

## PRESS RELEASE

For the piloting of the Minimum Guaranteed Income

### **«Put Flesh to your Words! Poverty in Greece needs a comprehensive Minimum Guaranteed Income Scheme »**

Today 17th October, world day against poverty, EAPN Greece, responsible for implementing the EMIN project, wishes to bring to the public attention its concerns referring to Greek government's announcement of the piloting of MGI.

EAPN Greece evaluated positively the government's announcement about MGI in 2012, included in the 2<sup>nd</sup> memorandum with Troika, and it has followed closely its developments since then.

Greece is amongst countries with the highest rate of poverty and inequalities in EU and amongst the last countries without having introduced the MGI. Today – in the middle of an extended crisis, with more than 1/3 of the population in poverty and social exclusion – the Greek government attempts to implement a basic “safety net”.

On 14.10.2014 the Greek government announced the introduction of the MGI without having achieved an integrated design of the scheme, neither engaging in a meaningful consultation with civil society, which for years supports vulnerable groups of population covering the existing policy gaps of the social protection system.

On the basis of the MGI announcement we wish to raise the following critical issues:

#### **A. In relation of the objectives of the programme:**

- Targeting the 7% of the population which lives under the rate of extreme poverty (notwithstanding that it is estimated at more than 10%), the proposed scheme does not provide for a substantial vertical redistribution of income and it does not strive to take them out of poverty. Neither has it attempted to create a safety net for the rest of the 30% of the population which is not included in the MGI targets. The government responds is that relative poverty should be tackled through to a system of family benefits which are



categorical and their levels are subject to political will and circumstances, not to say manipulation. It says: “if we have we will give”.

- The proposed scheme is not evidence based. It has not been clarified what will happen with the existing benefits system, related to the targeted population groups in extreme poverty. The possibility to be merged with the MGI, given its proposed levels, could result to the deconstruction of the remaining elements of the rudimentary Greek welfare state, after five years of a devastating crisis which ‘cut to the bone its social content’.
- The rate of the MGI, as it is described, deviates seriously from the real living cost and does not secure a decent life. What will be the MGI impact in the daily life of its beneficiaries? To what level, for instance, the living income of a 4 member family eligible for the MGI will *improve*, in relation to what they are entitled for under the existing benefits? Moreover, it does not clarify how beneficiaries who at the moment are not part of the existing social protection system, the ones who have fallen from the existing systems’ gaps, are going to be reached. In what ways the proposed MGI scheme will reduce ‘red tape and gate keeping’?

#### **B. In relation to its implementation**

- Direct engagement of the Local Authorities is an important factor, still a number of critical issues remain unanswered, i.e. the fact that there is no provision for extra support to Local Authorities, given the severe budget cuts and human resources shortages they are faced with.
- The provision for synergies with other social support programmes (Housing and Active Employment Policies) is a positive step, yet there are concerns given the existing policy gaps and inefficiencies of these programmes.
- Lack of transparency and social dialogue in the stage of the design and the preparation of the measure; as well as lack of any provision for the role the civil society is expected to have in relation to MGI.
- Finally the issue of public funding of the MGI, raises questions and creates concerns about its viability and future sustainability; the government connects its fate with the achievement of primary surpluses in an era where the country’s GNP has shrunk up to 25% in five years.



The EAPN Greece during the last 20 years has been engaged and devoted to the fight for the introduction of the MGI as the cornerstone of an integrated social protection system to guarantee a decent living for the whole of the Greek population.

In the framework of the EMIN project the Greek network organized a consultation day on the MGI pilot scheme (01.10.2014), inviting all relevant stakeholders and other European representatives in the context of which the above mentioned critical issues have been raised.

Under the current situation we are concerned that the implementation of the MGI scheme, given the general lack of a strategic social policy design and coordinating mechanism at implementation and monitoring levels, it runs the risk to have a limited impact at reducing social inequalities and the continuing impoverishment of great parts of the population.

**MGI is at stake to end up another measure which adds “water in the sea”.**

**The Greek society needs it and we will continue to strive for it.**

We invite the government:

- To publicize impact assessment studies concerning both the entitlement process and benefits levels.
- 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 to the overall implementation of the MGI within the next 4 years period, for all the population which lives under or near the poverty line; to commit for its sustainability ensuring that it will be financed by the National Budget.
- To commit that the introduction of MGI will be the basis for the introduction of an integrated strategy for the fight of poverty, the social inequalities and social exclusion, within the context of an integrated and comprehensive system of social protection.

EAPN Greece and the EMIN operational team

Athens, 17 October 014





\*Please see attach Presentation with data on poverty in Greece and the basic structure of the announced pilot MGI scheme

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