



Greece

# Minimum Income Schemes

## A Study of National Policies

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*Disclaimer: This report reflects the views of its author(s) and these are not necessarily those of either the European Commission or the Member States. The original language of the report is English.*

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## 1. Executive Summary

As it has been the case over the last ten years or so, the poverty rate in Greece continues to remain at high levels, being among the highest in the European Union. And this, despite the fact that a substantial increase in public social expenditure has been observed over the same period. Today, public spending on social protection in Greece as a share of GDP is not substantially lower than the respective EU-27 average, but the impact of social transfers (beyond pensions) in reducing the risk of poverty remains by far lower than the EU average (4 percentage points against 9 percentage points for EU-27 in 2007).

Undoubtedly, social policy inadequacies have a significant bearing upon this situation. For, it is still characterised by lack of planning, administrative and functional deficiencies and fragmented implementation of measures. The system of social provision remains largely based on a “no means-tested approach” and continues to lack a policy mix that would combine cash benefits and active inclusion measures and especially active labour market measures, which, nevertheless, have been on the increase over recent years.

Moreover, the Greek State has failed, thus far, to develop a ‘minimum Social Safety Net’ for all those in need. Greece is the only Member State among the old EU-15 that does not provide forms of social assistance which guarantee at least a subsistence income. There is still an absence of an officially predefined level of minimum resources or a subsistence level which the cash benefit policy is intended to cover.

In particular, Greece has not developed a national general social assistance system, entailing a minimum guaranteed income scheme, which provides for the social protection of all the population in case of need. Instead, there exists a variety of categorical -and fragmented- social assistance schemes for the protection of certain categories of the population such as: unprotected children, single- parent families, non insured-mothers, disabled, uninsured elderly, large families, mothers of many children and unemployed persons. The benefits in cash provided to these categories are welfare benefits, in the main non- contributory, while many of them are no-means-tested.

The lack of a general minimum income scheme and instead the existence of various kinds of benefits and allowances allocated according to a variety of criteria produces a rather confusing picture. For, these categorical cash benefit schemes addressed to various groups differ in their conditions of eligibility and procedures, forming a complex puzzle, which among other things, leads to mistargeting of beneficiaries and to lower take-up of benefits. It is very difficult to have a clear picture of who gets what and how. Complexity coupled with an overall meagreness of cash benefits are characteristic features of the Greek system of social welfare provision. It seems likely that the more complex the system, the harder it will be for claimants to have access to it and thus the take-up is expected to be lower.

In short, Greece has neither adopted a legally binding definition of a minimum level of living for policy purposes, nor a universal minimum income scheme and as a result the existing social assistance system tends to compensate selective categories and does not constitute a safety net for all people in need. Moreover, the EU recommendation of combining active inclusion measures and minimum resources has not as yet led to specific policy action at the national level.

## 2. Analysis of the situation in relation to minimum income schemes in Greece

### *An introductory note*

It is generally accepted that the social protection system in Greece has been developed in a way characterised by spasmodic measures for treating specific problems, by the lack of social planning and the absence of defining minimum living standards, while benefits of various kinds were attributed in the main on political criteria. In other words, social policy has taken the form of a number of heterogeneous measures, where basic principles such as universality in need coverage and poverty thresholds to be used as policy targets are lacking.<sup>1</sup>

Nevertheless acknowledgement should be made of the fact that since the 1980's one observes the emergence of expansive welfare policies which led, in turn, to increased social expenditure, especially during the 1990's, where a remarkable degree of convergence with the rest of the old EU-15 member-states in quantitative terms was observed.

Despite, however, the substantial increase in social expenditure -today the corresponding share of GDP is not substantially lower than the EU-25 average- the Greek welfare system remains far less efficient in alleviating poverty than respective systems in other EU member states. Evidence suggests that the relatively high level of public social spending in Greece continues to go hand in hand with low effectiveness of social transfers. Eurostat's latest available data (EU-SILC 2007) reveal that social transfers - except pensions- reduce the poverty rate by only 4 percentage points in relation to 9 percentage points for the EU-27 respective average.

It may be argued that although the Greek state's intervention in the welfare field has been significantly increased in quantitative terms since the 1980's this has not been combined with the ideological implications of a Welfare State's development. That is, in spite of a number of positive developments in the social policy field over the last ten years, it is still characterized by a traditional approach to needs, placing emphasis on many categorical -and low level- cash benefits rather than on services in kind and active policies. The influence of the EU policies on the Greek welfare model has undoubtedly brought about changes at the level of policy but these have been confined mainly at the level of policy instruments and less so at the policy content level.<sup>2</sup>

The Greek welfare system is clearly geared towards social insurance and contributory benefits, while social assistance benefits remain limited. This situation is reflected in the structure of social expenditure. Social Insurance Funds constitute by far the main channel for social protection accounting for 51.3% of total expenditure. That is, social expenditure is dominated by expenditures on pensions, representing more than half of it. Yet, given that low pensions in Greece consist for a large part of non contributory social assistance support, it is argued that they can be considered as part of social policy expenditure.

Notwithstanding this, acknowledgement should be made of the fact that under the EU influence and with the financial support of the ESF, targeted measures and means-tested benefits have

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<sup>1</sup> For an in-depth analysis see: Guillen A., Matsaganis, M., 2000 and Spanou C., 2005.

<sup>2</sup> Sotiropoulos D., 2004.

been on the increase in Greece since the mid 1990's.<sup>3</sup> The Social Solidarity Supplement (EKAS), which was introduced in 1996 as a non-contributory income-tested supplement for low pay pensioners, can be singled out as a good example in this respect. This, nevertheless, constitutes a fragmented measure and does not form a part of a general scheme of means –tested benefits. Still, means- testing is not the rule in Greek social policy.

## 2.1 Brief panorama and description of the institutional design of Minimum Income - categorical social assistance schemes

Once again, it should be stated right from the outset, that, thus far, Greece has not yet put in force the EU Recommendation 92/441/EEC of 24 June 1992, concerning the implementation of a Minimum Income Scheme (MIS) for all people in need. In this respect, it is not feasible to comment on the Minimum Income Scheme as the basic ingredient of the active inclusion policy implemented in Greece, let alone on its links to labour market activation policies and to facilitating access to quality services.

The lack of a universal guaranteed minimum income scheme in Greece, is partly counterbalanced by a complex system consisting of a great variety of scattered and uncoordinated income transfer schemes (categorical social assistance schemes) aiming at the financial support of specific population groups or groups living under certain socio-economic conditions. A description of the main welfare benefits and allowances is presented below, which is followed by two tables presenting the wide range of such benefits that are in force in Greece (including the amount of each benefit/ allowance and in some cases the number of recipients).

In particular, the Greek state provides a variety of social benefits and allowances which are mainly connected with labour market and health issues (including disability), as well as with family and children, under the responsibility of the Ministry of Employment and Social Protection and the Ministry of Health and Social Solidarity respectively.

- **Social benefits provided by the Ministry of Employment and Social Protection**

As far as the labour market benefits are concerned, the Ministry of Employment and Social Protection is in charge of determining the procedures and the prerequisites in order to claim a benefit. The majority of benefits are provided by OAED (the public employment agency), while the rest are under the responsibility of the social insurance funds (namely OGA and IKA).

### **No means – tested**

Most of the benefits which are provided by the Ministry of Employment and Social Protection affect persons already in employment (special maternity benefit, family benefit e.t.c) or persons exiting from employment (unemployment benefit, special seasonal benefit etc) and are **no means-tested**. One could say that these benefits are related either with employability or with maternity and family. It can therefore easily be stated that these benefits are not social welfare benefits, but contributory benefits, because they presuppose direct or indirect employability.

As a result, people that are economically inactive and people looking for a job for the first time are not entitled to any of these benefits whatsoever. The exception being the monthly allowance for young people aged 20-29 who are looking for a job for the first

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<sup>3</sup> Guillen A., Matsaganis, M., 2000 and Matsaganis M., 2004.

time and are registered in OAED as unemployed for one year. This monthly allowance, amounting to 74€ for a duration of 5 months, is far from constituting a true supportive measure for young people.

### Means – tested

Apart from benefits focused on employment and maternity, the Ministry of Employment and Social Protection is also responsible for **3 means-tested benefits**, which were announced in 2001 and were introduced in September 2002 in order to strengthen social cohesion and promote the social inclusion in Greece.

These categorical benefits are targeted at population groups with certain specific characteristics and are made conditional on specific economic criteria. The benefits are the following:

- 1) financial support (300€ or 600€ per year) to permanent resident households in disadvantaged areas with yearly family revenue under 4,000€ (in 2008)
- 2) a pre-school and school cash benefit (300€ yearly for each child) to families with children up to 16 years old with yearly revenue not exceeding 3,000€ (in 2008) and
- 3) financial support (200€ per month for 12 months) to long-term unemployed aged 45-65 that have exhausted their unemployment benefit and have yearly revenue under 5,000€ (in 2008).

Summing up, two are the main comments in relation to the benefits provided by the abovementioned Ministry. Firstly, all the provided benefits – except the one devoted to young persons 20-29 years old – are closely related to the work record of ex-employed persons. In this respect, almost all benefits are contributive ones and can not be counted as social benefits. Secondly, employed and ex-employed persons with less working days than those defined by relative laws are not eligible for taking any benefit. Thirdly, the normal unemployment compensation provided by the Ministry of Employment and Social Protection is attributed only to ex-employed persons worked in the private economic sector with a permanent or a time fixed job contract who have been fired or their contract has ended up. In other words, persons working as self-employed are not eligible for receiving unemployment compensation.

#### ▪ Social benefits provided by the Ministry of Health and Social Solidarity

The benefits financed by the Ministry of Health and Social Solidarity can be grouped in 4 large categories.

The **first category** entails all those benefits that aim at providing financial support to people with certain health and disability problems and are **no means - tested**. That is, the benefits are available to all people facing these health problems and there is no administrative mechanism to evaluate their economic situation. In other words these provisions are not acting as a safety net for people confronting extreme poverty, but are meant to be supportive to all people facing illness. These benefits are financed by the Ministry of Health and Social Solidarity and are delivered to the beneficiaries through the social welfare department of the Prefectures.

The amount of these benefits varies between the different categories of health and disability. This differentiation in the amounts is not based on precise criteria and as a consequence there is criticism about unequal treatment among the disabled.

The **second category** of benefits is the categorical. These benefits are aiming at certain groups of population based on socio-economic and other characteristics. The State uses those benefits in order to offer protection to **certain vulnerable groups** that are thought to be in need. Examples of such benefits are: the allowance for unprotected children up to 16 years old, the allowance for uninsured elderly and the maternity allowance for uninsured women.

The first two allowances are periodical, concerning children up to 16 years old (the first) and persons over 65 years old (the second). On the other hand, the third allowance consists of a lump sum (440€ for 2008) paid to the mother, half before and half after the birth of the child (from the social welfare department of the Prefectures).

The **third category** of benefits is meant to support people of all socio-economic groups in situations of extreme poverty and in situations of natural disasters. Although the legal framework for this kind of benefits has been introduced in 1973, until now there is no particular use of the legislation. The main reason for this is that the law does not describe particular measures and mechanisms to ensure a decent standard of living for those facing economic difficulties. In addition, there is a legislative gap concerning the definition of a minimum level of living, due to political unwillingness. As a result, benefits that belong to this category are mostly in use for a) supporting expatriates and b) people dealing with extreme poverty due to natural disasters and extreme circumstances. Examples of such benefits are: the Social Assistance Benefit, and the Emergency allowance.

In short, although there is a general legal framework with a view to providing a safety net to all those in extreme poverty, its administrative specification and actual implementation is still pending. In the minor cases of people, who claim financial support from the State, because they are unable to support themselves and the family, the state acts spasmodically with providing a lump sum of maximum 3,000 €. This benefit can, therefore, by no means be seen as a substitute of a minimum income scheme.

Finally, there is also a **fourth category** of **supplementary benefits**. These benefits are mainly benefits in kind. They tend to provide a) free access to the health services and b) housing for uninsured elderly people over 65 years old, living in extreme poverty.

As far as, the provision of health services is concerned to the people facing extreme poverty and lacking social insurance, a new mechanism was established in 1999, called the "Single register of uninsured and financially insecure people". In order to register there, persons should fulfill 3 criteria: 1) they must have a legal and permanent residence in Greece, 2) they must be uninsured and 3) they must not exceed a family revenue of 4,400 € (with the addition of 30% for the wife and 20% for each child).

It should be pointed out however that the above mentioned measure can be seen as a fragmented attempt by the Greek State to put in practice the economic criterion of eligibility in a measure that aims at covering a wider share of population with no other

specific categorization criteria. The “Single register of uninsured and financially insecure people” has a duration of 1 year and is renewable.

As regards the housing support, this is only a limited benefit targeted to uninsured elderly over 65 years old, who are facing extreme poverty and have nowhere to live. The state pays the rent for the house that is rented to the elderly directly to the owner.

In addition to the above, very recently (February 2009), the Greek government introduced the ‘**social cohesion benefit**’. This is the first measure taken by the newly established ‘*National Fund for Social Cohesion*’. The Fund, whose actual operation is still pending, was established almost a year ago with the mission to implement specific actions aiming at combating poverty and social exclusion and supporting those in need.

This new so called ‘social cohesion benefit’ is in fact nothing more than a lump sum of 100€ or 150€ or 200€ per person (depending on the area of residence). This benefit is actually a heating financial support (also called heating benefit) and it is given to certain vulnerable groups (unemployed, disabled and low-pensioners) who already are beneficiaries and receive financial support from other social benefits.

Consequently, this new benefit is not aiming at the social inclusion of all the people in great need, but its character is supplementary, targeted at those already covered by the social welfare system. In other words, people not belonging to any category of beneficiaries of the welfare system, are left out from this benefit also.

From all the above one can draw the conclusion that despite the variation and the number of the different benefits in the Greek social protection system, these benefits do not form a ‘safety net for all’ against extreme poverty, as they are focused on specific groups and characteristics of the population.

The two tables below present the largest part of the numerous benefits of the Greek welfare system.

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**Table A:** Benefits under the Ministry of Employment and Social Protection<sup>4</sup>

MINISTRY OF EMPLOYMENT AND SOCIAL PROTECTION						
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Number of persons who receive the benefits</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Revenue support to permanent resident households in mountainous and disadvantaged areas, with a yearly family revenue under €4000 <sup>5</sup>	EUR 600 for family revenue under EUR 2,600, and EUR 300 for family revenue EUR 2.600 to 4,000 (yearly)	47,000 households ( in 2003)	Families residing permanently in mountainous or otherwise disadvantaged areas—including single-parent families—with an overall annual revenue under EUR 4,000	12 months (renewable)	No reference	YES
Support for long-term unemployed persons aged 45-65	EUR 200 per month		Persons who can demonstrate that they had been unemployed in the entire 12 month period prior to submitting the application with a revenue up to EUR 5,000 ( increased by EUR 587 for every child under 18)	12 months	45-65	YES
Pension for elderly uninsured persons	EUR 226 per month	43.500 persons	Unemployed elderly with no personal income and income of partner not exceeding the basic pension of OGA.		65+	YES
Pre-School and School Benefit to Families with Children up to 16 years old	The amount of support will be EUR 300 yearly for each child who is a student of grades 1 through 9	13,000 families (in 2003)	Families (including single parent families) with yearly revenue under EUR 3000	12 months (renewable)		YES
EKAS Supplement Benefit	EUR 57.50 up to 230 per month	365,000 persons	OGA pensioners with yearly personal income up to 7.165€ and family income up to 13.009 €	12 months (renewable)	60+	YES

<sup>4</sup> [http://www.oaed.gr/Pages/SN\\_46.pg](http://www.oaed.gr/Pages/SN_46.pg)

<sup>5</sup> The cost is covered by the public expenses of the budget of the Ministry of Economy and Finance.

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<b>MINISTRY OF EMPLOYMENT AND SOCIAL PROTECTION</b>						
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Number of persons who receive the benefits</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Special allowance after the end of the unemployment benefit period	The allowance amounts to EUR 147.16 (equal to 13 days of basic unemployment benefits)		Unemployed persons who are not engaged in seasonal work after the end of the unemployment benefit period, provided they remain unemployed for one additional month, and provided their yearly income does not exceed EUR 7043.29			YES
Special allowance after having remained for three months in the unemployment registers	The allowance amounts to EUR 169.80	5,105 persons	Unemployed persons who do not qualify for regular unemployment benefits, and who have worked a minimum of 60 days within the year prior to their enrolment in the OAED unemployment registers. Additionally, they must remain in the OAED unemployment registers for three months and their yearly income must not exceed EUR 7043.29			YES
Special allowance for released prisoners	EUR 220.35 per month		This allowance will be paid to recently released prisoners with no recidivist behaviour	3 months		NO
Unemployment benefit	EUR 430.75 per month	259,000 persons (in 2004)	Employees whose employment contract has expired or has been terminated by the employer, and who have been insured in the unemployment branch of OAED (The requirements are different if they are receiving the benefit for the first time, or for the second and subsequent times)	12 months	15-64	NO
Allowance for young persons aged 20-29	EUR 73.37 per month	1940 persons	Persons aged 20-29 who are entering the labour market for the first time, who seek work but remain unemployed, and have been enrolled in the OAED unemployment registers for one year	5 months	20-29	NO
Special seasonal benefit	EUR 532-1,064 per year	170,000 persons	Unemployed workers in certain occupational categories that are seasonal in character	12 months	15-64	NO

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<b>MINISTRY OF EMPLOYMENT AND SOCIAL PROTECTION</b>						
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Number of persons who receive the benefits</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Children benefit	EUR 40 per month	82,871 families				NO
3 <sup>rd</sup> child benefit provided by OAED	EUR 159 per month	54,481 families				NO
Special maternity benefit	EUR up to 700 per month		Working women insured under the IKA social security fund, after the delivery of a baby and on the condition that they have collected the IKA benefit for having been on maternity leave	6 months		NO
Family benefit	EUR 8.22 – 180.36 per month		Working parents that have one or more children up to 18 years old or 22 years old if studying and are not married	12 months		NO

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**Table B:** Benefits under the Ministry of Health and Social Solidarity<sup>6</sup>

MINISTRY OF HEALTH AND SOCIAL SOLIDARITY					
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Social Support for AIDS - haemophilia	EUR 532 per month	Persons suffering from thassaemia, congenital predisposition to haemorrhage, or AIDS, provided they do not receive any other economic support from any other source for their illness	Lifelong		NO
Allowance to blind persons	EUR 266 for uninsured EUR 532 for indirectly insured	Citizens who are entirely blind to light or who have visual acuity under 1:20, when there is no correction or cure for their condition	Lifelong		NO
Kidney patients' nutritional allowance	EUR 58 (minimum) to EUR 87 (maximum)	Citizens with renal failure	Lifelong		NO
Allowance to persons with disabilities over 67%	EUR 230 per month		Lifelong		NO
Allowance to uninsured and indirectly insured persons with disabilities	EUR 230 per month				NO
Allowance to deaf –mute persons	EUR 266 per moth	Persons who are deaf or have a serious hearing deficiency, provided their condition is congenital and has therefore prevented them from developing the ability of speech. They must also fall into one of the following categories: Young persons aged 19 – 25 who are students; persons aged 19 – 65 who are unable to work due to their condition; young persons up to 18 years of age; and persons over 65 years old.	Lifelong		NO
Allowance to quadriplegic	EUR 528,20 per month	Persons who are insured under the public sector social security fund, and are quadriplegic or paraplegic, provided they do not reside in an institution or receive any other economic support for their condition from public sector agencies	Lifelong		NO
Allowance for Serious Mental Retardation	EUR 360 per month	Citizens with serious mental retardation, with intelligence quotient under 30, and children up to the age of two and a half years, in whose case the IQ can not yet be determined	Lifelong		NO

<sup>6</sup> [http://www.atticaeast.gr/index.php?option=com\\_content&task=category&sectionid=4&id=46&Itemid=371](http://www.atticaeast.gr/index.php?option=com_content&task=category&sectionid=4&id=46&Itemid=371)

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MINISTRY OF HEALTH AND SOCIAL SOLIDARITY					
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Persons with brain damage	EUR 532 per month		Lifelong	0-18	NO
Leper persons	EUR 266 per month for internal patients and family members EUR 532 per month for patients in private houses		Lifelong		NO
Allowance for uninsured elderly	EUR 277.75 per month			65+	YES
Large family allowance	EUR 36.29 per month for each dependent child and minimum monthly allowance amounts to EUR 67.50	Large households with at least four children under 23 and single			NO
Allowance for a third child (OGA)	EUR 164 per month	Mothers with a third child under 6 years of age			NO
Lifelong pension for mothers of four or more children	EUR 92 per month	Mothers of large families			NO
Maternity allowance	EUR 440.20 lump sum	Uninsured mothers and also to working women who are not entitled to such an allowance from their insurance fund			NO
Natural Disaster Social Assistance Allowance	It varies depending on the particular circumstances	a) Citizens who have suffered damage from natural disasters, and b) Persons who were injured or became handicapped as a result of the disaster, and to families who lost one of their members in the disaster			NO
Emergency allowance	EUR 234.78 per month	Citizens who are unable to cover with their own means some emergency (due to illness, death et al.)			YES

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MINISTRY OF HEALTH AND SOCIAL SOLIDARITY					
<i>Benefits / Allowances</i>	<i>Amount</i>	<i>Eligibility criteria</i>	<i>Duration</i>	<i>Age Groups</i>	<i>MEANS-TESTED</i>
Special allowance for repatriated Greeks	EUR 283 per month (in 2003)	This allowance is paid to political refugees who had to leave Greece during the 1946 – 49 civil war, or to ethnic Greeks from the countries of eastern Europe, provided that they are unemployed and registered in the OAED registers			NO
Allowance for unprotected children	EUR 44.02 per month	Children up to 16 years old living within families with no father protection due to death, imprisonment, disability etc., with a family revenue not exceeding 295 € per month		0-16	YES

On the basis of the data presented above, a number of useful remarks can be made:

- The majority of benefits / allowances appear to be flat rate ones. Only a few benefits/ allowances are means-tested. These latter benefits/ allowances are: *Revenue support to permanent resident households in mountainous and disadvantaged areas, Support for long term unemployed persons aged 45-64 years old, Pre-school and school benefit to families with children up to 16 years old, Special allowance after the end of unemployment benefit period and Special allowance after having remained for three months in the unemployment registers.* In addition to these, there are benefits / allowances which are lump-sums and cover various socio-economic situations, such as damage from natural disasters, inability to cover with their own means some emergency, repatriation and maternity for uninsured mothers and mothers insured under the social security fund IKA. At a more aggregate level, it has been estimated that in Greece (2005) means - tested benefits formed only a 7.8 % of total social benefits, while the respective percentage at the EU-27 level stood at 10.5 %<sup>7</sup>.
- The economic situation of the welfare recipients is not –by and large- an eligibility criterion. That is, poor and rich persons receive the same amount of money, if suffering from the same disease or are victims of a disaster, though the marginal utility of money is higher for poor persons as compared to the marginal utility of rich persons. Overall it appears that the existing benefits and allowances have not been designed to upgrade the income of welfare recipients up to a certain predefined level of income and, thus, these do not act as minimum income schemes.
- The existing social benefits system, which is under the responsibility of two Ministries (the Ministry of Health and Social Solidarity and the Ministry of Employment and Social Protection), excludes from coverage a specific population group, namely ‘those poor persons who are able and willing to work’ but who have never been members of the labour force or whose insurance related rights have expired. In other words, there is a ‘legal gap’ in the system with regard to the protection of a part of the labour force and a part of inactive population of working age. Specific provisions taking the form of proper social transfers targeted at this population group which is faced with financial deprivation, are clearly missing in Greece.

## 2.2 Assessment of MI - categorical social assistance schemes

### 2.2.1 Coverage and take-up

It is not possible to detect the employment situation of the welfare recipients- with the exception of the unemployed persons- given that such data are not published. The lack of data, together with the fact that there is limited knowledge as to the magnitude of the number of certain population groups, impedes any reliable estimation of the take-up rates of the benefits and allowances provided. For example, there are no published data on the number of people suffering from severe diseases (e.g. blindness, deafness, etc.), while in the case of the unemployed persons there are two estimations as regards their number. One of these is based on the data of the quarterly Labour Force Survey provided by the National Statistical Service of Greece and the other one is based on the registered unemployment held by the Manpower Employment Organisation. Some estimations refer that in 2004 the mean duration of unemployment compensation was 7.1 months and the number of recipients was 259 thousand people or 44 % of the total number of registered unemployed persons<sup>8</sup>.

<sup>7</sup> Petrasova A., 2008, Figure 5, p. 6.

<sup>8</sup> Balafousias A., Kotsis K., 2007, pp. 73 and 75.

Given that social transfers constitute only a tiny part of the total social protection expenditures in Greece, *“their role remains marginal and constitutes rather a perforated safety net for a large number of poor households which do not fulfil the narrow selection criteria provided by the various relevant laws. The scattered and insufficient coverage of social needs is more than evident. For example, the social transfers to families are directed mainly to large families with three or more children, while poor families with less than three children receive low or no help”*<sup>9</sup>. According to the budget data of social benefits expenditures of the Ministry of Health and Social Solidarity (see Table 1), almost the total amount of social transfers are channelled to large families (95% in 2000 and 93.8% in 2006). In this respect, the amount of money devoted to other social benefits remains very limited.

**Table 1:** Social Benefits Expenditures of the Ministry of Health and Social Solidarity (in Euros): 2000 and 2006

Year	Total income transfers	Large families benefits	Special benefits	First aid bill
2000	386.170.933,24	366.837.857,67	11.482.000,00	7.851.075,57
(%) - own calculations	100.00	95.00	3.00	2.00
2006	527.800.000,00	495.000.000,00	30.000.000,00	2.800.000,00
(%) - own calculations	100.00	93.80	5.70	0.50

Source: Ministry of Health and Social Solidarity, 2007, Table 1, p.71

Moreover, one can identify a number of other gaps and inconsistencies which characterize the functioning of the contemporary social protection system in Greece. *“The various existing programmes leave a great number of poor families without protection. For example, although Greece presents a very high total expenditure for pensions (13 % of GDP), it also presents very high at-risk-of-poverty rates among old age people (35% of people more than 65 years old). The population groups which are not supported or are inadequately supported by the current social policy are: the majority of long-term unemployed, the new comers in the labour market, the working people in insecure jobs and with low insurance record, the low paid workers with one or two children, proprietors of very small businesses, persons unable to work without pension or social benefits”*<sup>10</sup>.

As far as the issue of “take- up” or “non take-up” is concerned, which was mentioned earlier, it should be emphasized that in Greece there is an absence of measurement mechanisms, quantitative data or relevant indicators (take-up or non-take-up) in almost all areas of public policy. And this is particularly the case of social policy and especially of the social assistance provision. As Spanou states, *“Data usually exist concerning those who actually receive certain benefits. Given that there is hardly a credible estimation of the potential beneficiaries, they are seldom treated in order to measure eventual non- take-up. Once again, this has to be seen in the context of a more general administrative weakness concerning policy planning and evaluation.”*<sup>11</sup>

### 2.2.2 Adequacy of MI - categorical social assistance schemes

In the tables presented under section 2.1 of this Report (Tables A and B), it was shown that the social benefits which are provided by the Ministry of Health and Social Solidarity are reflected in a wide range of amounts (from 44€ to 532€ per month/person). This great range of amounts is simulated in

<sup>9</sup> Inbid, p. 75.

<sup>10</sup> Inbid, pp. 74-76.

<sup>11</sup> <http://www.exnota.org/story.php?ctry=greece&sum=1>

the case of presenting these social benefits as a percentage of both the basic salary and a hypothetical (own calculations) 'poverty line' per single person (see Table 2).

**Table 2:** Benefits/ allowances of the Ministry of Health and Social solidarity as % of basic salary and 'poverty line' per single person, 2007

<i>Benefits / Allowances</i>	<i>Benefit as % of the basic salary<sup>12</sup></i>	<i>Benefit as % of the poverty line per person<sup>13</sup></i>
Allowance to blind uninsured persons	42.29	56.48
Allowance to blind indirectly insured, non working students	84.58	113.00
Allowance to quadriplegic	83.97	112.00
Allowance for Serious Mental Retardation	57.23	76.43
Allowance to persons with disabilities over 67%	36.57	48.83
Allowance to uninsured and indirectly insured persons with disabilities	36.57	48.83
Allowance to deaf –mute persons	42.29	56.48
Allowance for persons suffering from anemia	42.29	56.48
Social Support for AIDS -haemophilia	84.58	113.00
Persons with brain damage 0-18 years old	84.58	113.00
Leper persons in hospital	42.29	56.48
Leper persons staying home	84.58	113.00
Dependent members of leper persons	42.29	56.48
Allowance for unprotected children	7.00	9.35
Allowance for uninsured elderly	44.16	58.97

Source: Ministry of Health and Social Solidarity, Management Authority of the OP. "Health – Welfare", Study under the Technical assistance measure titled "The new welfare policies for combating poverty", December 2007, Table 1, pp. 18-20

Apart from the fact that it is not easy to understand the rationale for the huge disparities among the amounts of each social benefit, it can be easily seen that none of them exceeds the basic salary. They are ranged between 7% and almost 85% of the basic salary. So, at a first glance, it is obvious that any social benefit recipient who will be engaged in employment is likely to gain more money than the amount provided as a social benefit. On the other hand, it is well documented that the 'route' to move from receiving benefits to getting engaged in the open labour market for those social assistance recipients who are able to work, it is undoubtedly difficult. For, people are faced with objective and some times with subjective barriers and a comprehensive multidimensional strategy/policy is clearly missing.

When examining the social benefits as a percentage of the hypothetical 'poverty line' for a single person per month, one finds that the social benefits attributed to persons who suffer severe health problems exceeds the 'poverty line'. Such an observation may mean that the recipients of these social benefits are not poor. However, the real socio-economic situation of welfare recipients has to be studied and assessed but it must also be taken into account the severity of their illness and the consequent multiple needs. As regards the rest of the benefits/ allowances, these do not exceed the poverty line, which, in turn, implies that the welfare recipients are confronted with high poverty rates if they have not other incomes.

<sup>12</sup> Basic salary is estimated at 629 Euros per month.

<sup>13</sup> There is no official poverty line. Estimations are based on a hypothetical poverty line of 471 Euros per month per person.

Given that up to now there has not been conducted any research activity in order to verify both the magnitude and the socio-economic situation of social assistance recipients, it is hardly possible to assess the adequacy of various social transfer schemes on their standard of living. In order to merely approach this subject we turn our analysis to the investigation of the social deprivation suffered by poor people. The successive EU-SILC research studies reveal that in Greece not working persons and especially unemployed persons and pensioners are confronted with higher poverty rates than the total population (see Table 3 for 2007). Also, although work has been considered as the best buffer stop against poverty, almost 14 % of working population is counted as poor due either to low salaries received or to their higher needs in relation to their low wages.

**Table 3:** The at-risk-of- poverty rates and % contribution to poverty by activity and sex, Greece, 2007

Activity	At-risk-of-poverty rates			Contribution to poverty %		
	Total	Males	Females	Total	Males	Females
<b>Total</b>	20.3	20	21	100	100	100
<b>Working</b>	14	15	12	34	49	22
<b>Not-working</b>	25	23	26	66	51	78
1. Unemployed	35	41	31	10	10	9
2. Pensioners	22	19	25	24	25	23
3. Inactive persons	25	27	25	32	17	46

Source: National Statistical Service of Greece, "Press Bulletin on EU-SILC 2007", 16.4.2009, Tables 3a and 20.

It is striking the fact that the working poor form a 34 % of total poor people in Greece (49 % of poor men and 22 % of poor women). Respectively, not working poor constitute the majority of the total number of poor people both for men and for women. In other words special attention must be paid on working poor men and on inactive women who represent almost half of the number of all poor women and many of them are likely to be in the working age population.

Poor people are confronted with higher social deprivation indicators (see Table 4) mainly in terms of their inability to face basic needs such as extra expenses, one week holidays and meals which are considered as necessary feeding. They also report, more often than non poor people, difficulties in facing usual needs paid with by their wages/salaries, while they live more often in houses which lack bathroom and internal WC.

**Table 4:** Non financial indicators of household social deprivation, Greece, 2005

#### 4.1. Basic needs (%)

	Total population	Poor people	Non poor people
Extra expenses	41.2	61.2	36.0
One week holidays	48.0	79.4	44.8
Meals with chicken, fish, meat or vegetables	7.1	18.7	4.0

#### 4.2. Rate of difficulty in facing usual needs with their wages/salaries (%)

	Total population	Poor people	Non poor people
Great difficulty	18.1	36.4	13.2
Difficulty	33.2	38.6	31.8
Small difficulty	27.2	18.1	29.6
Almost easily	14.9	4.9	17.5
Easily	5.7	1.8	6.7
Very easily	0.9	0.2	1.1

#### 4.3. House amenities (%)

	Total population	Poor people	Non poor people
Lack of bathroom	2.1	6.2	1.0
Lack of internal WC	4.1	11.3	2.3

Source: National Statistical Service of Greece, "Press Bulletin on EU-SILC 2005", Tables 1.1, 1.3 and 5

#### 2.2.3 Effectiveness of MI - categorical social assistance schemes in terms of poverty reduction and incentives/ disincentives to work

It is well documented that the impact of the Greek benefit/ allowance schemes in terms of alleviating-reducing the at-risk-of-poverty rates for the whole population or for certain population groups (e.g. poor children, etc) continues to be very limited and much lower than the respective impact at the EU 27 level. As the most recent Joint Report on Social Protection and Social Inclusion 2009 states, in 2007, "on average in the EU, social transfers other than pensions (such as unemployment, family and housing benefits) reduce the risk of poverty by 36%. In the absence of all social transfers, 25% of EU citizens would be at risk of poverty while this percentage is reduced to 16% after receipt of government support. Social transfers are most effective in this respect in the Czech Republic, France, Hungary, the Netherlands, Austria, Slovenia and the Nordic countries, where they reduce poverty by 50 % or more. Conversely, in Greece, Spain and Italy social transfers only reduce the risk of poverty by 17%"<sup>14</sup>.

According to some research findings this main weakness of the Greek social protection system on reducing poverty is not so much the result of inadequate amount of money devoted to upgrading the standard of life of all people living in the country but mainly it stems from the inability of the State to channel income transfers to people in need<sup>15</sup>. More precisely, as it can be seen from Table 5, the total social protection expenditures as a percentage of GDP in Greece differs approximately only 3 percentage points in relation to the respective EU-25 average for the whole time period 2000-2006.

<sup>14</sup> EC, 2009, Joint Report on Social Protection and Social Inclusion 2009, MEMO/09/96, 5 March 2009, Brussels, p. 4 <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/09/96>

<sup>15</sup> Liberaki A., (2008) "Poverty and Social Policy" Vima Ideon , Friday 6 June 2008, <http://www.vimaideon.gr>

**Table 5:** Social protection expenditures as % of GDP: EU-25 and Greece, 2000-2006

	2000	2001	2002	2003	2004	2005	2006
EU 25	26.5	26.7	27.0	27.3	27.2	27.3	27.0
Greece	23.5	24.3	24.0	23.6	23.5	24.3	24.2

Source: Eurostat<sup>16</sup>

When examining the social benefits by function group as a percentage of the total benefits in EU-25 and in Greece for 2006 (see Table 6), it is apparent that Greece spends proportionately more money for pensions and sickness/health care than the EU-25 average. Adversely, Greece spends proportionately less money for covering disability, family/children and housing/social exclusion than the EU-25 respective average. Less spending on social benefits would mean lower amounts of benefits/ allowances and lower coverage rates of people in need in Greece in comparison to the EU-25 average.

**Table 6:** Social benefits by function group as % of total benefits: EU-25 and Greece, 2000 and 2006

		Old-age and survivors	Sickness/Health care	Disability	Family/children	Unemployment	Housing and social exclusion
2006	EU 25	46.2	29.2 (p)	7.5 (p)	8.0 (p)	5.6 (p)	3.6
	Greece	51.3	28.7	4.7	6.2	4.6	4.5
2000	EU 25	46.9	27.4	7.9	8.3	6.2	3.4
	Greece	49.7	26.5	4.8	7.4	6.2	5.3

Source: Eurostat (as above)

Moreover, it must be stressed that in Greece, between 2000 and 2006, there is a serious shift of social benefits in favour of pensions and sickness/ health care resulting to a proportional decrease of social benefits devoted to disability, family/children, unemployment and housing/ social exclusion. The Greek social protection system seems to give more attention on the contributive social provisions than on the non-contributive social risks as poverty, social exclusion, etc. In other words, during the time period 2000-2006 the Greek social protection system seems to have lost part of its redistributive role - at least in comparison to what happened at the EU-25 level- as a result of political choices of that period.

This trend can also be supported by the data presented in Table 7, which shows a different pattern of social protection financing between EU-25 average and Greece for the time period 2000-2006. In particular, in Greece, the general government contributions (taxes) for funding the social protection system rose only by 2.2 percentage points, being the same with the respective rise at EU-25 level. It can be seen, however, that there are different trends both in the contributions of employers which were negative both at the EU-25 level and in Greece but with much more intensity in Greece than in EU-25 (-3.1 versus -0.5 percentage points respectively) and in the contributions of the protected persons which were negative at EU level (-1.5 percentage point) and stable in Greece. Another crucial difference in the financing pattern of the social protection system between Greece and EU-25 is the fact that the extent of the financial support from other receipts (property income, donations, etc) is much higher in Greece than in the EU-25 (10.9 versus 3.5 percentage points in 2006). Given that this kind of financial support renders the system a feature of uncertainty or irregularity, then one could

<sup>16</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/living\\_conditions\\_and\\_social\\_protection/data/main\\_tables](http://epp.eurostat.ec.europa.eu/portal/page/portal/living_conditions_and_social_protection/data/main_tables)

assume that the financing of the Greek social protection system may suffer such negative impacts more often than the respective systems in EU-25.

**Table 7:** Social protection receipts by type (as % of total receipts) EU-25 and Greece, 2000 and 2006

	General government contributions		Social contributions						Other receipts	
			Total		Employers		Protected persons			
	2000	2006	2000	2006	2000	2006	2000	2006	2000	2006
EU 25	35.5	37.7(p)	60.9	58.9	38.7	38.2 (p)	22.2	20.7 (p)	3.6	3.5(p)
Greece	29.2	31.4	60.8	57.7	38.2	35.1	22.6	22.6	10.0	10.9

Source: Eurostat<sup>17</sup>

Turning into examining the official explanation given by the Greek Authorities for the absence of a minimum guaranteed income scheme, as this is stated in the National Action Plan for Social Inclusion 2003-2005, there are three main obstacles to introducing such a scheme in Greece. These are: mistargetting, the bureaucracy caused and the threat to individual rights. The official explanation reads as follows<sup>18</sup>:

- Information on income can only be derived from income tax. If this information is supplied 'blind', i.e. not supplemented by other details (e.g. age, existence of children, home in disadvantaged region) or possibly liabilities, then it can lead to payments to many whose 'real' situation is far removed from their apparent plight. It is significant that, below the same dividing line, the tax figures show a threefold number of individuals at risk.
- Payments to large numbers of people (or the verification process), if not carefully planned, would lead to bureaucracy and widespread inconvenience. This could end up deterring those in real need, while many of those not really in need would carry on claiming.
- Finally, unless great caution is exercised, the systems designed to combat abuses may lead to breaches of individual rights. It is, therefore, our conclusion that in a premature and 'blind' generalized guarantee, the major losers would be precisely those in real need. The idea of constructing an effective welfare state would also suffer in credibility.
- A genuine and functioning safety net cannot simply be legislated. It must proceed on the basis of programmes already in place, enriching the benefits already offered. At the same time it must be creating the administrative capacity and social infrastructure needed for its own steady and effective expansion to meet more needs. In this way there can be properly coordinated progress towards the shared final objective: the meaningful provision of functioning social guarantees.

As regards mistargetting, Liberaki A. (2008) states that, "*social benefits constitute only a small part of social protection expenditures, while evidence suggests that these limited resources are not channelled to poorer people. As it can be seen from Table 8, social benefits are a small amount and poorer people receive less per capita income transfers than the rest of the income groups*".

<sup>17</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/living\\_conditions\\_and\\_social\\_protection/data/main\\_tables](http://epp.eurostat.ec.europa.eu/portal/page/portal/living_conditions_and_social_protection/data/main_tables)

<sup>18</sup> Ministry of Employment and Social Protection, 2005, "NAPincl 2003-2005, Athens, pp. 30.

**Table 8:** Distribution of per capita social benefits and pensions by income group (in Euro) 2004

Income group	1 <sup>st</sup> quantile (poorer)	2 <sup>nd</sup> quantile	3 <sup>rd</sup> quantile	4 <sup>th</sup> quantile	5 <sup>th</sup> quantile (richer)
Total disposable income (mean per capita)	3,574	6,043	8,275	11,401	18,601
Income from pensions	2,327	3,144	3,845	4,893	6,937
Income from social benefits (without pensions)	420	569	524	439	464
Households receiving social benefits (%)	23	30	27	20	15

Source: Liberaki A., 2008, "Poverty and Social Policy" *Vima Ideon*, Friday 6 June 2008, <http://www.vimaideon.gr>

From the abovementioned data, "it can not be traced that there exist a priority for poor people in social transfers: the percentage of poorer people receiving social benefit is lower than the two following income groups and the per capita money they receive is lower than even the money received by the richest 20 per cent"<sup>19</sup>.

The amounts of benefits and allowances on the whole are undoubtedly low. For example, in 2007, the social benefits attributed to persons with severe health problems and to unprotected children (Ministry of Health and Social Solidarity) amounted from 230€ to 532€ for the first category and 44€ for the latter category. These amounts represented a 36.57% to 84.58% and 7% respectively of the basic salary (approximately 629€ at that time). The same amounts represented a 48.83% to 113% and 9.35% respectively of poverty line<sup>20</sup> (471 Euros at that time). Given this, it can hardly be supported that these may act as obstacles to the labour market inclusion of the welfare recipients. Some of these benefits, such as those provided to unprotected children, lone mothers, etc, reflect rather an act of "public philanthropy" than a decisive income support measure."

In general, thus far, the Greek State has been unable to introduce a generalized guaranteed minimum income scheme for all people in need resulting to "an imperfect coverage of social protection rights, especially in the domain of ensuring a decent standard of living through income transfers"<sup>21</sup>. Based on this, some researchers conclude that "the complexity of the existing system (of income transfers) and its failure to eradicate extreme poverty underline (the idea) that it should be better to be abandoned and replaced by a generalized minimum income scheme for all people"<sup>22</sup>. It has been estimated that the cost of the implementation of a guaranteed minimum income scheme could be approximately 0.23% of the Greek GDP or less than 1.0 % of the total expenditure on social benefits<sup>23</sup>.

<sup>19</sup> Liberaki A., 2008, "Poverty and Social Policy" *Vima Ideon*, Friday 6 June 2008, <http://www.vimaideon.gr>

<sup>20</sup> Data extracted from: Institute of Social Innovation, 2007, "The new income supporting policies for fighting poverty", Final Study, Athens, Table 1, pp. 18-20.

<sup>21</sup> Ministry of Health and Social Solidarity, 2007, "National Programme: Social Cohesion and Solidarity" Athens, p.84.

<sup>22</sup> Balafousias A., Kotsis K., 2007, "Guaranteed Minimum Income Schemes in EU-15 and possibilities to be implemented in Greece", KEPE, Athens, p.25.

<sup>23</sup> Matsaganis M., 2001, Prerequisites to Minimum Income Reform in Greece, Paper presented at the International Seminar: Improving Minimum Income Systems in The EU, Held in Hoger Instituut voor de ardeid, Katholieke Universiteit Leuven, 9-10 February, p.10.

## 2.3 Link between MI - categorical social assistance schemes and the other two pillars of the active inclusion strategy

### 2.3.1 Support to MI - categorical social assistance recipients in terms of (personalised) employment and training programmes

In attempting to examine whether social benefits/ allowances contribute to the rise of employment rates of welfare recipients or to the avoidance of poverty, it becomes evident that no firm answer can be given. The main reason is that the overriding objectives of these benefits and allowances are neither the avoidance of poverty or extreme poverty nor the improvement of the labour market situation of welfare recipients. In the case that such an objective is achieved, it happens rather by chance and it is not the outcome of targeted planning. This is congruent with the fact that Greece, thus far, has not adopted an official poverty line for policy purposes nor a legal definition of poor people and poverty, implying thus that poverty and extreme poverty are not officially defined and their reduction does not constitute the main objective of social policy measures. Similarly, the provision of benefits and allowances does not aim, by design, at the improvement of labour market situation of the welfare recipients. However, one needs to point out that such an approach, combining benefits and labour market activation, can only be applied to those welfare recipients who can be employable, even after special treatment and the provision of supportive services, and not to those who suffer from severe illness.

Under the consecutive Community Support Frameworks for Greece over the period 1994-2008, a number of structures (including infrastructures) have been established aiming at the provision of supportive services and employment support to specific population groups such as –*inter alia*– unemployed persons, people with disabilities and especially persons who are users of psychiatric services etc.

In particular, unemployed persons, who receive or do not receive unemployment benefits, are given a better opportunity to re-design their occupational prospects through the advice, empowering and counseling offered by specialized personnel of the Manpower Employment Organisation's Centers for Employment Promotion, which are situated all over Greece. To date, 121 such centers have been established and the perspective is that these centers will evolve into becoming one-stop-shops in order to provide a better service to the unemployed persons.

People with disabilities, whether they are eligible or not for disability benefits, can get supportive services, medical treatment, rehabilitation services, labour market counseling and professional training in the Centers for Education, Social Support and Training of persons with disabilities. To date, 20 such Centers<sup>24</sup>, out of the 24 planned, are in operation aiming not only at the avoidance of institutionalization of persons with disabilities, but also at their social inclusion.

For psychiatric services users, a ten year programme is under way aiming at their de-institutionalization and their socioeconomic re-integration, through the provision of sheltered housing in the community, as well as through the provision of support for their active engagement in various types of employment (e.g. protected employment, employment in the free market or participation and employment in Social Cooperatives).

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<sup>24</sup> [http://www.konstandaras.gr/corpsite/display/dsp\\_Entity.asp?en\\_id=599](http://www.konstandaras.gr/corpsite/display/dsp_Entity.asp?en_id=599)

Under the framework of certain Operational Programmes (Sectoral or Regional) of the Greek CSF 2000-2006, a number of measures and actions reflect the policy mix defined as active inclusion policy in the sense that these measures entail empowerment, labour market activation programmes and access to basic services. Yet, these do not include income support schemes, given that such an expenditure is not eligible under the Operational Programmes.

The above can be illustrated in the following example: the O.P. "Employment and Vocational Training 2000-2006"<sup>25</sup> included a number of integrated measures in favour of 3000 unemployed persons of certain vulnerable groups (Gypsies, Greek Muslims and repatriated Greeks). These measures provided, in particular:

- a) training courses, which entailed a training allowance of 5 Euros per training hour; and
- b) supportive services, which entailed actions such as empowerment, vocational counseling and facilitating access to basic services.

It should be noted that those participants of the training courses who are eligible for unemployment benefit, are not entitled to receiving it while attending the training course.

Training is offered by certified agencies (KEK), while supportive services are provided by specialized agencies. Note should be made of the fact that the implementation of integrated measures in favour of vulnerable groups relies heavily upon the engagement of a great number of NGO's, as well as upon the close collaboration between all the agencies involved.

Under the same Operational Programme, actions were also implemented aiming at the provision of supportive services to 15.000 persons of various vulnerable groups: persons with disabilities, persons with psychiatric disorders who live in the community, repatriated Greeks, immigrants, refugees, prisoners and ex-prisoners, special cultural groups, ex-drug addicts, HIV patients and women who are threatened by labour market exclusion. These actions aimed, in particular, at upgrading their social and professional skills through empowerment, vocational guidance and access to basic services.

Similarly, Regional O.Ps and Community Initiatives such as the EQUAL O.P. included integrated measures aiming at the labour market inclusion of persons of various vulnerable groups, reflecting thus, to some extent, an active inclusion policy action which was targeted to persons furthest from the labour market, who might be welfare recipients or not.

However, turning into examining the potentiality of the social economy sector to promote the active inclusion of vulnerable social groups, it should be underlined that, thus far, in Greece, there is not a real notion of a social economy. The potentiality of the sector in facilitating and promoting the active inclusion of vulnerable social groups, especially into the labour market, has not been exploited as yet. For, it is not recognized as a specific social and economic sector as yet, and thus there is a lack of any dedicated institutional or legal framework for action or for the functioning of social economy organisations. The only exception is, the recently established Social Cooperatives for persons with mental health problems. It should be noted that in these Cooperatives the majority of employees are persons with mental health problems, who in addition to their salary, they are allowed to receiving any welfare benefit that they are entitled to.

In general, it may be said that the provision of benefits and allowances in Greece is not connected directly with measures and actions aiming at the empowerment and labour market insertion of welfare

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<sup>25</sup> Ministry of Employment and Social Protection, <http://www.posonolotahos.gr>

recipients, in the sense that welfare recipients are not “obliged” to be linked with the labour market. In other words, it becomes evident that the system of benefits in Greece has not altered, thus far, so as to provide incentives to occupational integration.

### 2.3.2 Support to MI - categorical social assistance schemes in terms of access to quality services

As it can be seen from Table 9, Greece spends more or less the same share of GDP on benefits in kind as the EU-27 (8.5 versus 8.8 respectively). But, Greece devotes a relatively greater part of the category “benefits in kind” to ‘other services’. As regards the part of GDP devoted to cash benefits, this is proportionately less in Greece than at EU-27 level.

**Table 9:** Expenditure on social protection benefits by broad social policy area, as a % of GDP, EU -27 and Greece, 2005

	Benefits in kind			Cash benefits				
	Health	Other services	Total	Pensions	Sickness	Disability	Other benefits	Total
EU-27 (26.2)	6.6	2.2	8.8	11.6	0.9	1.6	3.2	17.3
Greece (23.5)	6.0	2.5	8.5	11.9	0.6	1.0	1.5	15.0

Source: EU, 2008, *Biennial Report on Social Services of General Interest*, DGV-Unit E.A, Brussels, Figure 2.14, p.30

Turning into examining the differences in the pattern of spending on various social activities between Greece and EU-27 (see Table 10) it can be concluded that Greece gives more emphasis on the provision of support to unemployed persons and to persons confronted with social exclusion, while EU-27 gives more emphasis in the provision of help to invalid persons, to the elderly and to children.

**Table 10:** Social protection benefits in kind (excluding health care) as % of GDP, EU-27 and Greece, 2005

	Invalidity	Old age	Childcare	Unemployment	Housing	Social exclusion n.e.c	Total
EU-27	0.4	0.4	0,6	0.2	0.5	0.1	2.2
Greece	0.2	0.2	0.4	0.8	0.4	0.5	2.5

Source: EU, 2008, *Biennial Report on Social Services of General Interest* , DGV-Unit E.A, Brussels, Figure 2.15, p.31

As regards the extent of the Greek State’s intervention in the area of labour market (see Table 11) it is apparent that Greece lags behind in comparison to the EU -27 in –at least- three crucial features. Firstly, the total amount of money as a percentage of GDP spent on labour market measures in Greece is much lower than the respective one of the EU-27 (0.47 versus 1.92). In this respect, Greece has not the same possibilities as the EU- 27 to support employed and unemployed persons to cope with changes in the labour market demand and supply resulting to the maintenance of structural problems. Moreover, proportionately less employed and unemployed persons are provided with support in terms of income transfers and services in Greece than the EU-27. Secondly, a number of active labour market measures as job rotation, supported employment and rehabilitation, etc, have not been yet implemented in Greece as a result of administrative inadequacy resulting to the lowering of opportunities for absorbing a number of unemployed persons.

**Table 11:** Public expenditure on labour market policy, by category, as a % of GDP, EU-27 and Greece, 2006

	Labour market services (1)	Training (2)	Job rotation and Job sharing (3)	Employment incentives (4)	Supported employment and rehabilitation (5)	Direct job creation (6)	Start-up incentives (7)	Total LMP measures (2-7)	Total LMP supports (8-9)	Total LMP (1-9)
EU-27	0.22	0.21	0.00	0.12	0.06	0.07	0.04	0.51	1.20	1.92
Greece	0.01	0.04	-	0.02	-	-	0.00	0.06	0.40	0.47

Source: EU, 2008, *Biennial Report on Social Services of General Interest*, DGV-Unit, Brussels, Table 3.3, p.47

Thirdly, the most striking difference is the fact that Greece devotes a much greater part of total labour market expenditure on passive labour market measures (mainly compensation of unemployment) than the EU-27 (85% versus 62.5%), resulting to the marginalization of the active labour market measures. In this respect, their impact is not expected to contribute to the amelioration of labour market inconsistencies neither to the improvement of the socio-economic situation of labour market members, especially for those vulnerable groups who are confronted with severe obstacles both to enter and maintain their jobs in the labour market.

The abovementioned data, mapping the public expenditures on benefits in kind and on labour market measures, give no answers to the crucial questions regarding either the quantity or quality of the services provided or as to their accessibility by the welfare recipients. Although such data do not exist, some relevant indication can be provided as to the inability of poor people to use some core services such as doctors and various public social protection institutions.

As Table 12 shows, the percentage of poor people reporting inability for any reason (e.g. financial, long distance, bad communication, etc) to visit a doctor of any speciality and a dentist, is almost double than the respective percentages of the non poor people.

**Table 12:** Percentage of population reporting inability to visit a doctor, poor and non poor people, Greece, 2005

	Total population	Poor people	Non poor people
Doctor of any specialty	6.4	10.3	5.4
Dentist	7.0	11.0	6.0

Source: National Statistical Service of Greece, "Social Cohesion Indices 2005", Table 6.2

Likewise, the percentage of poor people reporting financial inability to acquire satisfactory heating is almost three times higher than the respective percentage of non poor people. Generally speaking, a noticeable part of the total population cannot afford the heating expenses and this is –inter alia- a matter reflecting a low standard of living.

**Table 13:** Percentage of population reporting financial inability to acquire enough heating, poor and non poor people, Greece, 2005

	Total population	Poor people	Non poor people
Financial inability for heating	17.7	33.4	13.5

Source: National Statistical Service of Greece, "Social Cohesion Indices 2005", Table 4

As it is shown in Table 14 below, a number of differences exist in the rate of use of public social services between poor and non poor people. Firstly, relatively more poor than non poor people (52% against 42%) use the services provided by the National Health System, either because they need more often such services or because they can not afford to pay for private health services to the same extent as the non poor people. Likewise, poor people use welfare services and support services for the disabled persons more often than the non poor people. Secondly, both poor and non poor people report the same rate of use for public services such as social care of infants, employment services, and municipal social services. Thirdly, poor people are reporting relatively less use of public institutions providing services to the elderly and of information centers for citizens than the non poor people. An important finding is the fact that irrespectively of the reported relative range of use of various public social services by poor and non poor people, the percentages of poor people reporting financial inability and no access to all public services exceed the respective percentages of non poor people. For example, in the case of public health services, 2.5% of poor people report financial inability and no access to these services. This percentage is more than twice the respective percentage for non poor people (1.15%).

**Table 14:** Percentage of use and not use of public social services, Greece, 2004

PUBLIC SERVICES		NON-POOR HOUSEHOLDS	POOR HOUSEHOLDS	TOTAL
Hospital / Health Center	Yes	41,78	51,55	43,88
	<i>I cannot afford it</i>	0,67	1,18	0,78
	No access	0,70	1,33	0,83
	<i>I did not want/ no need</i>	56,86	45,94	54,51
Welfare Services (Social services, Consultation services)	Yes	7,69	9,40	8,06
	<i>I cannot afford it</i>	0,55	0,73	0,59
	No access	1,14	3,08	1,56
	<i>I did not want/ no need</i>	90,62	86,78	89,80
Provision of care to the elderly (KAPI, help at home, social care units etc)	Yes	4,27	3,90	4,19
	<i>I cannot afford it</i>	0,55	0,56	0,55
	No access	1,71	3,78	2,16
	<i>I did not want/ no need</i>	93,47	91,76	93,10
Support services to disabled people	Yes	1,28	1,47	1,32
	<i>I cannot afford it</i>	0,58	0,21	0,50
	No access	0,54	1,00	0,64
	<i>I did not want/ no need</i>	97,60	97,32	97,54
Social care of infants and children of preschool age (Day nursery, day care etc)	Yes	11,22	11,57	11,30
	<i>I cannot afford it</i>	0,49	0,34	0,46
	No access	0,64	1,29	0,78
	<i>I did not want/ no need</i>	87,66	86,80	87,47
Public employment services (OAED, KPA)	Yes	11,22	11,57	11,30
	<i>I cannot afford it</i>	0,49	0,34	0,46

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PUBLIC SERVICES		NON-POOR HOUSEHOLDS	POOR HOUSEHOLDS	TOTAL
	<i>No access</i>	0,64	1,29	0,78
	<i>I did not want/ no need</i>	87,66	86,80	87,47
Consultation services on social matters (Municipal Social services)	<i>Yes</i>	11,03	11,91	11,22
	<i>I cannot afford it</i>	0,33	0,40	0,35
	<i>No access</i>	0,91	1,97	1,14
	<i>I did not want/ no need</i>	87,72	85,71	87,29
Information Centres for Citizens	<i>Yes</i>	10,09	7,96	9,63
	<i>I cannot afford it</i>	0,35	0,39	0,36
	<i>No access</i>	1,04	2,03	1,26
	<i>I did not want/ no need</i>	88,52	89,62	88,75
Other	<i>Yes</i>	1,49	1,54	1,50
	<i>I cannot afford it</i>	0,18	0,08	0,16
	<i>No access</i>	0,03	0,00	0,03
	<i>I did not want/ no need</i>	98,29	98,38	98,31
<b>Total</b>		100	100	100

Source: EKKE, Presentation of the Main Results of the Research on Income and Living Conditions of the Households (EU-SILC 2003)  
<http://www.ekke.gr/files/aristeia.pdf>

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