European Minimum Income Network country report
Greece

Piloting a Minimum Guaranteed Income Scheme in Greece

Expectations and Challenges

Maria Marinakou, Ioanna Pertsinidou, Dimitra Soulele
Anti-Poverty Network Greece
November – 2014
The European Minimum Income Network (EMIN) was a two year project (2013-2014) sponsored by the European Parliament, funded by the European Commission, under contract no Tender No VT/2011/100 Pilot project – Social solidarity for social integration and promoted by the European Anti-Poverty Network (EAPN).
http://emin-eu.net/what-is-emin/

This report was drafted by Maria Marinakou, Ionna Partsinidou and Dimitri Soulele, Anti-Poverty Network, Greece.

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

---

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

Freephone number (*): 00 800 6 7 8 9 10 11

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

---

**EUROPEAN COMMISSION**

Directorate-General for Employment and Social Affairs and Inclusion
Directorate D — Europe 2020: Social Policies
Unit D.2 — Social inclusion and Poverty Reduction

E-mail: empl-d2-unit@ec.europa.eu

European Commission
B-1049 Brussels

© European Union, 2014
Reproduction is authorised provided the source is acknowledged.
### Contents

1. **THE GREEK WELFARE SYSTEM, A BRIEF HISTORICAL ANALYSIS IN THE LIGHT OF THE FORTHCOMING IMPLEMENTATION OF THE MINIMUM GUARANTEED INCOME** ........................................ 3  
   1.1 Introduction ........................................................................................................................................... 3  
   1.2. The institutional framework of social welfare as the setting for the implementation of the Minimum Guaranteed Income ........................................................................................................................... 5  
   1.3. Concluding remarks on the welfare system: highlighting the absence of a Minimum Guaranteed Income ........................................................................................................................................... 12

2. **POLITICAL DISCOURSES AND THE NEW PROPOSED MGI IN GREECE** ........................................ 14  
   2.1. The main approaches and proposals for a MGI in Greece ........................................................................ 14  
   2.2. The new proposed scheme .............................................................................................................................. 18

3. **THE IMPLEMENTATION PERSPECTIVES OF THE MINIMUM GUARANTEED INCOME - CHALLENGES AND EXPECTATIONS** ........................................................................................................ 23  
   3.1. The crisis context as a major challenge ....................................................................................................... 23  
   3.2. Obstacles and challenges for the implementation ............................................................................................ 27  
   3.3. Stakeholders consultation process and positions ............................................................................................ 28  
   3.4. Feasibility of the Greek Minimum Guaranteed Scheme .................................................................................. 30  
   3.5 Conclusions: What are the prospects of the Greek Minimum Guaranteed Scheme? .................................. 31

BIBLIOGRAPHY AND SOURCES ................................................................................................................................ 33  
MAIN LEGISLATION .............................................................................................................................................. 38  
IN THE PRESS .................................................................................................................................................. 39  
WEBSITES ...................................................................................................................................................... 39
1. **The Greek Welfare System, a Brief Historical Analysis in the Light of the Forthcoming Implementation of the Minimum Guaranteed Income**

1.1 Introduction

The Greek Constitution enshrines the welfare principle within its mandate and safeguards the right to social protection\(^1\) though Greece is the last EU country to establish a Minimum Guarantee Income scheme.

From the 1980s a gradual increase of the social expenditure was observed, with the proclaimed aim of the universal coverage through the introduction of National Social Care and National Health Care Systems.\(^2\) Despite this, and even before the current economic crisis, the welfare system in Greece was considered, compared to EU-27 average social expenditure, expensive in terms of share in Gross Domestic Product (GDP) and impact for those at risk of poverty.\(^3\) Indeed, over the years it yields very poor results in combating poverty after social transfers.\(^4\)

An overview of the welfare system’s development in last 40 years, since the last restoration of democracy in the country, indicates the acknowledgement that the Greek social protection system bears the significant characteristics of the Southern European welfare model,\(^5\) i.e.: the inextricable

---

\(^1\) In Greece the principle of the social welfare state is explicitly enshrined on constitutional level in the second revision of the 1975 Constitution (2001), Article 25 par.1." 1. The rights of the human being as an individual and as a member of the society and the principle of the welfare state rule of law are guaranteed by the State. All agents of the State shall be obliged to ensure the unhindered and effective exercise thereof. These rights also apply to the relations between individuals to which they are appropriate. Restrictions of any kind which, according to the Constitution, may be imposed upon these rights, should be provided either directly by the Constitution or by statute, should a reservation exist in the latter’s favor, and should respect the principle of proportionality. The recognition and protection of the fundamental and inalienable rights of man by the State aims at the achievement of social progress in freedom and justice. The abusive exercise of rights is not permitted. The State has the right to claim of all citizens to fulfill the duty of social and national solidarity.» Indicatively see also : Katrougalos C., (2001), "Legal and political importance of the revision of Article 25 of the Constitution," Human Rights, 10, 2001, p. 457-471, Kontiads X., (2001), "The principle of the social state in the proposal review the Constitution. Dilemmas of revisionist legislator," EAKA, Mt", Athens


\(^3\) In fact, the steep increase in spending levels in the early years of PASOK during the early 1980s reached a plateau around 17-18% in the second half of the 1980s. By the end of the early 1990s, however, Greek social spending levels exceeding 20% almost reached the EC-12 average. After the recession of the early 1990s, dramatic increases in social spending across the EU was not followed in Greece and spending levels remained rather stable between the 20%-22% percent range. By the early 2000s, Greek social spending levels exceeded 24%, an all-time high in Greek history. The growth of the Greek social spending levels is all the more remarkable when the base levels in the early 1980s (11.5%) are compared with those of the early 2000s (24.3%)." (Tsarouhas D, Bolükbaşi T (2007) “Testing the europeanization hypothesis: macroeconomic adjustment pressures and the southern european welfare model “ EUI -European University Institute, Florence available at: http://aei.pitt.edu/7706/1/bolukbasi-h-06b.pdf)

\(^4\) Even before the economic crisis, the average reduction of those at risk of poverty after the social transfers was significantly lower to the EU 27, only 4%, compared to 9% of the EU 27 (Ziomas D.et al Institute of Social Policy. National Centre for Social Research (EKKE) “Minimum N. Income Schemes, A Study of National Policies - Greece”, April 2009); Indicatively see also: Dafermos G, Papatheodorou C, “The paradox of social policy in Greece: Why the increase in social protection expenditures has not reduced poverty?”, Policy Brief/1, Economic and Social Developments Observatory – Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), 31July 2011; Koutsampelas C, Tsakloglou P, “Distributional impact of non-monetary income in Greece”, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), Studies/6, December, 2010;De Agostini Paola et al, The effect of tax-benefit changes on the income distribution in EU countries since the beginning of the economic crisis, EUROMOD Working Paper No. EM 9/14, May 2014

link between professional status and financial benefits (through social security contributions), the universal health care, the imbalance in the distribution of the tax burden, the clientelism network; \(^6\) the central role of the family, as a resilient mechanism, offering informal social services to those of its members that are excluded from the social protection system. \(^7\) From a gendered point of view, the feminization of poverty has been inextricably related with the ‘familialist’ tradition which sees the family as the main provider of welfare; as Esping-Andersen puts it, ‘familialism easily goes hand-in-hand with a very passive and undeveloped family policy’. \(^8\) In this respect the private/public sphere divisions of roles are still dominant and underlay social protection policy development. \(^9\)

Moreover, any reform effort over the past decades seems to reflect the dominance of economic politics over social politics, while “the macroeconomic policy in the Greek case has been systematically divorced from social policy issues at the redistributive level”. \(^10\) It is indicative that there has never been an integrated Anti-Poverty Strategy in the country, while Greece is the last country in EU to institutionalize a Minimum Guaranteed Income. \(^11\)

For the purposes of this report the term “Minimum Guaranteed Income” is used unequivocally, instead of “Minimum Income Schemes” or the alternative term “Guaranteed Social Income” used by the Greek Government, mainly to avoid confusion and to stress the importance of its role as an institutionalized safety net. \(^12\)
The analysis below presents a brief overview of the main changes at the welfare system in last 40 years.

### 1.2. The institutional framework of social welfare as the setting for the implementation of the Minimum Guaranteed Income

#### 1.2.1. Main developments at policy – legal level within the last decades

The social protection model was developed through three main pillars: social insurance, social welfare and health care system.

Since the restoration of democracy in Greece (1974) and during the 1980s, new social policies and significant legislative acts were introduced, aiming at universal coverage and social protection of those in need. Among them “the expansion of social insurance coverage, the improvement of social services and reallocation of resources towards the needy” are noticed as positive steps in comparison to the previous era\(^\text{13}\). Social expenditure has gradually increased as a result of the country’s membership in the EU, especially within the context of the European Structural Funds.\(^\text{14}\)

The following decades (1990s and 2000s)\(^\text{15}\) the development of a national social care system has been promoted,\(^\text{16}\) the social solidarity supplement (Greek acronym EKAS)\(^\text{17}\) (it has been introduced as a non-contributory income-tested supplement for low paid pensioners (though excluding two major pension funds: Navy Pension Fund and Agricultural Pension Fund),\(^\text{18}\) along with the elaboration of a National Action Plan for Social Inclusion (2001-2003)\(^\text{19}\) and the restructure of the national social care system.\(^\text{20}\) In 2005, a new mechanism was enacted for those living in extreme poverty deprived of social insurance and of access to health services.\(^\text{21}\) This mechanism is characterized 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

---


\(^\text{14}\) See more details in OECD (2013), "Overview of social welfare and related reforms in Greece in the last 20 years", in OECD, Greece: Reform of Social Welfare Programmes, OECD Publishing

\(^\text{15}\) L.2646/1998 (GG236A) »Development of National Social Welfare System and other provisions»


\(^\text{18}\) It is noted however that this is “a fragmented measure and it does not form a part of a general scheme of means –tested benefits. Still, means- testing is not the rule in Greek social policy”. D. Ziomas et al op cit; See also Matsaganis M., 2004, op cit


\(^\text{20}\) L.3106/2003 (GG30A) »Reorganizing the National System of Social Welfare and other provisions”

\(^\text{21}\) Single register of uninsured and financially insecure people” (Ministerial Decision Y4a/48566/2005 –GGB / 668/18.5.2005 Defining conditions, criteria and procedures for access to the nursing and medical care system of uninsured and financially weak citizens.”, L. 2082/1992 –Gazette  158 /Α/21.9.1992). Note that the registration requirements include: legal residence in Greece and low family revenue specifically defined in law
criteria.”\textsuperscript{22} It should be noted though that it does not provide for the coverage of all the types of income deficiency.\textsuperscript{23}

During this period, the need for greater emphasis on ensuring decent living conditions and the priorities of active inclusion were officially acknowledged, and led to additional measures in the sector of health and social insurance. It is observed that within a twelve year period (approximately from 1995–2008), especially within the context of EU support frameworks the establishment of many services has been promoted towards the social and employment support of vulnerable population groups. Alongside, social inclusion policies were set, at least on provisional and project based level, mainly within the frame of Operational Programmes. These Programmes were mainly focused on the “skilling” of vulnerable target groups (e.g. specifically defined vulnerable groups of population such as long-term unemployed, disabled, migrants, and women) mainly through various vocational training programmes targeting entrance to the labour market at any given instance. In general, the “make work pay” model was at the core of these policies,\textsuperscript{24} indicating that governmental policy choices to directly link employment and anti-poverty policies, but in a subordinate manner.\textsuperscript{25}

According to official governmental statements, through the abovementioned developments the creation of a ‘modern welfare model’ is intended with the aim to correspond to the new needs and to rationalize the administrative and organizational operation of the traditional welfare agencies. These goals are promoted, mainly on provisional level, as part of an intended “long – term reform plan.”\textsuperscript{26}Within this context, the overall approach of the social protection system is based on three strategic directions, which extend through the policies of three sectors (pensions, health care, social inclusion).\textsuperscript{27}

Despite the expected positive impact on poverty alleviation the proclaimed initiatives foreseen, the social protection system was directed rather to “the contributive social provisions than (to) the non-contributive social risks as poverty and social exclusion, “\textit{losing in this way a significant part of its redistributive role}.”\textsuperscript{28} Indicatively, an overview of all existing benefits till 2009 for different target groups, documents the fragmentation and inefficiencies inherited on the Greek welfare system.\textsuperscript{29} Retrospectively is proven that despite the main scope of the social policy “to modernize

\textsuperscript{22}Ziomas D., et al, \textit{op cit}
\textsuperscript{23}More specifically it is based on the Decree 57/73 (measures for the social protection of financially disadvantaged groups); On this issue see also: Amitsis G.(2001), “The institutionalization of the subsistence level income in Greek and international law, A.N.Sakoulas, Athens
\textsuperscript{24}Among these, the following are indicatively notified: a) The improvement of unemployment benefit scheme and the reinforcement of the competent agency for the support of the unemployed (Manpower Employment Organization) b) the centers for education, social support and training for persons with disabilities towards an de-institutionalization approach c) the promotion of the ten year reform programme in psychiatric sector towards the deinstitutionalization and the social integration of persons with psychiatric problems.
\textsuperscript{25}More about this see in chapter 1.2.2. (footnote n…..) See also the critical approach towards the implementation and effectiveness of these programmes by the Greek General Confederation of Labour(GSSE), indicatively: Statements by GSEE representatives, available at http://www.gsee.gr/news/news_view.php?id=1194&year=2009&month=&key=%F0%F1%EF%E3%F1%DC%EC%EC%E1%F4%E1%20stage&page=0&limit=10
\textsuperscript{27}Referring to the strategic approach for the period before2008. It is noted that these strategic directions remain for the most part unchanged for the period 2008-2010 (National Strategy Report on Social Protection and Social Inclusion 2006-2008 and 2008-2010)
\textsuperscript{28}D. Ziomas, et al \textit{op cit}
\textsuperscript{29}ibid
the welfare system model”, as defined by institutional stakeholders, the effectiveness and the results of the aforementioned initiatives have been limited, especially in the light of the current economic crisis. The categorical schemes that have been developed form a “model of residual welfare system that favors the reproduction of social inequalities”. Consequently, despite the gradual increase of social expenditure, the impact of social transfers continued to remain very low.

### Table 1: Government social spending 1980 – 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Total public social expenditure as a percentage of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>11.5</td>
</tr>
<tr>
<td>1981</td>
<td>13.8</td>
</tr>
<tr>
<td>1982</td>
<td>16.2</td>
</tr>
<tr>
<td>1983</td>
<td>16.9</td>
</tr>
<tr>
<td>1984</td>
<td>17.2</td>
</tr>
<tr>
<td>1985</td>
<td>17.9</td>
</tr>
<tr>
<td>1986</td>
<td>17.7</td>
</tr>
<tr>
<td>1987</td>
<td>17.7</td>
</tr>
<tr>
<td>1989</td>
<td>16.4</td>
</tr>
<tr>
<td>1990</td>
<td>17.5</td>
</tr>
<tr>
<td>1991</td>
<td>20.9</td>
</tr>
<tr>
<td>1992</td>
<td>20.1</td>
</tr>
<tr>
<td>1993</td>
<td>20.2</td>
</tr>
<tr>
<td>1994</td>
<td>21.1</td>
</tr>
<tr>
<td>1995</td>
<td>21.2</td>
</tr>
<tr>
<td>1996</td>
<td>21.4</td>
</tr>
<tr>
<td>1997</td>
<td>22.1</td>
</tr>
<tr>
<td>1998</td>
<td>18.6</td>
</tr>
<tr>
<td>1999</td>
<td>19.2</td>
</tr>
<tr>
<td>2000</td>
<td>19.2</td>
</tr>
</tbody>
</table>

30 According to the official announcement: “to modernize the welfare system model, both on institutional and operational level, so as to ensure that the current model will be gradually developed to a modern care system towards development goals” in official webpage of the competent ministry - Ministry of Labor, Social Security and Welfare available at http://www.ypakp.gr/

31 D. Ziomas et al op cit


33 D. Ziomas et al op cit, De Agostini Paola et al, op cit
The establishment of the National Social Cohesion Fund in 2008, with the main mission to combat poverty and social exclusion, should be considered a milestone in the Greek welfare system.\textsuperscript{34} For the first time the "threshold of relative poverty" is legally defined,\textsuperscript{35} and a "social cohesion benefit" is introduced.\textsuperscript{36} However, the law providing for the operation of the Fund was never fully implemented, and the Fund was abolished two years later within the wider context of austerity measures,\textsuperscript{37} resulting in the mitigation of the protective role of the welfare state in a time of severe economic crisis.\textsuperscript{38}

In 2010 the Financial Support Mechanism for Greece was enacted under the Euro area Member States, the European Central Bank and the International Monetary Fund (IMF), known since then publicly as Troika,\textsuperscript{39} leading to structural changes of the welfare system through radical reforms on policy and legislative frameworks. Within the same year, and just a month after the enactment of the Financial Support Mechanism, the local government system was reformed (Kallikratis Programme) resulting in the widening of the competence sphere of local authorities in the welfare sector;\textsuperscript{40} yet kallikratis, as many other significant reforms, was introduced without prior evidence based planning and without prior provision for the adequate statutory funds.\textsuperscript{41}

1.2.2. Main institutional and policy developments after 2010

The enactment of the Financial Support Mechanism was followed by the launch of a Task Force for Greece, with the aim to provide technical assistance (2011),\textsuperscript{42} while a second Financial Agreement was signed in 2012.\textsuperscript{43} Within this context fiscal discipline policies set the frame of major reforms, immediately reflected on social welfare sector. Among them, on administrative and organizational level, the following should be highlighted: a) the transfer and reorganization of welfare agencies under the authorization of different ministerial authorities, i.e. the transfer of the General Secretariat of Welfare from the Ministry of Health and Welfare to the Ministry of Labor (which is renamed to

\textsuperscript{34}L. 3631/08 (Government Gazette A/29-1-20086): Establishment of National Social Cohesion Fund and other provisions.

\textsuperscript{35}Note that the relative poverty threshold has been set at 60% of the median 'equivalent disposable income of all households (Eurostat definition). It is underlined that the reference to the official 60% threshold is still present in legislative and policy parameters.

\textsuperscript{36}It is noted that "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." In Ziomas et al 2009, op cit

\textsuperscript{37}by par. 1c article 1 L3895/10, GG206-A-/8-12-10

\textsuperscript{38}Amitsis G (2012), The development of the new institutional model of social solidarity as an empowering mechanism of the social state in the time of recession period, Nomiko Vima 1669, Athens

\textsuperscript{39}Law 3845/10(GG 65 A/6-5-2010) Measures for the application of the support mechanism for the Greek economy by euro area. Member States and the International Monetary Fund – Annex III Memorandum of ANNEX III GREECE-MEMORANDUM OF ECONOMIC AND FINANCIAL AFFAIRS

\textsuperscript{40} L. 3852/10 (GG 85 A/7-6-2010) : "New Architecture of Local Government and Decentralized Administration - Programme Kallikratis" We note that two years later, this reform is further promoted on policy-legislative level providing more specifically for the role of local authorities in welfare sector ie establishment of social groceries, participation of local authorities in programmes for the promotion of employment and the social integration of the unemployed (L. 4071/12, GG 85 A/11-4-2012)

See also: Economic and Social Committee, Opinion "New Architecture of Local Government and Decentralized Administration – Kallikratis Programme" 2010

\textsuperscript{41}See Economic and Social Committee, Opinion "New Architecture of Local Government and Decentralized Administration – Kallikratis Programme" 2010


\textsuperscript{43}L4046/2012 (GG A’ 28/2012), L4093/2012 (GG A’ 222/2012)
“Ministry of Labor, Social Security and Welfare), along with the creation of “National Register of Beneficiaries of social and welfare benefits” b) the abolishment and/or merging of key welfare and social agencies, with a major example the dismantling of the Social Housing Sector c) continuous expansions of the responsibilities of the local government in welfare sectors (esp. on municipality level), which were not followed by the necessary budget commitments on behalf of the state.

In terms of policies content, new policy and economic measures were introduced, including substantial reductions and cuts on the wages and employment benefits of all employees (in private and public sector), along with the deterioration of collective agreements and arbitration schemes, leading to the deregulation of the labor market. Towards this direction, there was significant reduction in the pensions granted to pensioners of all main and supplementary principal social security funds and social security benefits. Alongside, the tax system was reformed, and the introduction of additional direct and indirect taxation affecting heavily, mainly, the middle income tax payers. Significant reforms also took place in the public health system resulting, among others, in horizontal budget cuts that specially affected the mental health sector among others, such as provision of primary and hospital care. Consequently, access to free health services was seriously hindered and a significant part of the population (especially the self-employed persons) became unable to respond to the health insurance fees due massive closure and bankruptcy of small family owned firms, as well as the redundant salaried employees of the private sector; others categories were excluded from the health system due to tax debts.

The abovementioned measures in key policy areas have resulted in the extreme deterioration of the indicators of life quality, housing and health. The Greek Memorandum and the subsequent policies had “an extremely negative social impact affecting key social cohesion aspects”, while the social protection gap is partially and uncoordinatedly covered under private individual initiatives

44 a.9 L.4052/12 (GG 41 A/1-3-2012 )
45 Law 4025/11 (GG A/2-11-2011) providing for the establishment of a “National Register of Beneficiaries of social and welfare benefits” in order to facilitate the creation of a data base.
46Abolishment of the public organization in charge of providing affordable housing (Greek acronym OEK) by a.6 L.4046/12, resulting in the absence of social housing structures in Greece. Indicatively, it is also noted that: “In Greece, the most dramatic situation, the package of austerity measures passed by the Parliament on 12 February 2012 includes the dissolution of the public organization delivering low-cost housing to employees and workers which represented the only form of social housing in the country.” in CECODHAS Housing Europe’s Observatory RESEARCH BRIEFING, IMPACT OF THE CRISIS AND AUSTERITY MEASURES ON THE SOCIAL HOUSING SECTOR, Year 5 / Number 2, February 2012.
47See above footnote n.35 with regard to the enactment of Kallikratis Plan
49ibid
51See: Special Permanent Parliamentary Committee on Equality, Youth and Human Rights, Session on “Homeless in Athens”, 24/12/2012; Mousidou A, Papatheodorou C, “Healthcare and inequality in Greece - Distributional effect of health system”, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), Studies/16, December 2011
within the volunteer and philanthropy sector; a fact that underlines the “complete lack of social protection measures”.

As mentioned, the main governmental direction for social policies on the fields of social protection and social inclusion tends to be inextricably related to employment, aiming to “speed up employment policies and to limit the social impact of the crisis and of the fiscal consolidation measures through the improvement and effectiveness of social transfers.” This major characteristic of evolutionist labor market policies follows the dominant ‘Jobs and Growth’ trend of social policy planning both on national and European level, and it has a serious long-term impact on the development of the welfare system and the fight against poverty, as evidently it sacrifices social cohesion. As the UN Report states, “the evidence indicates that unemployment is not synonymous with poverty, nor with being at the bottom of the income distribution.” Indeed, there is a significant impact for those who are far away from the labor market, such as for example the long term unemployed resulting to “a narrow vision of labor market, abandoning people outside it,” “Within the Europe 2020 Strategy and the Semester, employment is mainly promoted as the only viable route out of poverty, despite the fact that unemployment is rising, and that the jobs themselves do not necessarily offer a route out of poverty, with in-work poverty rising to 9.1% in 2012. Greece has one of the highest rates of in-work poverty even before the crisis (14% in 2008); given the significant fall of earnings of the basic salary and the stagnation of the labour market, the percentage of at risk of poverty for households with head as a part-time worker is 31, 2% and for households with head self-employed is 22, 6%.

---

53 Economic and Social Council of Greece, Initiative Opinion n.301, op cit
54Geormas K, and Graikioti St Ministry of Labor, Social Security and Welfare, “Social Economy: The Greek Case, Social entrepreneurship and other models to secure employment for those most in need” prepared for the Peer Review in Social Protection and Social Inclusion programme coordinated by QSBS Consulting, the Institute for Employment Studies [IES] and Applica, and funded by the European Commission, Croatia, 29-30 October 2013
55 See increases of poverty and inequality rates at EU level the last decade, especially for working people, “Working and Poor”, EAPN Position Paper on In-Work Poverty, Nov. 2013
56“.. the evidence indicates that unemployment is not synonymous with poverty, nor with being at the bottom of the income distribution. [...]traditional poverty and income distribution research has a very limited role to play in shedding light on the social consequences of unemployment, or in informing decisions about how to reform the welfare system in response to the unemployment problem” in Saunders Peter, The Direct and Indirect Effects of Unemployment on Poverty and Inequality, The Social Policy Research Centre SPRC Discussion Paper No. 118, December 2002, Indicatively see also: UN General Assembly, A/60/314 Eradication of poverty and other development issues: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) “Report of the Secretary General: The centrality of employment to poverty eradication”, 30 August 2005
57 European Anti-Poverty Network, Contribution to the European Commission consultation on the future of European Union policy on territorial cohesion,2009
59 [...]Quality employment is crucial, but it is not always a solution for everybody across the life cycle, and will not by itself ensure people’s right to access adequate resources and services, which can prevent them from experiencing poverty and exclusion and maintain their living standards. It does not take on board the crucial role of social protection expenditure, which reduces at-risk-of-poverty (from 25.9% to 16% after social transfers--2012). In the employment policies proposed, less priority has been given to quality job creation and ensuring access of those most excluded, and more to ‘employability’ and to supply side measures, through activation. These policies often force unemployed people into ‘poor jobs’ or training activities by threatening them with sanctions of withdrawing vital income support if jobs are not accessed.” In European Anti-Poverty Network, POSITION PAPER EAPN Input to the Mid- Term Review of the Europe 2020 Strategy “Can the Strategy be made fit for purpose enough to deliver its promises on poverty reduction?”, July 2014
Furthermore, and within the aforementioned trend, the social entrepreneurship is promoted at institutional and operational level, while the social economy’s role in social inclusion and in the fight against poverty is underlined as a fundamental one. It should be noted that, the terms “social care” and “social vulnerable group” are legally determined for the first time within the provisions of the new law regulating the social entrepreneurship scheme. These definitions are reflected, among others, on the definition of final beneficiaries of Operational Programmes within the Multi-Annual Financial Framework 2014-2020. It is important to note though the restrictions of this important initiative, resulting from both, the absence of a considerable social economy sector in Greece until recently and the unfavorable amendments of the social economy law, introducing additional taxes and creating disincentives to the establishment of social enterprises, as well as the serious delays in the establishment of the social economy fund.

It is within this general context and more than twenty years delayed, the legal provision for the pilot implementation of a Minimum Guaranteed Income comes in 2012, as part of the second Memorandum, alongside with the introduction of further austerity measures, such as further pension and wages cuts and increased taxation of property and middle incomes.

---

61 L. 4019/11 (Government Gazette 216 A/30-9-2011): “Social Economy and Social Entrepreneurship and other provisions”
63 It should be also noted that the term “homeless” has been legally defined, signifying the official recognition of homelessness and the legal commitment for the protection of the homeless. However, the required ministerial decision for the full enactment of the law is still pending (a. 29 L.4052/12 GG 41 A/1-3-2012).
64 Greece, National Strategic Reference Framework 2014-2020 (NSRF), April 2014, p.95
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of National Health Care and Social Care Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gradual increase in social expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First National Action Plan for Social Inclusion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU Operational Programmes (&quot;Europeanization&quot; on Social Policy)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative safeguard for access to the health care system of uninsured and financially weak citizens</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment of National Cohesion Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abolishment of National Cohesion Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Memorandum Troika-Greece</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reforms on National Health-Welfare Systems and Pension in the context of austerity measures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reform of Local Governance (Kalikratis Programme) - L. 3852/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutionalization of social economy – L.4019/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“National Register of Beneficiaries of social and welfare benefits” – L.4025/11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Memorandum Troika-Greece</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of the General Secretariat of Welfare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abolishment of Social Housing Organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative provision for the establishment of MGI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proclaimed time for the implementation of MGI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.3. Concluding remarks on the welfare system: highlighting the absence of a Minimum Guaranteed Income

Considering the above, it could be concluded that there is “an institutional mismatch between the social protection arrangements and the requirements for an effective anti-poverty policy”. Specifically:

a) Up to date Greece has failed to implement a “minimum social safety net”, that would provide social protection of all the population in need. Instead, “a variety of categorical -and

---

67 Matsaganis M, 2005 op cit
68 It is highlighted that the EU Recommendation 92/441/EEC, concerning the implementation of a Minimum Guaranteed Income (MIS) for all people in need, was pending since 1992 (92/441/EEC: Council Recommendation of 24 June 1992 on
fragmented social assistance schemes for the protection of certain categories of the population” has been developed, creating significant gaps within the overall system.

b) Particularly, the social protection system is focused on those included in formal labor market, while for those belonging to the potential labor force (and are away from the labor market) the protection is limited or absent. This labor market “dualism” is reflected in the welfare system, contributing to the reproduction of social inequalities.

c) The absence of an integrated strategy to fight poverty, inequality and social exclusion has limited the impact of measures and resulted in fragmented policy responses, mainly focused on employment policies. However, even if the promotion of ‘the employment solution’ appears to be one of the main operational axes in current social policies, its effectiveness could be seriously questioned, since it does not adequately provide for decent working and living conditions of the employed (see working poor), let alone for the people living in poverty independently of employment status.

Within the aforementioned frame, welfare policies are characterized by “emergency” focused measures, without prior evidence-based planning. This results into the conceptualization of the welfare as “a crisis management” system.

Therefore, the promotion of a coherent strategic social policy plan, an Integrated Anti-Poverty strategy and the establishment of a coordination mechanism at implementation level should be among the immediate priorities.

common criteria concerning sufficient resources and social assistance in social protection systems Official Journal L 245, 26/08/1992 P. 0046 - 0048, while the implementation of the pilot implementation of Minimum Guaranteed Income, as provided by the applicable law, was supposed to start in January 2014; though still in October 2014 its implementation has not started yet.

Matsaganis M, Policy tools for a “social safety net” in Greece, In Proceedings of the International Conference “Two thirds Society: dimensions of the modern social problem”, Panteion University, Athens, 10-12 November 1997; Matsaganis M, Petroglou A, The social protection system and the women, Study on behalf of the National Research Centre for Equality, June 2001


This view was also expressed by the General Secretary of Welfare during intervention in the Consultation Meeting on “Investing in Children: Breaking the cycle of disadvantage” (C, 2013) 778, 20/2/2013), organized by Greek Ombudsman, in collaboration with the European Commission and Eurochild, Athens, May 9, 2014

Within this context the Greek Economic and Social Committee underlines that most of the interventions are referred as political priorities and remain on paper, while their planning is not based on an impact analysis system. (Greek Economic and Social Committee, Opinion on “National Strategic Report for the Social Protection and Social Inclusion 2008-2010”) See also Amitsis G (2012), op cit
2. Political Discourses and the New Proposed MGI in Greece

2.1. The main approaches and proposals for a MGI in Greece

Greece has not yet endorsed the EU recommendation 92/441/EEC of 24 June 1992, concerning the implementation of Minimum Guaranteed Incomes (MGI).\(^{75}\) Within the last two decades, the relevant social policy approaches and legislative proposals bring to light key pending decisions over the creation of an integrated anti-poverty strategy and unveil dilemmas related to the implementation scenarios for a Minimum Guaranteed Income, i.e.: A Basic Income Guarantee (BGI) or Minimum Income Guarantee scheme (MGI)? Safeguarding an adequate and/or a decent standard of living? Defining the height of income on the basis of the minimum wage/pension, the minimum social benefits or using reference budgets? The scheme shall be implemented supplementary to or as a substitute for other social policies and benefits?\(^{76}\)

Considering the discourse on the design and the implementation of Minimum Guaranteed Incomes in Greece, especially at political parties’ level, it seems that there is a common understanding and acceptance of the necessity for an effective safety net within the society notwithstanding their different perspectives and approaches. Looking back in 2000 the Economic and Social Council of Greece issued an Opinion on “Combating Poverty”, supporting that a key tool in the fight against poverty is the Minimum Guaranteed Income (MGI).\(^{77}\)

At the same year, a legislative proposal entitled “For the minimum income” was submitted to the parliament by 50 parliamentary members belonging to PASOK (socialist), at that time ruling party. In the explanatory memorandum of the proposal, minimum income was presented as the main measure against poverty and social exclusion, underlining that Greece was the only EU country that had not established a Minimum Guaranteed Income.\(^{78}\) The aforementioned proposal did not proceed further, and after the end of the parliamentary term (in 2004), it was typically withdrawn.\(^{79}\)

In 2004 a second legislative proposal was submitted, “For the establishment of the Guaranteed Minimum Income and relevant social support services” by parliamentary members belonging to SYRIZA (left) party of the minor opposition. According to this approach the minimum income is not a substitute for other social policies or a mean for their reduction or for the reduction of other social

---


\(^{77}\) Economic and Social Council of Greece, Opinion 41 “Poverty in Greece ” July 2000; See also a critical approach towards the MGI implementation in Maragos G, Astroulakis N, “I The Basic Guaranteed Income and policies of the Minimum guaranteed Income the EE-15”, Economic and Social Developments Observatory - Institute of Labour/INE / Greek General Confederation of Labour(GSSE), Studies/9, December 2010

\(^{78}\) Legislative proposal entitled “For the minimum income” and relevant Explanatory Memorandum, submitted to Greek Parliament in 07/12/2000: According to the provisions of the proposal: the eligible criteria were based on a) the annual income (including actual and presumptive income), which may vary depending on the family structure b) the nationality (legally residing Greek and EU citizens) cholding an unemployment card for at least one year prior to the time of the application. The monthly amount of the benefit was based on the height of the minimum social security pension, varying according to the family structure. The benefit was to be granted for a maximum period of two years, unless the beneficiary is unable to work (disabled, old). The beneficiary was to be excluded from the further granting of the benefit, in case he/she refuses to accept the inclusion in a training programme or the offer of a job. The implementation of the programme was to be planned and coordinated by a National Committee (under the jurisdiction of the competent ministry), and sub-peripheral committees on local level (including representatives from local government agencies). See: Legislative proposal entitled “For the minimum income” and relevant Explanatory Memorandum, submitted to Greek Parliament in 07/12/2000

\(^{79}\) PD 48 “End of I Parliamentary Legislature” GG 40/11.2.2004
benefits; it was proposed to function in a reinforcing and supplementary way. The proposal was discussed in 2005 in the context of the Standing Parliamentary Committee on Social Affairs, and on parliamentary level, but it was not been further promoted by the government. 80

In 2006 in the context of parliamentary discussions for the revision of Greek Constitution, the issue of including or not the reference to guaranteed income in the Constitution was discussed, with the aim to enhance and promote the State’s obligations towards it. However, all main parties agree that such a provision was not necessarily required as a perquisite for enacting legislation for a horizontal measure of minimum income (thus excluding it from the recognition of basic rights). Indeed the representative of PASOK party underlined the need for the immediate implementation of a Minimum Guaranteed Income and he submitted to the Parliament a relevant study. 81 The same issue was further discussed during relevant parliamentary discussions in 2008. Left wing SYRIZA party supported that the right to descent living should be enshrined on constitutional level in such a way that would have justifiability, i.e. right bearers could appeal before court on the basis of a minimum guaranteed income. While the communist party expresses serious concerns that the potential establishment of a Minimum Guaranteed Income would lead to the deterioration of the living conditions of the poorest, and that it would have a negative impact on the workforce and on the working rights of employees. 82 Parallel, another aspect of this discourse led to a conflict regarding Greek citizenship as an eligibility criterion for the potential beneficiaries. 83

These developments at national level need also to be seen within the context of the European Commission’s Communication and then a Consultation process (2006 and 2008 respectively) touching upon the question of minimum income “on action at EU level to promote the active inclusion of the people furthest from the labour market”. 84 It is worth mentioning that at that period EAPN Europe launched the campaign for “Adequate Minimum Income schemes” calling National

80 Standing Committee on Social Affairs, discussion on Legislative proposal “For the establishment of the Guaranteed Minimum Income and relevant social support services”, Parliamentary Proceedings 12/04/2005, 01/12/2005

Specifically, according to the proposal: There are no time limitations for the granting period, and each year the eligibility criteria would be evaluated on an individual – household basis. The monthly height of the benefit amount would be defined by ministerial decision, and it couldn’t be defined less than the threshold of extreme poverty, while it could vary depending on the family structure. The planning and the implementation of the scheme would be under the jurisdiction of an independent administrative authority. Additionally, a 3 year pilot stage on limited peripheral level is provided before the nationwide application of the scheme in order to evaluate its implementation outcomes. The scheme would be funded by the state budget and the provided funding couldn’t be less than 0.25% of GDP.

81 Two “parallel and comparable proposals” by PASOK and New Democracy party are submitted. The first proposes adding a paragraph (in Article 21) concerning the guaranteed level of decent living, the second proposes to add a subparagraph in paragraph 1 of Article 22, “that the state is obliged to ensure social cohesion.” In the Committee on revision of the content, “on the Revision of the Constitution. First Session: Church-State Relations, Civil and social rights. (Discussion on Articles 5, 14, 17, 20, 21 and 22)” Parliamentary Proceedings, 05/10/2006

It should be noted that within a former discussion (Proposal for Revision of the Constitution, submitted in 09/10/2006), SYRIZA party referred to the need for the establishment of the Minimum Guaranteed Income at legislative level (not necessarily at constitutional level).

82 Greek Parliament, “SPECIAL AGENDA, Discussion on the First Section of the Articles of the Constitution revision. (Article 14, paragraph 9, Article 17, paragraphs 1 and 6, Article 20, paragraph 1, Article 22 paragraph 1 and Article 28 paragraph 3 and interpretative statement, Sections A and C of the Review Committee)” Parliamentary Proceedings, 08/05/2008

83 LAOS (right wing party) supports that only Greek and EU citizens should be included, while SYRIZA (left wing party) suggests that every person, regardless citizenship, should be acknowledged with the benefit. Other parties do not express a clear view on the issue during this discussion. Greek Parliament, “SPECIAL AGENDA , Discussion on the First Section of the Articles of the Constitution revision. (Article 14, paragraph 9, Article 17, paragraphs 1 and 6, Article 20, paragraph 1, Article 22 paragraph 1 and Article 28 paragraph 3 and interpretative statement, Sections A and C of the Review Committee)” Parliamentary Proceedings, 08/05/2008

84 The consultation focused around 3 questions related to the need for action at EU level. Its primary focus was on ensuring that minimum income schemes do not act as a disincentive to labour market insertion. It also set out a new comprehensive policy concept called Active Inclusion for supporting those furthest from the labour market based on 3 pillars: “a link to the labour market through job opportunities or vocational training; income support at a level that is sufficient for people to have a dignified life; better access to services that may help some individuals and their families in entering mainstream society”. See official documents on http://ec.europa.eu/employment_social/social_inclusion/active_inclusion_en.htm
governments to a) recognize Adequate Minimum Income schemes as an essential element of the Social Protection System and the solid foundation on which to build decent society and b) to guarantee as a basic right, access to Adequate Minimum Income schemes capable of sustaining a dignified life. The Greek network adopted all the context of the campaign (promotional materials, position papers, etc.) at national level and raised the issue continuously.

Similarly, in 2009 in the context of the legislative Bill on "Extraordinary measures to support vulnerable groups’ income" MGI was again in the political agenda. Parties, excluding the serious objections and concerns expressed by the communist party, seem to agree on the necessity of a Minimum Guaranteed Income implementation.85

In the light of the European Year (2010) for Combating Poverty and Social Exclusion, the Ministry of Labor invited (in April 2009) state and non-state stakeholders to contribute to the consultation on the relevant National Programme. The programme’s plan was based on the former National Strategic Report for the Social Inclusion and Social Protection (2008-2010), where among others, one of the main axes is the safeguarding of descent socio-economic living standards through the inclusion in labor market and through income support schemes.86

Over time many studies in Greece, influential to the above mentioned political discourses, have addressed the need for the introduction of a Minimum Guaranteed Income either as a safety net or as a means of restructuring the welfare system towards an efficient way to protect those in need.87 Especially regarding the calculation of the minimum income level, the approaches vary significantly in academic analyses using different starting points (minimum wage/pension, benefits etc.).88 More recently and within the crisis context, studies addressing the impact of continuing austerity measures indicate that the prices on basic good basket or on other items defined essential to ensure decent living conditions, including basic amenities, have increased, while salaries or other forms of income have been significantly reduced for the majority of the population, resulting to a significant impoverishment effect.89 Other studies indicate that the level of the minimum income when

89Indicatively see: "The scale of income loss in Greece is much larger when 2013 is compared with 2008 indexed by prices rather than market income because the price level in Greece rose by 10% whereas market incomes fell by 15%" (De
calculated on benefits, although it is considered more feasible fiscally, is not concerned with adequacy, or a dignified level of living. According to another approach, minimum wage or benefits say very little on the cost of living with dignity. As an alternative approach reference budgets (RBs), which have been developed in various countries across Europe over the last few years, have been used for a variety of aims and have proved to be an effective instrument with regards to promoting social inclusion. However, the idea of calculating fiscal feasibility of minimum income based on a reference budget has not yet been explored systematically in Greece. The approach got visibility only recently in the context of EU projects on the development of RB and with a geographical focus on the Athens area, the research is in progress.

It’s worth noting that, with regards to the current proposed pilot Minimum Guaranteed Income Scheme (in L.4093/12), an academic study suggested two scenarios for the implementation in two pilot areas (accordingly to the legislative provision of 4093 Law). The study used EUROMOD in order to value the fiscal and distributional effect of this scheme. Specifically, “the base scenario assumes that the income guarantee for one person is set at the level of unemployment insurance benefit (360 per month); in the alternative scenario, that amount is linked to the unemployment assistance benefit (200 per month); housing allowances would also be payable.” It is estimated that the first scenario would “eliminate extreme poverty, and drastically reduce relative poverty, at a cost of over 1% of GDP”. According to the second scenario, costing 0.35% of GDP wouldn’t have such a strong impact “providing less than 2% of total expenditure on social protection”.

In concluding, one should note that notwithstanding the availability of different approaches and tools for the definition of levels of an adequate and / or fiscally feasible MGI scheme in Greece, as it will be shown below, so far it is not clear which methods have been adopted in the determination of its levels (lower and higher ceiling), in simple words how it was calculated. Nonetheless, it should be also acknowledged that the debate of a Minimum Guaranteed Income in the last period has a much more intensive presence in the media, indicating its importance to the overall social and economic context. It can also be linked to the general trend in most EU countries, to address the social impact of the crisis and to re-shape their social policies.


For a brief overview of the RBs developed in Greece indicatively see in: Storms B, Goedemé T et al, Pilot project for the development of a common methodology on reference budgets in Europe, Review of current state of play on reference budget practices at national, regional, and local level, April 2014, p.113; See also about the EU Programme “ImPRovE”, cross-national comparable reference budgets for 6 countries will be developed, including Greece The Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE), carried out by the ImPRovE Consortium and co-financed by the European Commission (Project officer at the European Commission: Marc Goffart). The project runs from March 2012 till February 2016 and is co-ordinated by the Herman Deleeck Centre for Social Policy (University of Antwerp, Belgium). Detailed information available on the official website of the EU Programme “ImPRovE”: http://improve-research.eu/

EUROMOD is a tax-benefit microsimulation model for the European Union (EU) that enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole. As well as calculating the effects of actual policies it is also used to evaluate the effects of tax-benefit policy reforms and other changes on poverty, inequality, incentives and government budgets.” See detailed information available at: https://www.iser.essex.ac.uk/euromod ; http://www.eui.eu/Research/Library/ResearchGuides/Economics/Statistics/DataPortal/EUROMOD.aspx


2.2. The new proposed scheme

2.2.1 The legislative provisions

In 2012, under the second Memorandum signed with Troika, an obligation of the Greek State was foreseen towards the adoption of legislation for the introduction of new social programmes including a) benefits up to 200 euros per month for long-term unemployed, that would be granted for a 12 month period, provided that the beneficiaries do not meet the criteria for their inclusion in other training programmes and their family taxable income is up to 10,000€. The cost of the programme was foreseen not to exceed the 35 million euros. b) the establishment of a pilot Minimum Guaranteed Income Scheme.  

Specifically with regard to the Minimum Guaranteed Income, the legislative provision defines the following:

- The launch of a pilot implementation stage was set for the 1st January 2014
- During the pilot period two different geographical areas with differentiated socio-economic characteristics would be selected (note: it is not defined whether these areas would cover two peripheries or two municipalities)
- The benefit will be acknowledged to persons and families that live in extreme poverty, and it is regarded as an income support measure that will be combined with social inclusion/reintegration measures
- The scheme will be applied supplementary to policies for combating poverty and social exclusion
- The maximum cost of the pilot shall not exceed the amount of 20 million euros (this has increased to 30 million just before the beginning of the scheme)
- The implementation will be based on the enactment of a ministerial decision that shall provide for: the beneficiaries (eligibility criteria), the basis for calculating the minimum income and its height, the calculation of the benefit as the difference between real income and the minimum income, the competent agencies for the implementation, the beneficiaries’ access procedure

Alongside, the perspective towards the nationwide implementation was set for the beginning of 2015.

2.2.2. The planning and preparation procedure that has been officially adopted

Within the context of the pilot implementation, the World Bank has been officially invited and later (November 2013) contracted by the Ministry of Labor, Social Insurance and Welfare. As reported: «A cooperation agreement between the Ministry of Labor, Social Insurance and Welfare...»

96 It should be noted that the law does not provide for a definition of the minimum guaranteed income scheme. At this point we should remind that “There is no common definition and name for the various existing Minimum Guaranteed Incomes across the EU. Each country fixes its own amount and entitlement rules.” Additionally, we should also remind that in the context of EU legal instruments (EU Recommendation 92/441/EEC, Commission Recommendation 2008/867/EC) “a minimum income, adequate for a dignified life is enshrined as a fundamental right” (European Anti-Poverty Network, Adequacy of Minimum Income in the EU, EAPN Explainer # 2, 2010 available at: http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/adequacyexplainer-2010-en-web.pdf)

97 Subparagraph IA.2. Pilot Programme for the Minimum Guaranteed Income, L. 4093/12 GG 222 A/12-11-2012, as amended by par.2.10 Legislative Act/19-11-12,GG 229 A/19-11-12 andpar.2.2 n.34 L4111/13, Official Gazette -18 α25 – 1-13

98 EU Commission, Statement by the European Commission, ECB and IMF on the review mission to Greece, Brussels, 19 March 2014

99 It is noted that during the World Bank representative’s assessment visit, well before the signing of the aforementioned agreement, in May 2013, representatives of civil society were invited to a special meeting in the premises of the Ministry of Labor, in order to express their views and demands with regard to the current crisis, especially to the problems in the social protection/welfare field. It is also noted that the representatives were not informed whether this meeting was in the context of Minimum Guaranteed Income preparation or not. (Source: Greek Anti-Poverty Network)
and the World Bank Group was signed at the end of October (2013) on developing and rolling out a pilot project on establishing a means tested income support programme». As presented, the World Bank was to offer “operational assistance in designing the programme” and “support for the Pilot Implementation”, with the aim to “support the Government of Greece in this effort”, according to the government’s priority for “providing effective protection to the vulnerable in a fiscally constrained environment, during a very difficult period of social stress” 100. It was envisaged that decisions will be reached on the choice of pilot area, eligibility criteria, the payment system and social impact assessment criteria. 101 The Task Force for Greece was to offer further technical support to the government of Greece to undergo all committed adjustments. 102

In November 2013, following the aforementioned legislative provision a Committee was established under the jurisdiction of the Ministry of Labor, Social Security and Welfare with the mandate to plan, implement, monitor and evaluate the implementation of the pilot stage in the aforementioned two areas. According to the provisions of the relevant ministerial decision, the Committee consisted of Ministry’s stakeholders, experts on the Green Paper National Strategy for Social Inclusion, as well as representatives of the Task Force Greece (TGR) was possible to be invited to participate. The work of the Committee was under the supervision of the General Secretary of Welfare. 103

It should be underlined that up to date (October 2014) the publication and enactment of the aforementioned Ministerial Decision governing the implementation of the pilot phase is still pending, and there is no officially published data clarifying implementation details. What is known is based on the official announcement (14 October 2014), where the Prime Minister and the leadership of the Ministry of Labor Social Security and Welfare stated among others that the starting date for the submission of the beneficiaries’ applications for inclusion in the Programme is 15th November 2014. 104

2.2.3. Official information and commitments

In April 2014, the Vice Minister of Labor Social Security and Welfare, stated that the establishment of the minimum guaranteed income aims to ensure a minimum level of descent living. 105 Alongside, the focus was on those living in extreme poverty is underlined, based on a three axes approach, i.e.: 106 a) income support and supplementary benefits (health care, heating allowance, electricity social rates etc.) b) support services in order to address social problems that are related

100 Ramya Sundaram, World Bank , “Greece Minimum Income Pilot” presentation at the Seminar on addressing social divergences in European societies: improving minimum income support, 3 April 2014 Brussels, Belgium
103 According to Ministerial Decision 36020/Δ1.8232/5-11-2013 “Establishment of Working Group for the pilot implementation of the Minimum Guaranteed Income”, as amended by 1303/Δ1.238/16 January 2014 decision 36020/Δ1.8232/05-11-2013. It is noted that we have no official information on who are the experts that have been invited to participate in the working group.
104 See below chapter 2.2.3
with extreme poverty c) actions for the inclusion in the labor market. Within the same context, the following initiatives on social policy level, among others, were presented.\(^\text{107}\)

- distribution of the social dividend for the most vulnerable (lump sum benefit) funded by the primary surpluses
- safeguarding the access to health and medical services for the uninsured persons
- measures for the support of the homeless
- The promotion of "Social Partnership" in each municipality that will provide a local horizontal cooperation between all actors involved in social care (this cooperation will be legally provided in the context of the aforementioned measures for the support of the homeless).\(^\text{108}\)

Additionally, as stated by the General Secretary of Welfare in June 2014, the elaboration of the ministerial provisions for the implementation of the Minimum Guaranteed Income would have been concluded up to the end of that month, so as to proceed with the next phase.\(^\text{109}\) Moreover it was mentioned that the implementation areas had been already selected in the Greek regions; however the relevant official announcement on them has been delayed due to the recent EU and local level government elections. The main selection criteria were to be: a. statistical characteristic data (economic, geographical, population) b. the level of development and adequacy of social services on municipality level. With regard to the latter criterion, it was not clarified on which evidence data the evaluation of the social services was based. Despite that, this criterion is considered to be vital for locating and supporting people from local communities who are in real need and due to practical or typical obstacles could be prevented from applying for participation in the programme. Additionally it was mentioned that, through the social services a certification mechanism could be created for cross-checking and confirming the qualified beneficiaries. It should be also noted that the basic income line would be defined on the basis of real (not presumptive) income, though no details were given regarding the determination of the income. Additionally, it was stated that, potential beneficiaries will be informed and supported to take full advantage of additional social programmes, complementary to the MGI, so as to strengthen the potentials for combating extreme poverty. It was also suggested that the consultation on the MGI (including civil society and any other competent stakeholder and expert) should be institutionalized both during the pilot and national level implementation targeting the constant evaluation and the effective implementation of MGI. Yet, no clear answer was provided over the mechanisms and procedures of this evaluation.

On 14.10.2014 the Greek government\(^\text{110}\) announced the introduction of the “guaranteed social income"), otherwise the Minimum Guaranteed Income (MGI).\(^\text{111}\)

---

\(^{107}\) ibid

\(^{108}\) Ministerial Acts were issued in August and September 2014, regulating on this issue See: Ministerial Decision Δ28 Οικ.27671/2096/8-8-2014 «Feasibility Approval for commitment and release appropriations from ΚΑΕ Ε2762 tou Φ 33-220»), Ministry of Labor Social Security and Welfare, General Secretariat of Welfare, Directorate General of Social Awareness and Solidarity, Δ28/οικ.31354/2352/15-09-2014 “Call for the Housing, Feeding and Social Care for the Homeless according to the article 29 L.4052/12 as applicable”

\(^{109}\) In June 2014 the EMIN Project Team met the General Secretary of the Ministry of Labor, Social Security and Welfare in order to consult over the MIS progress, the level of the financial contribution and advocate the need of consultation processes involving civil society stakeholders. The data referred here are based on the information given in the context of this meeting.

\(^{110}\) Minister and Vice-Minister of Labor, Social Security and Welfare, with the presence of the Prime Minister and the Minister of Foreign Affairs, officially presented the “Guaranteed Social Income” scheme in 14 October 2014

\(^{111}\) It is noteworthy that the term used for describing the scheme is “Guaranteed Social Income”/GSI (used in the title of the official governmental announcements), instead of the terms "Minimum Income Scheme"/MIS (used in the legislative provision) or the term "Minimum Guaranteed Income"(MGI). There is no official clarification or justification for the use of “GSI”, and it should be also underlined that even in the text of the official announcement, as well as in other official statements by governmental representatives, the three aforementioned terms seem to be used without distinction. Especially with regard to the use of the terms and definition see also the relevant footnote n.83. This Report uses unequivocally the term Minimum Guaranteed Income
MGI is defined as the first policy axis of social cohesion aiming to combat extreme poverty. The second axis is based on the support of families and children that live in relative poverty, while the third axis refers to the support of the disabled. Specifically, according to the official announcements:

- 13 municipalities (one in each Greek periphery) will implement the pilot scheme.
- The pilot stage starts in the first half of 2015 and it will have six month duration, with the prospect of its general implementation right after.
- The pilot scheme at this stage is funded by the state budget, yet the scheme in its full national implementation after middle 2015 will be funded by budget surpluses.
- The full implementation is expected to reach approximately 700,000 people (this is around 7% of the total population and approximately 18.4% of the 3.8 million who are at risk of poverty and social exclusion; see below page 16).
- The beneficiaries may submit their applications to Local Authorities after 15th November 2014.
- The "E-Government Social Insurance" S.A (I.D.I.K.A.) will have an upgraded role in the management of the scheme.
- MGI is a comprehensive "social service package", including a wide range of social services and goods and, in particular, participation in actions aiming to reintegration in Labor market.
- The scheme is connected with the effective implementation of the National Plan for Social Inclusion, Combating Poverty and Social Exclusion. Among the prerequisites, towards this goal, is the undertaking of joint responsibility by the Government, the Local Government, the Church and the Civil Society.
- The Minimum Guaranteed Income will be implemented through a modern social protection and welfare model that includes five social innovations:
  - Inclusion in the programme is based on the evaluation of the real economic and social situation of the applicant and on his/her current real disposal income;
  - Eligibility is examined through an e-direct system, including the cross-checking of all the details referred in the application, while a social work research is conducted when deemed necessary;
  - Reciprocal agreement between the State and the beneficiary, based on the evaluation of the real economic and social situation of the applicant and on his/her current real disposal income;
  - The Social Safety Net for Social Cohesion (MGI) is a comprehensive "social service package", including a wide range of social services and goods and, in particular, participation in actions aiming to reintegration in Labor market.

According to former announcement by the vice minister of Labor (see above footnote n.95) these axes are mainly based on the Economic and Social Council of Greece, “ Initiative Opinion 301 – The Social Safety Net for Social Cohesion – Proposals and policy measures”, March 2014.

According to statement by Vice – Minister of Labor Mr Bezas, 45.000 beneficiaries will be granted with the benefit in the pilot stage (Source: dikaiologitika.gr news portal, 16/10/2014 http://www.dikaiologitika.gr/айдησεις/ἐργασία/41022/45-000-tha-parou-n-to-elaxisto-eggymeno-εισόδημα)

According to statement by Vice – Minister of Labor Mr Plakiotis in the Conference “Challenges for the pilot implementation of the Minimum Income Scheme in Greece”, held by the National Centre for Social Research, University of Athens, Technological Educational Institute of Athens, 17 October 2014, Athens University Hall


According to statement by the General Secretary of Social Security, Mr Kokoris, the Pensioners’ Solidarity Benefit (EKAS) will be transferred from social insurance to welfare, towards a merging trend for all benefits. "We are moving towards the merging of all benefits (that will be granted from) one source, considering that this is a step towards transparency, efficiency and fairness" (source: “Sweeping changes for all benefits from 2015”, daypress.gr news portal, 24/10/2014, http://www.daypress.gr/index.aspx?aid=58992&cid=9)
on an individual integration or reintegration plan; 4. Synergies with other programmes (programme for combating unemployment, Fund for European Aid to the Most Deprived -FEAD) 5. Establishment of “Social Partnership”, defined as the horizontal cooperation of State- Local Government- Church – Civil Society on municipality basis.

According to information provided by several press articles published following to the aforementioned announcement and providing further clarifications, the payment of the MGI will be suspended if the holder is away from Greece for more than two months, -unless the removal is due to health reasons- or if the beneficiary refuses to work in a job offered through the Employment Agency (Greek Manpower Labor Organization – OAED). 117

It’s worth noting that following the official presentation of the MGI scheme very few institutional responses from competent stakeholders have been officially published. This could be explained by the relative short period since the announcement, but it could be also considered as a reservation towards the ambiguity of the relevant legal framework (pending Ministerial Decision), as well as the absence of an overall previous consultation procedure during the preparation period, that would have allowed for a maturation process and a better understanding of various critical issues concerning the proposed scheme.

3. The implementation perspectives of the Minimum Guaranteed Income - challenges and expectations

3.1. The crisis context as a major challenge

Greece is suffering the deepest recession in its contemporary history. According to official political statements “the crisis experienced by the Greek society has created unprecedented conditions. It is now more than clear, even conservative political discourses have acknowledged it, that deadlocks proliferate and if there are no policy changes, then the crisis can deepen further and the results can be even more devastating for whole categories of the population especially the elderly and the young.” A recent report by the UN Special Rapporteur on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, “has found that the austerity measures being taken by the Greek Government as part of the fiscal adjustment program are undermining the protection of the fundamental rights enshrined in international UN Conventions and the EU Charter of Fundamental Rights.” Yet, as officially stated the EU Charter of Fundamental Rights cannot be used as a reference in the context of the application of instruments agreements between Greek State and its lenders, while at the same time it is acknowledged that the forthcoming implementation of the Minimum Guaranteed Income would contribute the most to address the difficulties in the social field.

According to recent data (reference year 2012), Greece is among the group of countries with the highest risk of poverty rate (23.1%) and it has the fourth place among the 28 countries with the highest proportion of people at risk of poverty and social exclusion before social transfers (34.6%).

---


119 "The report recommends that creditors (and hence the EU) abide by a number of principles, including a) no provision of aid involving interventionist and humiliating policies that undermine development and human rights; b) the inclusion of the reduction of unemployment and poverty as measurable targets in the adjustment programme; and c) transparency in negotiations." UN Special Rapporteur Cephas Lumina, A/HRC/25/50 Add.1 Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights, Addendum - Mission to Greece, 27 March 2014

120 E-005633-14 Answer on behalf of the Commission, 17 September 2014 to E-005633-14 Question for written answer to the Commission on the subject “Report by a UN expert on human rights abuses in Greece as a result of the implementation of austerity measures”

121 Data published in the Parliamentary Budget Office, Report on MINIMUM INCOME POLICIES IN THE EUROPEAN UNION AND IN GREECE: A comparative analysis’, 17 September 2014, p.24; According to data published by Hellenic Statistical Authority, Living Conditions in Greece, 05 September2014 poverty rate is 26.8% (before social transfers)

Table 3: Total public social expenditure as a percentage of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Total public social expenditure as a percentage of GDP</th>
<th>At-risk of poverty rate after social transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(source OECD (2013), &quot;Government social spending&quot;, Social Issues: Key Tables from OECD, No. 1)</td>
<td>(source ELSTAT)</td>
</tr>
<tr>
<td>2006</td>
<td>21.3</td>
<td>20.8</td>
</tr>
<tr>
<td>2007</td>
<td>21.6</td>
<td>20.2</td>
</tr>
<tr>
<td>2008</td>
<td>22.2</td>
<td>20.1</td>
</tr>
<tr>
<td>2009</td>
<td>23.9</td>
<td>19.7</td>
</tr>
<tr>
<td>2010</td>
<td>23.3</td>
<td>20.1</td>
</tr>
<tr>
<td>2011</td>
<td>24.4</td>
<td>21.4</td>
</tr>
<tr>
<td>2012</td>
<td>24.1</td>
<td>23.1</td>
</tr>
</tbody>
</table>

Table 4: Changes in relative and absolute poverty in Greece, 2009-2012

Source: Eurostat (EU-SILC)

Overall 2.5 million people are below the threshold of relative poverty by the medium household income (60%), while 3.8 million people are at risk of poverty due to material deprivation and unemployment. In 2013 the poverty line was 432 euros a month for one person and 908 euros for a family of four. Based on the index referred to extreme poverty and can be determined by the cost of the basic basket of goods for a minimum level of decent living, for Attica in 2013 for a household without expenses such as mortgage or rent, is 233 euros per person and 684 euros for a family of four. It’s worth noting that in the last years there has been a dramatic increase in poverty rates especially when the absolute poverty is concerned. Additionally it should be noted that the updated Greek National Reform Plan on the Strategy “Europe 2020”, submitted by the Greek government in 2014 targeted that until 2020 450.000 people, of whom 100.000 children, will get out of poverty.

125 Mitrakos T, op cid, pp 48
126 “The Greek Ministry of Labor, Social Security and Welfare has set up three national targets in October 2010: 1) Reduction in the number of people at risk of poverty and/or social exclusion by 450.000 by 2020 which means a reduction of the at-risk of poverty and/or exclusion rate from 28% in 2008 to 24% in 2020. 2) Reduction in the number of children (0-17 years) at-risk-of poverty by 100.000 until 2020, which is translated into a reduction of at-risk-of poverty rate for children (0-17) from 23% in 2008 (EU-SILC 2008) to 18% in 2020. 3) Development of a “social safety net” against social exclusion,
which includes access to basic services, such as medical care, housing and education. This specific objective is not quantified, but highlights the need and willingness of the State to increase access to basic services in the framework of the third pillar of active inclusion policy.” Ministry of Finance, Greek National Reforms Programmeme, 2014, prepared by the Council of Economic Advisors, Ministry of Finance in collaboration with the Ministry of Administrative Reform, the Ministry of Education and Life Long Learning, the Ministry of Environment, the Ministry of Labor and the Ministry of Development, p.46

127 Hellenic Statistical Authority, Press Release, HOUSEHOLD BUDGET SURVEY 2013, 12 September 2014
Table 8: Unemployment rate – Greece

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>30.0</td>
</tr>
<tr>
<td>2003</td>
<td>29.5</td>
</tr>
<tr>
<td>2004</td>
<td>28.9</td>
</tr>
<tr>
<td>2005</td>
<td>28.5</td>
</tr>
<tr>
<td>2006</td>
<td>28.1</td>
</tr>
<tr>
<td>2007</td>
<td>27.8</td>
</tr>
<tr>
<td>2008</td>
<td>27.6</td>
</tr>
<tr>
<td>2009</td>
<td>27.4</td>
</tr>
<tr>
<td>2010</td>
<td>26.6</td>
</tr>
<tr>
<td>2011</td>
<td>26.3</td>
</tr>
<tr>
<td>2012</td>
<td>26.0</td>
</tr>
<tr>
<td>2013</td>
<td>25.7</td>
</tr>
</tbody>
</table>

Source: ELSTAT

During the quarter of 2014 the unemployment rate was 26.6%, versus 27.8% in the previous quarter and 27.3% in the corresponding quarter of 2013. The number of unemployed reached 1,280,101 now hitting also heads of households, i.e. working men in the productive age. Unemployment among young people aged 15-24 reached 52%, while many workless households are lacking basic amenities.

It is also worth mentioning the dramatic increase of the long term unemployed. The number has skyrocketed in the last 5 years of the crisis, while the policy responses, given the very high level of young unemployed, have been limited and fragmented.

Table 9: Long-term unemployed (%), Source: ELSTAT

---


It is also noted that according to the Hellenic Statistical Authority The seasonally adjusted unemployment rate in July 2014 was 26.4% compared to 27.8% in July 2013 and 26.7% in June 2014. The number of employed amounted to 3,581,832 persons. The number of unemployed amounted to 1,281,686 while the number of inactive to 3,268,994. (Hellenic Statistical Authority LABOR FORCE SURVEY: July 2014, Press Release 9 October 2014)
In general it can be argued that the crisis has left no aspect of the Greek economy and society untouched. In the last five years the national income has dropped by almost a quarter. Unemployment has skyrocketed to almost 1/3 of the workforce. Poverty and inequality are on the rise. Social services are faced with extreme demands and scarce resources. The austerity policies failed to compensate, and eventually reinforced, the adverse effects of the recession.\(^{130}\)

It is within this context that the Minimum Guaranteed Income will be introduced in the last quarter of 2014; society’s mandate is to mend holes of the fragmented social protection system and reach those that are in need, offering a real social net and the chance of a dignified living.

3.2. Obstacles and challenges for the implementation

Throughout the years, the basic reasons for the absence of the minimum income implementation have been widely debated, inter alia, by stakeholders on political state level and by representatives of academic community. Civil society organizations, on the other hand have also played a significant role in keeping the issue continuously present in the political agenda and lobbying for its implementation.

Specifically, with regard to the first case, it could be concluded that the officially stated reasons are related with:\(^{131}\) a) The lack of an identification mechanism of those who are in real need of social protection b) The administrative inadequacies and bureaucracy c) The lack and/or low capacity of social infrastructures. While, according to academic analyses, the factors that made the establishment of Minimum Guaranteed Income “a matter of low political priority”\(^{132}\) in the past are: “a) The role of the family (considered as a “substitute” for social welfare system gaps) b) The nature of unemployment (in the context of informal economy) c) The rural dimension of poverty d) The challenges posed by immigration”\(^{133}\)

Taking into account the overall abovementioned analysis, it can be argued that the main obstacles and challenges for the implementation of the announced minimum guaranteed income scheme could be summarized to the following points:

---

See also: Group of non-governmental experts in the fight against poverty and social exclusion, FIRST REPORT 2004, Assessment of implementation of the Greek NAPincl 2003-2005, Institute of Social Policy, National Centre for Social Research (EKKE) Athens, December
132 Matsagganis M,2005 op cit
133 Matsagganis M., 2004 op cit; Indicatively see also: Dell’Anno R,Miguel Gómez-Antonio, Pardo A, The shadow economy in three Mediterranean countries: France, Spain and Greece. A MIMIC approach, Empirical Economics, Volume 33, Issue 1 , July 2007, pp 51-84; Frey, Bruno S.; Schneider, Friedrich (2000) : Informal and underground economy, Working Paper, Department of Economics, Johannes Kepler University of Linz, No.0004 (referring that : “The South European countries (Greece, Italy) have an underground economy almost one third as large as the officially measured GNP”); Sotiropoulos D, op cit (referring that: “Wholesale changes of the welfare system have met with strong resistance from private interests and bureaucratic mechanisms.”Lambropoulou, E et al, op cit
1. Lack of a comprehensive system of social care (fragmentation) in conjunction with the conception of the social welfare “as a crisis management system”, deprived of evidence based planning and effective synergies.

2. The contribution of the guaranteed Minimum Guaranteed Income in reducing poverty is important to the extent that it reduces the poverty gap of beneficiaries of such allowances. Within the current Greek reality though, it is significant that any legislative and political effort towards this goal should take into consideration: a) The low impact of distributive policies to poverty reduction after social transfers b) The measurements of the poverty line and the definition of the criterion for necessary social intervention c) The political decision to target only extreme poverty leaves a huge percentage of the population that is either on poverty or at risk of poverty, uncovered. It is reminded that the working poor coverage is non-existent (Greece is well above the EU average), while the same applies for the huge number of indebted households.

3. Additional difficulties with regards to the documentation of the real needs and the income criterion for eligibility, that are related to significant gaps and dysfunctions of the tax system favoring tax evasion and at the same time imposing excessive taxation to middle, low middle income tax payers, thus creating an unfavorable climate for redistributive policies.

4. The future sustainability of the scheme could be endangered taking into account, among others, the following facts: a) The low capacity of the Local Authorities in terms of human and financial resources, compared to the high level of their mandated responsibilities in the social sector after the local government reform in 2010 b) The state budget cuts in social policies under the austerity measures have reduced the response capacity of social services at times of increased demand for social care c) The dependence of MGI implementation to the prospect of future primary surpluses

5. Concerning accountability, it should be noted that the lack of clarity on roles and allocation of responsibilities among the state, the local authorities and the final beneficiaries create additional obstacles on the establishment of accountability mechanisms. Who is in charge of what and who is accountable to whom and what for, remain open questions that the public administration needs to clarify.

3.3. Stakeholders consultation process and positions

During the period after the enactment of the legislative provision on the pilot implementation (2012) and up to date a limited number consultation meetings took place in relation to the scheme, alongside with parliamentary discussions and the further development of public discourse.

Several timely questions were submitted on parliamentary level with regards to the delay of the pilot implementation, the pending ministerial decision, the definition of the level of the minimum income, and the estimated impact/improvement on the living conditions of beneficiaries (compared to their prior living conditions); no clear answers were given and relevant information provided were vague and uncertain. It’s worth noting that in the context of the discussion of a timely question in May 2013 on “the planning of the pilot programme introducing the Minimum Guaranteed Income

134 See: Annex 4, Maria Marinakou, Ioanna Pertsinidou, Dimitra Souleles “Basic facts on Poverty in Greece and the Pilot Minimum Income Scheme”, EMIN Consultation meeting, Athens 2014


136 Indicatively see: Indicatively see: Parliamentary Proceedings:Discussion on timely question 50/23-9-2013, Discussion on timely question 469/27-1-2014
and its implementation”, it was stated that the establishment of the scheme aims to the merging of 50 social benefits in one.\textsuperscript{137}

A special session in the Parliament of Greece, was organized in February 2012, by the Committee of Social Affairs with the title “New Poverty and social exclusion_ Fighting against with the establishment of minimum guaranteed income” where for the first time Greek politicians invited representatives from major institutions such as Universities, the National Centre for Social Research and the Bank of Greece to consult over the prospects of the introduction of a MGI scheme.\textsuperscript{138} In April 2013, in the context of a special event held at the University of Athens, a book under the same title was presented, based on the proceedings of the aforementioned session. In this event, among others, the intention for further and closer collaboration between the Parliament and the academia was underlined. Nevertheless, civil society, within its institutional role, was absent from the formal debate.\textsuperscript{139}

Another meeting was organized by the National Labor and Human Resources Institute in April 2013 and actually is the first one that involved all potential stakeholders including civil society representatives. Resulting from this consultation, significant concerns were expressed pointing to the deficiencies of the public administration to implement the minimum guaranteed income programme as a means of a safety net for those at risk of extreme or absolute poverty. Debates focused on the dilemma whether to start the implementation acknowledging the challenges posed by the fragmented existing welfare system or to first undergo all the necessary structural adjustments and create the environment in the public administration to support it efficiently.\textsuperscript{140}

The Opinion of the Economic and Social Council of Greece on the issue, published on April 2014, focuses on a critical overview of the social welfare system in Greece and proposes specific policy measures for the implementation of the MGI scheme. The Committee emphasizes the need for phasing out emergency measures that degrade social protection and calls for the (re)establishment of social protection standards. It prioritizes, among others, the legislative safeguarding of a guaranteed survival standard, the establishment of a universal Minimum Guaranteed Income for all those who are not included in the workforce towards ensuring for a decent level of living, the establishment of a special programme for poor unemployed uninsured persons adjusted in their specific needs.\textsuperscript{141}

In September 2014 just before the official governmental announcement for the pilot implementation the Budget Office of the State acknowledging the importance of building an effective mechanism for social welfare in Greece produced, within its jurisdictions, an Interim Report for the

---

\textsuperscript{137} Timely question number 1464 / 05.27.2013 by parliament member of the Democratic Left party (Dimokratiki Aristera) Mr. Asimina Xirotri - Ekaterinari to the Ministers of Labor, Social Security and Welfare and Minister of Finance on “the pilot programme introducing GMI and the planning for its full implementation”, Parliamentary Proceedings, 30/05/2013; See also : timely question 1253/18-7-2014, Parliamentary Proceedings, 14/10/2014

\textsuperscript{138} Parliamentary Proceedings, Special Session of the Committee on Social Affairs on “NEW POVERTY & SOCIAL EXCLUSION: POLICIES & FIGHTING AGAINST AND ESTABLISHMENT OF A GUARANTEED MINIMUM INCOME”, Athens, 14/02/2012

\textsuperscript{139} Greek Parliament, Press Release, Presentation of the book entitled “New Poverty and Social Exclusion: Political control and establishment of a guaranteed minimum income ’, Athens 10 April 2013

\textsuperscript{140} workshop on ”Guaranteed minimum income: approaches and proposals in the view of the pilot implementation of the measure”, held by National Institute of Labor and Human Resources (EIEAD), 19 April 2013 See the Proceedings of the workshop in Kaminioti O (ed),” Guaranteed minimum income: approaches and proposals in the view of the pilot implementation of the measure”, National Institute of Labor and Human Resources “(EIEAD), Articles and Studies 8/13, November 2013 (in greek) available at http://www.eiead.gr/publications/docs/elaxisto_egguhmeno_eisodhma_eiead_2013.pdf

minimum guaranteed income policy in Greece.\footnote{Parliamentary Budget Office, report on “MINIMUM INCOME POLICIES IN THE EUROPEAN UNION AND IN GREECE: A comparative analysis”, 17 September 2014} The Report, apart from emphasizing on the harsh consequences of the austerity measures and the crisis, criticizes the procedure followed for the planning of the pilot scheme and provides suggestions related to its implementation.

In the framework of the EMIN project the Greek Anti-Poverty Network organized a consultation day on the Minimum Income pilot scheme (01.10.2014), inviting all relevant stakeholders and other European representatives to debate aspects of the proposed scheme.\footnote{See Annexes of the current report} Reasonable concerns were raised over the reach level of the scheme, as the vast majority of people experiencing poverty and social exclusion in the country seem not to be included in MGIs beneficiaries, and there are no safety net guarantees for them. Similarly, it was pinpointed that the current MGI lacks evidence based planning, in determining its adequacy within the current financial context. Additionally, the potential for effective synergies with other social, employment measures presents limitations. Therefore, concerns were expressed whether the MGI scheme could function as a substitute for existing schemes (causing for example overall reductions/cuts of other benefits, being connected to the minimum wage and so on), rather than setting the limit of what a decent living consists of. Reference budgets were suggested as a successfully tested method and tool, and relevant experiences and good practices on EU could have been evaluated in the planning of the proposed scheme. Last but not least, the lack of provisions for the civil society’s role was underlined, indicating that the mobilization of actors, mediation and consultation as an institutional process is impaired.

Closely after the official announcement on MGI, a conference was held in 17 October 2014, focusing on the challenges of the pilot implementation. The conference was organized by the University of Athens, and it was attended by several academics, parliamentary members and civil society.\footnote{Conference “Challenges for the pilot implementation of the Minimum Income Scheme in Greece”, held by the National Centre for Social Research, University of Athens, Technological Educational Institute of Athens, 17 October 2014, Athens University Hall (The Proceedings of the Conference have not been published yet)}

In concluding, one could argue that the level of influence of the aforementioned initiatives and consultation meetings is limited, and it is not yet clear whether their suggestions and remarks fed in the planning and will impact the implementation process. In any case though, it should be stressed again that up to date the public discourse has been developed on a vague basis, i.e. without prior enactment and disclosure of the Ministerial Decision providing for the implementation details of the scheme; the disclosure of the Decision is still pending and no official information are available on significant aspects with regard to the implementation details.

### 3.4. Feasibility of the Greek Minimum Guaranteed Scheme

Feasibility is covering wide areas related to the potentiality of a policy measure’s success, including technical, economic, legal, operational, and scheduling aspects.\footnote{Hall J, (2010) \textit{Information Technology Auditing}. Cengage Learning. p. 188; Heathcote P. M., (2005) \textit{A’ Level Computing}. Payne Gallway. p. 176} Especially with regard to social protection schemes, several specific issues should be considered, both on technical and theoretical basis.\footnote{Bastagli Fr, (February 2013), Briefing “FEASIBILITY OF SOCIAL PROTECTION SCHEMES IN DEVELOPING COUNTRIES” EU Parliament, Directorate-General for External Policies of the Union Directorate B Policy Department} Feasibility is generally defined by prevailing technical and theoretical knowledge, financial and other resources, availability of skilled personnel, capability of administrative structures
Therefore, several aspects should be considered in order to thoroughly examine the feasibility prospects. Among them are:

- Coverage and take up: eligibility criteria, criteria for the selection of the pilot areas
- Fiscal feasibility: level/adequacy of minimum income financial contribution, cost of other services provided
- Public Administration operationality: entry points (where applicants should apply), eligibility verification (means and process of verification), payment (process), activation process, monitoring and evaluation process (who, how and when will evaluate the pilot phase)

In this respect the overall abovementioned analysis indicates that, however necessary and legitimate the implementation of an adequate Minimum Guaranteed Income might be at this point of time in Greece, there is a sincere risk to fail addressing those in need if both financial sustainability and public administrative capacity is not appropriately addressed. The government, to a certain extent, has also acknowledged this; within this context the competent Vice Minister, in his speech in Brussels (April 2014), confirms the necessity for the implementation of the scheme, while in parallel introduces certain key elements that should be considered in the pilot implementation phase; among them the set-up of an accountability mechanism and the active inclusion of local authorities are highlighted. Yet, so far there is neither clear commitment on the scheme’s sustainability nor available information on the process and tools targeting the preparation of the public administration to cope with the challenges which the implementation of MIS in Greece will bring. As argued above, the scheme has legitimacy and the necessary public support from all relevant stakeholders at national and European level. Yet, the existing constrains need to be addressed to ensure meaningful implementation. Even more, it needs to be acknowledged that the lack of transparency over how political decisions are made, the ambiguity and confusion, the conflicting information spread in the media, the overall lack of consultation with the representative civil society institutions and stakeholders create serious concerns over the intention of the government to engage on a meaningful consultation especially on the pilot phase and tackle the identified obstacles and challenges.

3.5 Conclusions: What are the prospects of the Greek Minimum Guaranteed Scheme?

The report has indicated that the Greek welfare state, established in the 1980s, was founded within the context of the country’s generic socioeconomic features of late development and in general it functioned as a ‘gate keeper’ for the really needy. The social protection system, being fragmented, inefficient and categorical, has traditionally (re)produced poverty and increased inequalities rather than combating them. Even after significant increases in social expenditure (reaching in the 2000s the EU-15 average), the Greek social protection system has severely failed to utilize social transfers as a mechanism for poverty alleviation.

In the last five years Greece has experienced the deepest recession in its modern history, having currently the highest unemployment rate in EU, especially among long-term and youth unemployed, and more than 1/3 of the population at risk of poverty and social exclusion. The enshrined principle of welfare state and the statutory State’s obligation for ensuring its implementation have now, more than ever, to be effectively activated towards the safeguarding of a dignified living and the

---

148 Vice - Minister of Labor, Social Security and Welfare, Mr Kegeroglou V, “Welfare State, social safety net” presentation at the ESC workshop on “The Social Dimension of policies to address the crisis in the context of the ’Europe 2020’”, Athens 25 April 2014
protection of those that have been mostly affected by the devastating effects of the crisis, if the Greek society as a whole is to overcome the current maelstrom.

The Minimum Guaranteed Income is long delayed and the expectations it carries are high, since the needs are equally extreme. It comes at a moment which the country’s ‘social fabric’ is torn apart. Reach, adequacy and sustainability are the main concerns regarding its planning and prospective implementation. Equally, concerns are raised over its administrative capacity and the lack of consultation in the planning phase. So far the official announcements indicate that in general, it is not evidence based, while in terms of adequacy it deviates from the real living cost, thus it is not securing a decent life.

MGI’s operational capacity to reach those that need it is ambiguous. Local authorities, on municipality level, who are selected as the core implementation agencies of the scheme, are under significant pressure. In recent years, after reforms aiming at restructuring and decentralization, they have undertaken extensive mandates and responsibilities to implement all major welfare measures, yet without the necessary financial resources. On the contrary, further budget cuts resulting from the austerity plans of the latest crisis had a severe impact on their capacity to provide social protection services. They face increased demands, while at the same time they are experiencing reduction of human resources due to massive early retirements and staff and austerity imposed staff reductions. Adding to all these major concerns, the MGI scheme’s financing is worryingly dependent on future surpluses rather than institutionalized sources in the state budget, which makes the scheme’s future viability and sustainability questionable.

The MGI was designed and announced with minimum involvement of relevant stakeholders and actors. The Greek Anti-Poverty Network has noted that civil society organizations’ expertise, accumulated from years of work with people experiencing poverty and exclusion, needed to be at the heart of the MIS planning, implementation and monitoring. It is further indicated that this could be a unique opportunity for the MGI, long discussed and analyzed, to find its real purpose and meaning, that is, to alleviate poverty and provide an adequate and dignified level of living for all in need. The network asks the government ‘to put flesh into their words’ and invites them:

- To publicize impact assessment studies concerning both the benefits levels and the eligibility criteria.
- To commit for MGI sustainability, by safeguarding its funding from the state budget and by ensuring the capacity of the competent agencies and stakeholders to deal with the challenges ahead.
- To establish consultation procedures with the civil society during the piloting stage for its implementation and monitoring aiming at its optimization and efficiency.
- To commit for the overall implementation of the MIS within the next 4 years period, for all the population that lives under or near the poverty line, within the proposed restructuring of the overall social protection system.

The expectations and challenges presented in this report are not indicating absence of MGI’s legitimacy; on the contrary they are directing towards the safeguarding of its immediate and effective implementation. The Minimum Guaranteed Income scheme to be introduced, should not be another isolated ‘crisis’ measure, that independently of all ‘good intentions’ may result in further dismantlement of the welfare state. The introduction of MIG should be considered as the pivotal step towards the development of an integrated strategy for the fight of poverty, social inequalities and social exclusion within the perspective of a comprehensive social protection system.
BIBLIOGRAPHY AND SOURCES

- Adam S, Papatheodorou C, “Social economy and social exclusion: A critical approach”, Economic and Social Developments Observatory - Institute of Labour(GSSE), Studies 8, December 2010
- Amitsis G,(2013) “Principles and Axes for the operation of a general Minimum Income Scheme in Greece” in Kaminioti O (ed) “Minimum Income: Approaches and Proposals in the view of the pilot implementation of the measure”, National Institute of Labor and Human Resources “(IEEAD), Articles and Studies 8/13, November 2013 (in greek)
- Bastagli Fr, (February 2013), Briefing “FEASIBILITY OF SOCIAL PROTECTION SCHEMES IN DEVELOPING COUNTRIES” EU Parliament, Directorate-General for External Policies of the Union Directorate B Policy Department
- CECODHAS Housing Europe’s Observatory, “RESEARCH BRIEFING, IMPACT OF THE CRISIS AND AUSTERITY MEASURES ON THE SOCIAL HOUSING SECTOR”, Year 5 / Number 2, February 2012
- Dafermos G, Papatheodorou C, “The paradox of social policy in Greece: Why the increase in social protection expenditures has not reduced poverty?”, Policy Brief/1, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), 31 July 2011 (in greek)
- Economic and Social Council of Greece, Opinion 41 “Poverty in Greece”, July 2000 (in greek)
- Economic and Social Council of Greece, Opinion «New Architecture of Local Government and Decentralized Administration – Kallikratis Programme” 2010(in greek)
- Economic and Social Council of Greece (ESCO) Opinion 282, “Intervention by the Committee for the new tax bill”, December 2012(in greek)
- Economic and Social Council of Greece (ESCO) Opinion 296 "Uniform property taxes and other provisions" Draft Law, November 2013(in greek)


European Anti-Poverty Network, “Can the Strategy be made fit for purpose enough to deliver its promises on poverty reduction?”, POSITION PAPER EAPN Input to the Mid- Term Review of the Europe 2020 Strategy, July 2014

EU Commission, Statement by the European Commission, ECB and IMF on the review mission to Greece, Brussels, 19 March 2014

EU Commission, E-005633-14 Answer on behalf of the Commission, 17 September 2014 To E-005633-14 Question for written answer to the Commission on the subject “Report by a UN expert on human rights abuses in Greece as a result of the implementation of austerity measures”


Figari Fr., “Can in-work benefits improve social inclusion in the southern European countries?”, Journal of European Social Policy, V20, 1 October 2010, pp301-315

Flaquér, L, Family policy and welfare state in Southern Europe, WP núm. 185 Institut de Ciències Polítiques i Socials, Barcelona, 2000


Georgas K, Graikioti St (Ministry of Labor, Social Security and Welfare), “Social Economy: The Greek Case, Social entrepreneurship and other models to secure employment for those most in need” for the Peer Review in EU Social Protection and Social Inclusion programme, Croatia, 29-30 October 2013


Gough Ian, “Social assistance in Southern Europe, South European Society and Politics Volume 1”, Issue 1, 1996


Greek Anti-Poverty Network, «Put Flesh to your Words! Poverty in Greece needs a comprehensive Minimum Guaranteed Income Scheme », PRESS RELEASE For the piloting of the Minimum Guaranteed Income, 17th October 2014


Greek Parliament, Special Agenda, Discussion on the First Section of the Articles of the Constitution revision. (Article 14, paragraph 9, Article 17, paragraphs 1 and 6, Article 20, paragraph 1, Article 22 paragraph 1 and Article 28 paragraph 3 and interpretative statement, Sections A and C of the Review Committee)” Parliamentary Proceedings, 08/05/2008


Greek Parliament, Special Permanent Parliamentary Committee on Equality, Youth and Human Rights, Session on “Homeless in Athens”, Audio Parliamentary Proceedings, 24/12/2012


Greek Parliament, Discussion on timely question number 1464 / 05.27.2013, Parliamentary Proceedings, 30/05/2013


Greek Parliament, Discussion on timely question 469/27-1-2014, Parliamentary Proceedings 30/01/2014

Greek Parliament, Discussion on timely question 1253/18-7-2014, Parliamentary Proceedings, 14/10/2014


Hellenic Statistical Authority, Living Conditions in Greece, Press Release, 5 September 2014

Hellenic Statistical Authority, LABOR FORCE SURVEY 2nd Quarter 2014, Press Release, 18 September 2014

Hellenic Statistical Authority, Press Release, HOUSEHOLD BUDGET SURVEY 2013, 19 September 2014


Kaminioti O (ed),“ Guaranteed minimum income: approaches and proposals in the view of the pilot implementation of the measure”, National Institute of Labor and Human Resources "(EIEAD), Articles and Studies 8/13, November 2013 (in greek) available at http://www.eiead.gr/publications/docs/elavisto_egguhmeno_elisodhma_eiead_2013. df


Kontiadis X., “The principle of the social state in the proposal review the Constitution. Dilemmas of revisionist legislator”, “ΕΔΚΑ, ΜΙ”, Athens 2001 (in greek)

Koutsampelas C, Tsakloglou P, “Distributional impact of non-monetary income in Greece”, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), Studies/6, December, 2010 (in greek)


o Maragos G, Astroulakis N, “I The Basic Guaranteed Income and policies of the Minimum guaranteed Income the EE-15”, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), Studies/9, December 2010 (in greek)


o Matsaganis M, Petroglo A, “The social protection system and the women”, Study on behalf of the National Research Centre for Equality, June 2001


o Matsaganis M,(2005) “Greece fighting with the hands tied behind the back, Anti-poverty policy without a minimum income” In: “Welfare State Reform in Southern Europe: Fighting Poverty and Social Exclusion in Greece, Italy, Spain and Portugal”, (edited by M. Ferrera), Routledge


o Minister of Labor, Social Security and Welfare, Vroutsis I, speech on the Official Presentation of the “Guaranteed Social Income”, Athens 14 October 2014


o Ministry of Finance, Greek National Reforms Programme 2014 (prepared by the Council of Economic Advisors, Ministry of Finance in collaboration with the Ministry of Administrative Reform, the Ministry of Education and Life Long Learning, the Ministry of Environment, the Ministry of Labor and the Ministry of Development)


o Ministry of Labor, “Intervention by the Vice- Minister of Labor, Social Security and Welfare in Brussels”, in the context of the meeting with the Commissioner of DG Employment, Press Release, 3 April 2014

o Moysidou A, Papatheodorou C, “Healthcare and inequality in Greece - Distributional effect of health system”, Economic and Social Developments Observatory - Institute of Labour(INE) / Greek General Confederation of Labour(GSSE), Studies/16, December 2011 (in greek)


o Parliamentary Standing Committee on Social Affairs, Discussion on Legislative proposal “For the establishment of the Guaranteed Minimum Income and relevant social support services”, Parliamentary Proceedings 12/04/2005, 01/12/2005


o Prime Minister, Antonis Samaras, Salutation in the event/presentation of the Ministry of Labor, Social Security and Welfare for the “Presentation of the Minimum Guaranteed Income”, Prime Minister’s Press Office, Athens, 14 October 2014

o Rakopoulos Th, “The crisis seen from below, within, and against: from solidarity economy to food distribution cooperatives in Greece”, Dialectical Anthropology Volume 38, Issue 2, June 2014, pp 189-207

o Ramya Sundaram, World Bank, “Greece Minimum Income Pilot” presentation at the Seminar on addressing social divergences in European societies: improving minimum income support, Brussels Belgium 3 April 2014

o Review Committee on the Revision of the Constitution, First Session: Church-State Relations, Civil and social rights. (Discussion on Articles 5, 14, 17, 20, 21 and 22), Parliamentary Proceedings, 05/10/2006


MAIN LEGISLATION

- Decree 57/73(GG ΦΕΚ-149 A) “measures for the social protection of financially disadvantaged groups”
- Law 3845/10(GG 65 A/6-5-2010) Measures for the application of the support mechanism for the Greek economy by euro area. Member States and the International Monetary Fund – Annex III Memorandum of ANNEX III GREECE-MEMORANDUM OF ECONOMIC AND FINANCIAL AFFAIRS
- Law 3852/10 (GG 87 A/7-6-2010): “New Architecture of Local Government and Decentralized Administration - Programme Kallikratia”
- L3895/10, (GG206-A’/8-12-10 ) “Abolition and merging services, organizations and public sector bodies”
- L. 4019/11 (GG 216 A/30-9-2011): “Social Economy and Social Entrepreneurship and other provisions”
o L.4052/12 (GG 41 A/1-3-2012) Law within the jurisdiction of Ministries of Health and Social Welfare, Ministry of Labor and Social Security for the implementation of the law "Approval of Plans Procurement Facilitation between the European Financial Stability Fund (E.S.F), the Greek Republic and the Bank of Greece, the draft Memorandum of Understanding between the Greek Republic, the European Commission and the Bank of Greece and other urgent measures to reduce the public debt and the rescue of economy "and other provisions.
o L.4046/2012 (GG A’ 28/2012) “Approval of Plans for Procurement Facilitation between the European Financial Stability Fund (EFSF), the Greek Republic and the Bank of Greece, the Draft Memorandum of Understanding between the Greek Republic, the European Commission and the Bank of Greece and other urgent measures to rescue national economy”
o General Secretary of the Ministry of Labor, direct assignment n.29192/6909 September 2013, study on "The concept and implementation systems of guaranteed minimum income in the Member States of the EU, the United States and Latin America, Comparative analysis and best practices “
o Ministerial Decision Δ28 Οικ.27671/2096/8-8-2014 «Feasibility Approval for commitment and release appropriations from ΚΑΕ Ε2762 του Φ 33-220»
o Ministry of Labor Social Security and Welfare, General Secretariat of Welfare, Directorate General of Social Awareness and Solidarity, Δ28/οικ.31354/2352/15-09-2014 “Call for the Housing, Feeding and Social Care for the Homeless according to the article 29 L.4052/12 as applicable”

IN THE PRESS

o Bezas, Vice – Minister of Labor, statement, Source : dikaiologitika.gr news portal, “45.000 beneficiaries will be granted with the benefit in the pilot stage” 16/10/2014 http://www.dikaiologitika.gr/eidhseis/ergasiaka/41022/45-000-tha-paroun-to-elaxisto-eggyimeno-eisodima

WEBSITES

o Ministry of Labor, Social Security and Welfare, Official webpage: http://www.ggka.gr/asfalistiko_main.htm of the competent
o European Consumer Debt Network, official website: www.ecdn.eu
o EU Programmeme “ImPRovE”, Official website: http://improve-research.eu/
o Reference Budgets Network official website: http://www.referencebudgets.eu/