



Reforming the social welfare system in Greece

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The introduction of new means-tested social welfare benefits and the reform of existing ones, together with certain initiatives concerning facilitation of access and improvement of management and delivery, are the main elements of the social welfare reform which has taken place in Greece. These are expected to strengthen the welfare system by improving targeting and efficiency, while tackling fragmentation.

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Description

The reform of the social welfare system has been among the main structural reforms agreed in the framework of the three consecutive “Memoranda of Understanding” signed between Greece and the European Commission, the European Central Bank and the International Monetary Fund. To this end, a number of government initiatives have been taken over the last few years, among which the following can be singled out:

- The implementation (as of February 2017), for the first time in Greece, of a minimum income scheme, namely the Social Solidarity Income (SSI) scheme. The SSI is a means-tested scheme, addressed to households living in extreme poverty. The provisions of the scheme are based on three pillars: income support; access to social services and goods; and provision of support services for (re)integration into the labour market.
- The establishment and operation (gradually, since mid-2017) of Community Centres in most of the municipalities of the country. Their aim is to support the municipalities in implementing social policy measures and initiatives through the development of a local point –a kind of one-stop-shop– for reception, service provision and liaison of citizens with all social programmes and services available at local level. Priority is given

to citizens facing extreme poverty and social exclusion and, in particular, to those who are beneficiaries of the SSI scheme, facilitating their access to welfare benefits and to the various social services, goods and active labour market programmes.

- The reform of the family benefits scheme (as of January 2018): mainly the consolidation of the two main family/child benefits into a single new “Child Benefit”. Prior to this reform, in May 2017, two small family/child allowances were abolished.
- The pre-legislation of a new, means-tested housing benefit to enter into force as of January 2019. This new housing benefit has been allocated an estimated budget of €600 million per year to be drawn from the state budget, and it is expected to cover approximately 600,000 households. It is intended for those who live in rented accommodation or are paying mortgage loans for their primary residence. Beneficiaries must have been legal and permanent residents of the country during the last five years preceding the submission of the application and must fulfil certain income and assets criteria. With regard to the income criteria, the total annual income of a single household should not exceed €8,000, while for each additional household member this amount is increased by €4,000, with an upper ceiling of €24,000 per year. The amount of the benefit is set at €70 per month for a single

household, while for each additional household member, this amount is increased by €35 per month. The maximum monthly amount of the benefit cannot exceed €210, irrespective of the household's composition.

- The modification of the Disability Assessment System (which was launched in January 2018). Among the main actions taken in this respect was a revision of the list of diseases for which disability is taken to be indefinite. This led to a significant increase in the number of diseases for which disability benefit entitlement is awarded indefinitely. In addition, a review was carried out of the degree of disability awarded to each disease, resulting in an upgrading of the degree of disability for a number of diseases. Moreover, a pilot project is currently underway to explore new administrative procedures and appropriate criteria for disability assessment, based on functional ability, along with medical criteria. The findings of this pilot project may potentially lead to the design of a new disability assessment system, to be applied to all contributory disability and welfare benefits.

It is also worth noting, however, that recently there has been a change in the administration and management of all welfare benefits in Greece. A new organisation has been established (Law 4520/2018) to act as a single public payment authority responsible for all welfare benefits, including the abovementioned benefits. This is the Organisation for Welfare Benefits and Social Solidarity (OPEKA), which has been in operation since February 2018, following on from the former Farmers Insurance Fund (OGA). OPEKA will develop an IT platform and digital services for all welfare-relevant issues, while some of its functions will be linked and supported by the Community Centres at local level.

Outlook & commentary

It is generally accepted that the social welfare system in Greece falls short of constituting a social safety net, and is still characterised -by and large- by lack of planning, administrative and functional deficiencies and fragmented implementation of social benefits and programmes. However, a number of Government initiatives taken over the last few years have begun to address these inadequacies by improving targeting and efficiency, while tackling fragmentation.

In particular, new benefits, such as the Social Solidarity Income and housing benefit, together with the reformed family benefits, are considered as core/streamline social benefits, which may potentially act as a social safety net against (extreme) poverty and social exclusion. At the same time, the establishment and operation of the Community Centres, apart from facilitating citizens' access to these benefits, can create links with other related services at local level; this could help to avoid overlapping and to tackle fragmentation of social services and programmes. Moreover, the initiative amending the disability assessment system is expected to improve administrative procedures and to make the disability benefit system better targeted at those in need. Finally, the fact that a new organisation has been created to manage and deliver all welfare benefits constitutes a very positive development, expected to improve governance in this area, which remains rather weak.

It remains to be seen whether all these initiatives will be fully implemented, and it is too early to assess the impact in terms of improved effectiveness and targeting of the social welfare system.

In spite of these positive developments, the social welfare system still has no integrated institutional policy framework with proper monitoring and impact assessment mechanisms.

Further reading

Ziomas, D., Bouzas, N., Capella, A. and Konstantinidou, D. (2018), New reform of the family benefits scheme in Greece, Flash Report No 2018/28, European Social Policy Network (ESPN), Brussels: European Commission, available at:

<http://ec.europa.eu/social/BlobServlet?docId=19709&langId=en>

Ziomas, D., Capella, A. and Konstantinidou, D. (2017), The national roll-out of the "Social Solidarity Income" scheme in Greece, Flash Report No 2017/68, European Social Policy Network (ESPN), Brussels: European Commission, available at:

<http://ec.europa.eu/social/BlobServlet?docId=18246&langId=en>

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