-employed farmers are not covered at all against the risk of unemployment, the coverage of the self-employed is partial compared with salaried employees. The duration of the benefit provided is shorter, the eligibility criteria are stricter, and it also means-tested (see Table for the self-employed in Annex 1).

Moreover, it should be pointed out that there are no social assistance benefits in Greece, either for the employees or for the self-employed. However, a new means-tested financial assistance benefit addressing extreme poverty (the so called 'Social Solidarity Income') is to be launched nationwide in February 2017.

²³ See: <http://www.tovima.gr/files/1/2013/19/ΥΠΟΥΡΓΙΚΗ%20ΑΠΟΦΑΣΗ.pdf> (in Greek)

2.1.5 Long-term care benefits

In general, long-term care facilities in Greece continue to be very limited. However, special long-term care benefits are granted under the old-age and invalidity pension schemes, which are compulsory and financed by social insurance contributions. These concern both employees and the self-employed.

In particular, the following long-term care benefits and allowances are provided to old-age or invalidity pensioners in the case of serious disabilities:

- Paraplegics or quadriplegics, who have completed at least 1,000 days of insurance, are entitled to an additional monthly allowance equivalent to the minimum pension.
- People with 100% disability, needing continuing care from a third person, are entitled to a monthly additional allowance equal to 50% of the minimum pension.
- Blindness allowance.

2.1.6 Invalidity, accidents at work and occupational injuries benefits

All insured persons in Greece are entitled to a disability pension. The assessment and determination of the disability take place at Disability Certification Centres, which examine the impact of physical or mental illness on the working ability of the insured person. The amount of disability pension depends on the degree of disability:

- Full pension is paid in case of 80% invalidity.
- Full pension is paid in case of at least 67% disability, if the insured person has completed at least 6,000 days of insurance or 20 years; except in the case of an accident at work, in which case one day of insurance is sufficient.
- A pension of 75% of the full pension is granted in cases of invalidity of at least 67%.
- A pension of 50% of the full pension is granted in cases of invalidity of 50% (this applies to employees of all types, but not to the self-employed).

As regards accidents at work and occupational injuries, all salaried employees and self-employed freelancers are entitled to an allowance during their absence from work, though of varying amounts. For salaried employees (part-time, full-time or fixed-term), there is provision for an allowance which lasts for between one and 720 days. The duration of the allowance depends on the invalidity assessment in combination with the individual's employment insurance record. Even one day of contributions can lead to an entitlement to the allowance of up to 30 days, depending on the medical assessment. For freelancers, an allowance is available only if the invalidity period resulting from an accident or injury exceeds 30 days, while the maximum duration of the allowance is 120 days.

The rest of the self-employed, that is the independent self-employed (liberal professions) and farmers, are not entitled to an allowance for accidents at work or occupational injuries.

2.1.7 Family benefits

For all parents in Greece, there is a means-tested child support allowance (Law 4093/12) as well as a special allowance (means-tested) provided to families or households with three or more children (Law 4141/13).

2.2 Assessment of the existing social provisions and of the impact of possible extension of their coverage

It should be stated right from the outset that the recent reform of the social insurance-pension system in Greece (Law 4387/2016) has brought about a number of changes, including, in particular, an extension of social protection coverage to the self-employed. All six existing social insurance main pension funds for employees and self-employed persons (Social Insurance Fund for Salaried Employees – IKA, Farmers Insurance Organization – OGA, Insurance Organization for Freelancers – OAEE, Unified Fund for Independent Employed – ETAA, Unified Fund for Insurance for the Staff for Mass Media – ETAP-MME, Insurance Organization for Sailors – NAT) will be merged into a single ‘Unified Agency of Social Insurance’ (EFKA).

The establishment of EFKA on 1 January 2017 implies that uniform rules for contributions and benefits will be applied to all insured employees and self-employed people, while facilitating more effectively transitions between employee status and self-employed activity. Among other things, contributions will be calculated on the basis of actual income for both employees and the self-employed. The relevant regulation is under preparation and is expected to be in force by 1 July 2017.

Although these new provisions are a move in the right direction, there is no evidence as yet (nor any study) with regard to their financial implications. In particular, no data are available as to the financial impact on the social insurance system of the change in the basis for calculating contributions by the ‘self-employed’, and no estimates have been made regarding the impact on social protection expenditures of extending coverage of social protection to the self-employed.

However, there are indications (according to press reports²⁴) that the recent change in the basis for calculating contributions (i.e. net taxable income instead of imputed income) has resulted in increased contributions for some categories of the self-employed. This development has a negative impact on the labour market, to the extent that self-employed decide to interrupt their professional activity and either become unemployed or become part of the ‘black economy’. On the other hand, as noted earlier, calculating contributions as a percentage of imputed income also had negative financial implications for a number of self-employed people: many of them accumulated arrears, as their contributions were not commensurate with their real incomes (which shrank dramatically during the crisis period 2009-2016). As a result, a large percentage of the self-employed lost their entitlement to healthcare benefits.

It is worth noting that, as already mentioned earlier, the new social insurance reform aims, among other things, to achieve a closer relationship between contributions and pension benefits. This is to be implemented through the adoption of ‘notional individual accounts’ in both the compulsory contributory pension (under a defined-contribution pay-as-you-go scheme) and the supplementary pension (under a fully funded notional defined-contribution scheme). The purpose of such individual accounts is to individualize pension benefits and improve the return on the contributions paid by the insured in terms of pension benefits provided. This is expected to motivate the self-employed to declare their real income and to pay the corresponding contribution in order to achieve higher pensions in the future.

Nonetheless, as the preceding analysis in section 2.1 shows, there remain significant gaps in certain areas of social provision for the self-employed. For example, it has been estimated that in Greece 85.9% of those at risk of not being eligible for unemployment benefits are self-employed, while 12.6% are unpaid family workers. In terms of age groups, it seems that the most vulnerable group is those aged 60-64, 71.1% of whom

²⁴ See relevant article (in Greek) in the newspaper ‘Efimerida ton Syntakton’, available at: <https://www.efsyn.gr/arthro/kleinoy-n-soridon-ta-mplokakia>

are at risk of not receiving unemployment benefit (Matsaganis et al, 2016, p. 22&24). Moreover, until the new social insurance regulation is put into effect, noteworthy differences can be observed between employees and the self-employed as regards the level of social protection coverage, and especially the amount and duration of the various cash benefits provided, including pensions.

In particular, differentiations in relation to pensions can be observed between the self-employed and employees, due to different ways of calculating pensionable income. For employees, pensionable income until 12 May 2016 was the average salary of the best five years out of the last ten years of work, while for the self-employed it was the assigned imputed income of the relevant insurance category in the year of retirement. It should be highlighted, however, that in most cases the pensionable income of the self-employed has been low as a result of the low contributions paid by them. From 13 May 2016, the basis for calculating pensionable income for both employees and the self-employed has been the average of the insurable earnings from 1 January 2002 until retirement day, which is expected to narrow the aforementioned differential.

As mentioned above, calculating contributions by the self-employed on the basis of real rather than imputed income is expected to increase the contributions paid by a number of self-employed people (mainly those with high taxable income). This, in turn, will increase the cost of the services they provide. However, there have been no estimates in the literature as regards the impact of this change.

As regards employees, changing the basis for calculating pensionable income (i.e. from the average salary of the best five out of the last ten years to the average income of the entire working life) is expected to deter contribution evasion and avoidance, given that it establishes a closer link between entire-life contributions and the pension benefit. However, the fact that the entire working-life income is linked with the retirement income creates a problem with respect to the adequacy of pensions for low-salaried part-time employees – thus weakening the redistributive function of the social insurance system and increasing the risk of poverty among these pensioners.

A further pensions differential as between the self-employed and employees arises from the different coverage of supplementary pension and lump-sum benefits: these are optional for freelancers and farmers, but mandatory for all employees since 1983. An indication of these differences is presented in Table 3 below:

Table 3: Average pension by social insurance fund and by pension category, 2015

Social Insurance Funds for employees	Average Pension (in 2015)	Social Insurance Funds for self-employed persons	Average Pension (in 2015)
IKA (private sector employees)	€640	OAEI (freelancers)	€669
Public servants	€963	ETAA (liberal professions)	€915
ETAP-MME (employed journalists)	€1029	OGA (farmers)	€409
NAT (sailors)	€822		
Average main pension of all employees	€864	Average main pension of all self-employed	€664
Average supplementary pension of all employees	€182	-	-

Average main pension of all employed and self-employed €719

Source: IDIKA, Helios 20th monthly report on Pensions in Greece, 2015

The data presented above confirm that the average pensionable income of the self-employed is lower than that of employees; a difference of EUR 200 is recorded. Supplementary pensions, mandatory for employees, increase the difference to EUR 382.

It should be stated, however, that the recent Law 4387/16 should eliminate most of the differences observed above, with the establishment of the Unified Agency of Social Insurance and the application of unified rules for contributions and benefits for all employed persons in Greece. Moreover, the new Law facilitates the transition from paid employment to self-employment and vice versa, as well as the mobility of new employees between different employment types. However, it should be pointed out that as far as the risk of unemployment, accident at work and temporary disability are concerned, there are still gaps in coverage for the self-employed (e.g. farmers are not covered for the risk of unemployment, while doctors, engineers and lawyers are not covered in the case of accidents at work), which, as yet, have not been dealt with by the recent Law.

3 Conclusions and recommendations

Until very recently, and in spite of the fact that a number of reforms have been implemented in the social protection system over recent years in Greece, significant differences and inequalities continued to exist with respect to social insurance rights, contributory requirements and benefits (in cash and in kind), both between the self-employed and employees, and between different categories of the self-employed. These differences have been mostly unfavourable to the self-employed.

Indeed, in spite of the fact that the rates of social insurance contributions are the same, the burden of contributions on the self-employed is higher than on employees – and indeed among the highest in the OECD countries²⁵ – mainly due to the fact that they are paid entirely by the self-employed themselves (except in the case of farmers, two-thirds of whose contributions are paid by the state). Employees pay one-third of their contributions, with two-thirds paid by their employers. As regards social protection benefits (in cash and in kind) for the self-employed, these are found to be of a lower level, and are provided for shorter periods, than those for employees.

However, most of the differences and inequalities with regard to the level of social protection benefits are expected to be eliminated to a great extent after the application of the new legal framework for social protection introduced by Law 4387/16 in May 2016. It provides, among other things, a single framework for social insurance contributory requirements and benefits for all insured people in Greece.

According to the aforementioned Law, the social protection system in Greece will be converted from a Bismarckian system (characterized by different funds and variations in insurance cover, according to professional activity) to a universal Beveridge-style system. The latter is characterized by the provision of a national pension, which is focused on combating poverty and is funded by the state budget, and the provision of a contributory pension benefit based on uniform rules. Furthermore, more features of a Beveridge-style system, in terms of healthcare coverage, are adopted in the new Greek social protection system (i.e. complete coverage of all citizens who have a Social Insurance Registration Number) – in which there already exist features of the Beveridge system (i.e. a unified system but with no absolute universality of benefits).

Nevertheless, the most important issue that arises with respect to the social protection of the self-employed during the period of the economic crisis in Greece, is the bankruptcy of many businesses; as a result of this many self-employed people have lost their jobs and consequently their social insurance coverage. Furthermore, a large number of the self-employed were unable to pay their contributions, and thus were unable to have social

²⁵ The contribution rates (for pension and healthcare coverage) are 26.95% for Greece against an average of 20.2% for OECD countries in 2015, see: <http://www.oecd.org/tax/tax-policy/Table-III.3-July-2016.xlsx>

protection coverage and to receive benefits²⁶. This phenomenon is the result of the continuous recession and economic downturn that Greece has faced since 2008.

That said, the most urgent issues to be addressed in the area of social protection for the self-employed and non-standard employees in Greece are the following:

There has been a rapid increase in part-time and seasonal employment of short duration and other flexible forms of employment ('rotating employment', etc.) in recent years. This is reflected in the new employment contracts made during 2016, of which 45.26% concerned full-time employment, 40.11% part-time employment and 14.63% rotating employment²⁷. This is mainly the consequence of extremely high unemployment rates and the deregulation of labour relations (personalized employment contracts instead of collective employment agreement). This increase in flexible types of employment has significantly changed the social protection levels of employees and has created key problems of social protection, not only in terms of benefits provision, but also in terms of revenues received by the social insurance funds. Given this, the restoration of collective employment contracts, as well as the sectoral employment agreements, is considered necessary.

Moreover, the increased evasion and avoidance of social insurance contributions in recent years (i.e. non-payment of contributions or total concealment of employment from the social insurance institutions etc.) has led many self-employed people and those employed under non-standard contracts to suffer a limitation or complete loss of their social protection benefits (except healthcare since 2016).

- According to the recently adopted Law 4387/16, from 1 January 2017 the basis for calculating social insurance contributions by the self-employed is no longer imputed income²⁸, but net taxable income in the previous year. This change, though in the right direction, is expected to cause an extra social insurance burden on the self-employed who have an income exceeding EUR 30,000. This, in turn, may lead them to conceal their real income in order to pay reduced social insurance contributions. Consequently, apart from tax avoidance and evasion, this would mean lower pension benefits. To avoid this, apart from measures to combat tax evasion and fraud, favourable transitional provisions are needed, especially in sectors that have been hit hard by the economic crisis²⁹, with regard to the level of social insurance contributions.
- Dependent self-employment and bogus self-employment ('blokakia', as they are called unofficially in Greece) conceal a dependent employment relationship, which lacks the relevant social protection benefits and employment rights. These kinds of employment relationship, especially bogus-self-employment, are chosen by many employers because they have particular advantages compared with the typical salaried employment relationship. That is, employers do not pay social insurance contributions in respect of self-employed people; while with regard to labour rights and social protection benefits, employers do not have to pay compensation in case of interruption of the contractual relationship, nor any allowance for Christmas and Easter or annual leave. The recently adopted Law 4387/16 entails specific provisions for dealing partly with this issue. It provides that if the bogus self-employed have a contractual relationship with just one or two employers per year, social insurance contributions will be paid in line with employee status (i.e. one-third by the self-employed and two-thirds by the

²⁶ As regards healthcare coverage, since March 2016 all uninsured persons in Greece have the right to free access to public healthcare facilities and are entitled to nursing and medical care (Law 4368/2016).

²⁷ Ergani Information System for monitoring salaried employment flows, Monthly report for December 2016 (in Greek) available at: <http://www.ypakp.gr/uploads/docs/10142.pdf> (in Greek).

²⁸ See footnote 21 in subsection 2.1.

²⁹ The 'black' economy and the related tax evasion accounts for 23% (or even more) of GDP. See <http://www.kathimerini.gr/884397/article/epikairothta/ellada/750-eyrw-mayra-dapana-ka8e-ellhnas>

employer for each contractual relationship). However, it is questionable whether employers will apply such provisions in practice, and whether these provisions alone can resolve the issue of disguised employment.

- For all self-employed people (except farmers), there is a gap in coverage against the risk of unemployment in terms of eligibility criteria and duration of the benefit. As regards eligibility criteria, there are different rules for unemployment benefits for the self-employed, including means-tested criteria, compared with salaried employees. As regards the duration of coverage for the self-employed, it varies from three to nine months according to the years of contributions, while the minimum period of contributions required for the self-employed is at least three years. That is, in 2015 benefits were paid to persons who had been self-employed since 2011. For salaried employees, the duration of coverage is 12 months, subject to having at least one year of contributions. The gap in coverage against the risk of unemployment for the self-employed needs to be addressed immediately by applying to them the same eligibility criteria as those for salaried employees. In addition, an unemployment coverage scheme for farmers must also be established. Overall, however, there is a need to increase both the amount and duration of unemployment benefit for all unemployed persons, not to mention easing eligibility rules so that more people are entitled to the benefit in the first place³⁰.
- As stated in the preceding sections, social insurance for supplementary pensions for farmers and freelancers insured in OAEI is voluntary, in contrast to salaried employees (including those in flexible forms of employment) and the independent self-employed (liberal professions, except doctors), whose contributions towards supplementary pensions are mandatory. Similarly, contributions for lump-sum benefits are mandatory for the vast majority of salaried employees and the independent self-employed (except doctors). These differences deprive farmers and freelancers of the respective benefits and therefore of a higher income in retirement. The recent reform of the social protection system (Law 4387/16) failed to deal with this problem, since it lacks any provisions ensuring that all insured people are also covered for supplementary and lump-sum benefits³¹.
- Given the above, a way to resolve the issue could be to create occupational funds for supplementary pensions and lump-sum benefits with voluntary participation by the professional categories currently not covered. These funds, based on a funded scheme and using individual social insurance accounts, would lead to lower contributions compared with those paid into existing compulsory supplementary pension funds.

Overall, despite the various measures taken over recent years, there remain certain differences and inequalities between employees and the self-employed, as regards their social protection obligations and rights. However, the gradual implementation of the very recent reform of the social protection system (Law 4387/16) is expected, among other things, to ease further the remaining differences between the self-employed and employees with regard to contributions and benefits, and eventually to deal with the unresolved issues discussed above. However, it should be underlined, once more, that one of the crucial problems of the social protection system in Greece continues to be related to the lack of social protection coverage for those persons (both employees and the self-employed) who are active in the 'black' economy, concealing their employment relationship so as to avoid paying social insurance contributions. Specific and

³⁰ At present, only about 1 in 8 registered unemployed people are eligible for unemployment benefit.

³¹ It has not been obligatory by Law, because it would entail an additional 7% charge for supplementary insurance and an additional 4% charge for lump-sum provision. This would have raised the rate of contributions to a total of 37.95%, which is too high for freelancers and even more so for farmers, especially during current times when the tax burden has increased significantly.

comprehensive action is thus required to deal with this situation, which is becoming of increasing concern.

Annex 1

Summary table: ACCESS TO SOCIAL PROTECTION: SELF-EMPLOYED

	On her/his own account	With employees (self-employed employer)	Dependent on single client	Dependent on contractual relationship with client	Liberal professions (e.g. doctor, notary, lawyer)	Persons providing services paid by receipt of business expenditure
Healthcare - cash benefits and benefits in kind	Full	Full	Full	Full	Full	None
Sickness - cash benefits and benefits in kind	None	None	None	None	Partial: Compared with the 'salaried employees', the period of sick leave is shorter and the cash benefit is lower. (In general, the period of sick leave is rather short, while the relevant cash benefit is very low.)	None
Maternity/paternity - cash benefits and benefits in kind	Partial: Compared with the 'salaried employees', the period of maternity leave is shorter and the cash benefit is lower. (There are no paternity cash benefits.)	Partial: Compared with the 'salaried employees', the period of maternity leave is shorter and the cash benefit is lower. (There are no paternity cash benefits.)	Partial: Compared with the 'salaried employees', the period of maternity leave is shorter and the cash benefit is lower. (There are no paternity cash benefits.)	Partial: Compared with the 'salaried employees', the period of maternity leave is shorter and the cash benefit is lower. (There are no paternity cash benefits.)	Partial: Compared with the 'salaried employees', the period of maternity leave is shorter and the cash benefit is lower. (There are no paternity cash benefits.)	None

Old age pensions (preretirement benefits and pensions)	Full <i>(In Greece, there are no preretirement benefits.)</i>	Full <i>(In Greece, there are no preretirement benefits.)</i>	Full <i>(In Greece, there are no preretirement benefits.)</i>	Full <i>(In Greece, there are no preretirement benefits.)</i>	Full <i>(In Greece, there are no preretirement benefits.)</i>	None
Survivors pensions and death grants	Full	Full	Full	Full	Full	None
Unemployment benefits	Partial: Compared with the 'salaried employees', the eligibility criteria are stricter (means tested), while the period of the benefit is shorter. It is not provided to the 'self-employed farmers'. <i>(In general, unemployment benefits in Greece are low and the period provided is limited, up to 12 months.)</i>	Partial: Compared with the 'salaried employees', the eligibility criteria are stricter (means tested), while the period of the benefit is shorter. It is not provided to the 'self-employed farmers'. <i>(In general, unemployment benefits in Greece are low and the period provided is limited, up to 12 months.)</i>	Partial: Compared with the 'salaried employees', the eligibility criteria are stricter (means tested), while the period of the benefit is shorter and the. It is not provided to the 'self-employed farmers'. <i>(In general, unemployment benefits in Greece are low and the period provided is limited, up to 12 months.)</i>	Partial: Compared with the 'salaried employees', the eligibility criteria are stricter (means tested), while the period of the benefit is shorter. It is not provided to the 'self-employed farmers'. <i>(In general, unemployment benefits in Greece are low and the period provided is limited, up to 12 months.)</i>	Partial: Compared with the 'salaried employees', the eligibility criteria are stricter (means tested), while the period of the benefit is shorter. <i>(In general, unemployment benefits in Greece are low and the period provided is limited, up to 12 months.)</i>	None
Social assistance benefits	Full <i>(As of February 2017.)</i>	Full <i>(As of February 2017.)</i>	Full <i>(As of February 2017.)</i>	Full <i>(As of February 2017.)</i>	Full <i>(As of February 2017.)</i>	Full <i>(As of February 2017.)</i>
Long-term care benefits	Full	Full	Full	Full	Full	None
Invalidity benefits	Full	Full	Full	Full	Full	None
Accidents at work and occupational injuries benefits	Partial: Compared with the 'salaried employees', the cash benefit for the accidents at work for self-employed	Partial: Compared with the 'salaried employees', the cash benefit for the accidents at work for self-employed	Partial: Compared with the 'salaried employees', the cash benefit for the accidents at work for self-employed	Partial: Compared with the 'salaried employees', the cash benefit for the accidents at work for self-employed	None	None

	persons is lower, while there is no such provision for this benefit for 'farmers', and 'liberal professions' (doctors, notaries, lawyers and civil engineers.)	persons is lower, while there is no such provision for this benefit for 'farmers', and 'liberal professions' (doctors, notaries, lawyers and civil engineers.)	persons is lower, while there is no such provision for this benefit for 'farmers', and 'liberal professions' (doctors, notaries, lawyers and civil engineers.)	persons is lower, while there is no such provision for this benefit for 'farmers', and 'liberal professions' (doctors, notaries, lawyers and civil engineers.)		
Family benefits	Full	Full	Full	Full	Full	Full

SUMMARY TABLE ACCESS SOCIAL PROTECTION: CONTRACTUAL EMPLOYMENT (NON-STANDARD CONTRACTS)

	Full-time employee	Part-time employee	Fixed-term employee	Temporary agency worker	Casual and seasonal workers	On-call workers	Zero-hour workers	Apprentices	Paid trainees	Persons in vocational/professional training
Healthcare - cash benefits and benefits in kind	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	Full	Full	None
Sickness - cash benefits and benefits in kind	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	Full	Full	None
Maternity/paternity - cash benefits and benefits in kind	Full (There are no paternity cash benefits.)	Full (There are no paternity cash benefits.)	Full (There are no paternity cash benefits.)	Full (There are no paternity cash benefits.)	Full (There are no paternity cash benefits.)	There is no such category in Greece.	There is no such category in Greece.	Full (There are no paternity cash benefits.)	Full (There are no paternity cash benefits.)	None
Old age pensions (preretirement benefits and pensions)	Full (In Greece, there are no preretirement benefits.)	Full (In Greece, there are no preretirement benefits.)	Full (In Greece, there are no preretirement benefits.)	Full (In Greece, there are no preretirement benefits.)	Full (In Greece, there are no preretirement benefits.)	There is no such category in Greece.	There is no such category in Greece.	Full (In Greece, there are no preretirement benefits.)	Full (In Greece, there are no preretirement benefits.)	None

Survivors pensions and death grants	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	Full	Full	None
Unemployment benefits	Full (Up to twelve months only.)	Partial: The period of the benefit is limited, depending on the contributory period. Compared with the 'full-time employees', the cash benefit is the same when the part time or the fixed term or seasonable worker salary is equal or higher than 50% of the 'minimum	Partial: The period of the benefit is limited, depending on the contributory period. Compared with the 'full-time employees', the cash benefit is the same when the part time or the fixed term or seasonable worker salary is equal or higher than 50% of the 'minimum	Partial: The period of the benefit is limited, depending on the contributory period. Compared with the 'full-time employees', the cash benefit is the same when the part time or the fixed term or seasonable worker salary is equal or higher than 50% of the 'minimum	Partial: The period of the benefit is limited, depending on the contributory period. Compared with the 'full-time employees', the cash benefit is the same when the part-time or the fixed-term or seasonable worker salary is equal or higher than 50% of the 'minimum full time salary'. Otherwise, the cash benefit provided is	There is no such category in Greece.	There is no such category in Greece.	None	None	None

		full time salary'. Otherwise , the cash benefit provided is lower.	full time salary'. Otherwise , the cash benefit provided is lower.	benefit provided is lower.	lower.					
Social assistance benefits	Full (As of February 2017.)	Full (As of February 2017.)	Full (As of February 2017.)	Full (As of February 2017.)	Full (As of February 2017.)	There is no such category in Greece.	There is no such category in Greece.	Full (As of February 2017.)	Full (As of February 2017)	Full (As of February 2017)
Long-term care benefits	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	None	None	None
Invalidity benefits	Full	Full	Full	Full	Full	There is no such category in Greece.	-	None	None	None
Accidents at work and occupational injuries benefits	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	Full	Full	Full
Family benefits	Full	Full	Full	Full	Full	There is no such category in Greece.	There is no such category in Greece.	Full	Full	Full

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