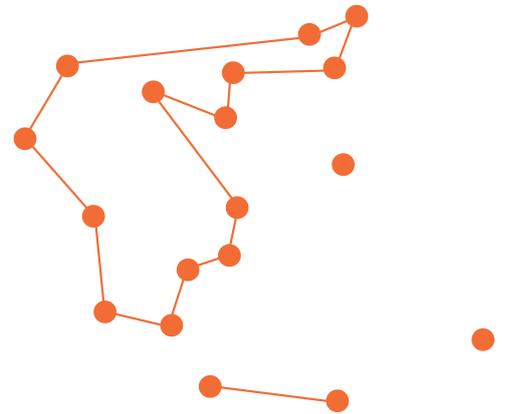




COUNTRY MONITOR



GREECE

Social Rights Monitor 2019



In recent years, the Greek economy has started to recover, from the 2008 economic crisis, but unemployment (19.3%), youth unemployment (39.9%), and the share of people at risk of poverty (31.8%) are still well above pre-crisis levels. The new jobs that are being created are not quality jobs, as they tend to be less secure and part-time. Austerity measures resulted in extreme cuts in social schemes that diminished the effectiveness of social transfers in preventing people from falling into poverty. Currently, reforms such as the introduction of the Social Solidarity Income and reinstating the universality of the healthcare system are positively affecting social inclusion. Wages, including the minimum wage, that were lowered in response to the crisis have also started to recover. However the involvement of social partners in wage setting has been limited. Greece is dealing with big streams of migration, both inward and outward. Since 2010, 710.000 Greeks have left the country to find better employment opportunities elsewhere, whilst at the same time net migration is positive due to the instream of refugees. The integration of migrants remains a challenge. It is worrisome that although the social effects of policy reforms are briefly mentioned in the Country Specific Recommendations, they are not at the core of any of the recommendations.



Gini Index: 32.3

Unemployment: 19.3%

Gender equality index: 51.2

Youth unemployment: 39.9%

AROPE: 31.8%

Social welfare spending (as % of GDP): 19.4%

Tax on labour as share of total taxes: 41.4%

In work poverty: 11%

CIVICUS civic space monitor: Narrowed

Equal opportunities and fair working conditions

Greece's economy has been recovering from the economic crisis, which is also reflected in increasing employment rates and decreasing unemployment. Unemployment has decreased from 27.9% in 2013 to 18.5% at the end of November 2018. Youth unemployment has also dropped from 60% in 2013, to 39.1% at the end of 2018. Nevertheless, unemployment remains well above the pre-crisis level. Not everyone is benefitting from the more favourable economic circumstances equally. In recent years, the gender employment gap has widened; currently only 48 % of women are employed, compared to 67.7% of men.¹

Since the crisis, Greece has been implementing a wide range of austerity measures, with the predominant goal of reducing the public deficit and debt and increasing international competitiveness. These measures have had adverse effects on the working conditions in the Greek labour market.

Working conditions

As part of the austerity measures, employment protection was reduced severely, in an attempt to improve the competitiveness of Greek labour. This

has led to a strong increase in precarious work and a decrease in standard work contracts. Although the share of part-time work remains low compared to the EU average, it has doubled from 5% before the crisis to about 10% in 2017. A large majority of part-time workers, 70%, would prefer to work more hour but are unable to find a full-time job.

In response to the economic crisis, wages in the public sector were reduced drastically and the government lowered the minimum wage, which had previously been set by the social partners, by 22%. In the private sector, wages also decreased as a result of a limitation to sectoral collective bargaining agreements.² Overall, the average monthly wage decreased from €1020.51 in 2012 to €873.90 in 2017.³ In recent years, wages have slowly started to recover. In 2019, the minimum wage was increased by 10.9% and the provision that allowed for workers below the age of 25 to be paid less than the minimum wage was eliminated.

Education

The number of early school leavers has been declining steadily for the past three decades and even halved since 2014.⁴ An increasing number of young Greeks graduate with a diploma in tertiary education⁵, but the enrolment in vocational training remains low.⁶ The National Strategy Group warns that the Greek education system is not focussed on teaching students skills that they can use in the labour market, but rather on equipping them with vast amounts of knowledge. They furthermore report that there is no formal attention on the school-to-work transition. This has led to Greece being one of the lowest performers in the European Skills Index and resulted in a serious skills mismatch in the labour market.⁷ There is an especially large share of over-qualified graduates.⁸ At the same time, graduates show a low level of basic skills and especially digital skills are lacking.⁹ In the Programme for Interna-



tional Student Assessment (PISA) Greece is one of the lowest scoring countries of Europe.¹⁰ There is a strong need for lifelong learning opportunities to allow people to update their skills to those required in the labour market.¹¹

Social protection and inclusion

Greece has a history of having a large share of the population at risk of poverty and social exclusion. During the economic crisis and its aftermath, this deteriorated and has only recently started to improve, although statistics from Eurostat and the Hellenic Statistical Authority are not in complete agreement here. The median disposable income dropped by 35 % between 2009 and 2016, causing a sharp increase in absolute poverty.¹² Eurostat reports that in 2018, 31.8% of the Greek population was at risk of poverty.¹³ As a result of the increasingly precariousness of work and a strong decrease in average monthly wages¹⁴, the level of in-work-poverty has been fluctuating, but now seems to be in decline since 2016.¹⁵ Income inequality is relatively high compared to European averages, but has decreased over the past two years.¹⁶

Social protection

The impact of social transfers on poverty reduction is lower in Greece than in any other EU country.¹⁷ However, in recent years, a number of reforms have been introduced to increase the effectiveness of social protection schemes. In 2018, the family benefit scheme was reformed to better target child poverty and a new means-tested housing benefit will be introduced in 2019. Since the crisis, there has also been an overhaul of the pension system, with the intention of improving intergenerational fairness and fiscal sustainability.¹⁸ Reforms to the unemployment benefit for freelancers ensure that under certain conditions they can also claim unemployment bene-

fits. However, they need to be able to prove that they were self-employed and paid their social insurance contributions for a significantly longer period than traditional employees. The duration of the benefit they receive is furthermore shorter.¹⁹ The National Strategy Group reports that in an attempt to encourage employers to hire more young people, an option to pay reduced pension benefits for workers under 25 has been introduced. It is not yet clear how effective this measure is and how it will impact these young workers' future pensions.

Good practice

Social Solidarity Income (SSI/SIA)

Since 2017, Greece has started implementing its first nation-wide minimum income scheme, called the Social Solidarity Income (SSI). It consists of a means-tested cash benefit that is tied to both social services and activation policies. 320.000 households, comprising of 650.000 individuals have received the benefit so far. The amount of the benefit depends on household composition. Because of the strict means-test, the SSI is not able to lift households entirely out of poverty, but it has contributed to closing the poverty gap and reducing inequality.²⁰

Migration

Greece is facing issues with both inward and outward migration. Since 2010, 710.000 Greeks have left the country, most of them to escape unemployment. A further 40.1% of the population indicates that they would consider moving abroad for better employment opportunities elsewhere. This number is even higher in the age group of 18 to 34-year-olds, where 72.3% are considering emigration.²¹ Especially high-skilled individuals take the decision to move away, leading to a depletion of skills in the Greek labour market.²²



Since 2016, net migration has become positive again, mostly as a result of the large inflow of refugees.²³ The integration of immigrants remains a challenge and the activity rate for non-EU born immigrants has been in decline.²⁴ Our National Strategy Group reports that policies aimed at the integration of migrants consist of training vouchers, and access to housing and social assistance. The national integration strategy, which was adopted in 2018 focuses on these same issues, with the aim of enabling migrants to effectively leave the reception system.²⁵

Good practice

The Greece Cash Alliance

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Healthcare

During the economic crisis, many Greeks lost their healthcare coverage because it was tied to their employment or they could no longer afford to make insurance contributions. In 2016, universal coverage was reintroduced, giving all citizens access to primary care. A year later, the establishment of local health teams for primary care (TOMYs) was started.²⁷ TOMYs consist of multidisciplinary teams that offer not only diagnostic care and treatment, but also disease prevention and health monitoring. They are furthermore expected to improve the efficiency

of healthcare by acting as gatekeepers and referring to specialists only if necessary. The goal is to eventually have every citizen registered to a local TOMY.²⁸

The National Strategy Group indicates that the language barrier and financial costs pose significant obstacles for migrants, especially refugees, to access healthcare. Greek healthcare is marked by an exceptionally high share of out-of-pocket spending; more than twice the EU average.²⁹ Newly arrived migrants often lack the financial means to cover these out-of-pockets costs, even though they tend to have a high need for both physical and mental care.

Civic space

Civic space in Greece is classified by CIVICUS as 'narrowed'.³⁰ The National Strategy Group reports that although Civil Society Organisations are invited to take part in civil dialogue and open consultations, they are not actively involved in the policy making process and follow-up activities. In the post-crisis years, many of the policy areas there we previously subject to collective bargaining agreements, such as setting the minimum wage, were claimed by the government. Since 2019, the role of the social partners is being promoted again, although so far it seems to be more consultative in nature.³¹ Trade unions represented 20.2% of the working population in 2016.³²

Many CSOs are active to help the large influx of refugees. The National Strategy Group reports that most young people volunteer not because of the intrinsic value of volunteering, but to gain experience that might benefit them in the labour market. At the same time, they indicate that hate speech, racism and anti-human rights sentiments are increasingly common, especially amongst young Greeks.





Comparison to Country Specific Recommendations

The country specific recommendations for Greece have a strong focus on restoring macroeconomic balance, with recommendations for investments that intend to improve the competitiveness of Greece's economy. There seems to be little regard for the social impact these policies will have. There is, for example, no mention of (minimum) wages or the high risk of poverty. Although attention on social inclusion is recommended, it is not at the core of any of the recommended investments.



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SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.



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