

The Belgian Platform against Poverty and Social Exclusion EU2020' (Brussels, 14-15 of January 2014)

Involving stakeholders in developing policies to combat poverty and social exclusion¹

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Overall economic and social context in Greece

Greece is going through a major economic and social crisis. GDP has been falling continuously since the beginning of the crisis in 2008 and it is expected to contract by 4.2% in 2013, according to the National Reform Programme (NRP) 2013.

GDP (2005)– growth rate %

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2014*
4.4	2.3	5.5	3.5	-0.2	-3.1	-4.9	-7.1	-6.4	-4.2	+0.5

Source: Hellenic Statistical Authority (ELSTAT 2013) * Prevision.

Recent data regarding economic situation show:

The general government deficit declined from 15.6% in 2009 to 2.2% of GDP in 2013 and, for the first time, a primary surplus of 0.4% in 2013 compared to a primary deficit of 10.4% in 2009. Furthermore, regarding external adjustment, the current account is expected to be in surplus in 2013 (+0.9% of GDP) comparing to a deficit of 11.2% of GDP in 2009. A lot of structural reforms have been implemented (labour market, pension system, health system, reform of tax and public administration). It is noteworthy that the implementation of these reforms has been realised in a very tight timeframe. It is also noteworthy that the OECD rank Greece over the last two years as a Member State with greatest response to its growth-friendly recommendations.

However, this remarkable adjustment has come at an extremely high social cost.

Recent data regarding poverty and social cohesion show:

- Reduction of employment – increase of unemployment – record levels for youth unemployment (stabilisation process in 2013-2014);
- High long-term unemployment (around 2/3 of the unemployed);
- Reduction of wages/disposable income;
- On the contrary: increase of tax burden (directly through occasional contributions and adjustments to income tax and indirectly through increased VAT rates and special levies on consumption). Result: Further reduction in disposable income;

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- Shrinking of the welfare state (fiscal consolidation measures along with insufficient targeting of social benefits);
- Deterioration of social situation: share of population either at risk of poverty or severely materially deprived or lives in households with low work intensity is estimated at 31% in 2011 - increase of number of people of vulnerable groups (e.g. homeless).

Employment (age 15+)

	2010	2011	2012
Labour Force (th.)	5,021.0	4,967.2	4,961.9
Employed (th.)	4,427.0	4,156.3	3,793.1
% of total labour force	88.2	83.7	76.4

Source: Eurostat, LFS

Recession had a significant impact on employment. Job creation is very limited and as a result, most of the people who lost their jobs during the crisis (or before) are unable to find a new one, which leads to significant increase of the duration of unemployment periods.

Unemployment

Average unemployment rate

2008	2009	2010	2011	2012
7.7	9.5	12.5	17.7	24.2

Source: Eurostat, LFS

Long term unemployment rate

2004	2005	2006	2007	2008	2009	2010	2011	2012
5.6	5.1	4.8	4.1	3.6	3.9	5.7	8.8	14.4

Source: Eurostat, LFS

Percentage of long term unemployed as part of total unemployed

2004	2005	2006	2007	2008	2009	2010	2011	2012
53.1	52.2	54.3	50.0	47.5	40.8	45.0	49.6	59.3

Source: Eurostat, LFS

The highest unemployment rate is observed in the age group 15-24: 55.3% in 2012. As far as the age group 25-29 is concerned unemployment rates are also very high: from 12.8% in the second quarter of 2008 to 44.4% in the second quarter of 2013. Furthermore the NEET indicator has increased from 11.7% in 2008, to 20.3% in 2012.



A significant share of households has been excluded from the labour market:

Jobless households

	2005	2006	2007	2008	2009	2010	2011	2012
Children (0-17) living in jobless households	4.2	3.9	3.9	3.6	4.8	6.3	9.2	12.9
Persons (18-59) living in jobless households	8.9	8.1	8.0	7.5	8.5	10.3	13.7	17.5

Source: Eurostat, LFS

Poverty and Social exclusion

According to recent data from EU-SILC 2012², 34.47% of the Greek population face the risk of poverty or/and social exclusion. (EE-27: 24.9%, Euro Area-17: 23.3%).

The risk of poverty or/and social exclusion rates for the age group 18-24 increased from 33.6% in 2008 to almost 50% in 2012. Therefore the elderly is not anymore the age group most likely to face the risk of poverty or/and social exclusion, as it used to be before the crisis. (65+: 28% in 2008 and 23.8% in EU-SILC 2012).

Regarding the in-work poverty, data show significant increase: from 19.5% in 2005 (income of 2004) to 22.5% in 2012 (income of 2011). Respectively the poverty for the unemployed increased from 40.6% in 2005 to 43.5% in 2012.

When we use the severe material deprivation indicator, as a more qualitative indicator regarding poverty and social exclusion, the results confirm the bleak situation that threatens social cohesion: 19.5% experienced particularly severe material deprivation in.....while the respective percentages in EE-27 and in Euro Area-17 are: 12.5%, and 9.8%.

It is worth saying that a closer look at the data shows that the deprivation of basic good and services in Greece is not experienced only by the poor but also by a significant part of the non-poor³.

As a conclusion, those that are most at risk of poverty during the crisis are:

- the unemployed (relative poverty 45.8% in EU-SILC 2012);
- households with three or more adults with dependent children;
- households with rented house;
- children up to 18 years of age.

When it comes to the absolute poverty indicators, figures become alarming: The at risk of poverty rate increased by 43.1% in one year (from 2010 to 2011) and was almost doubled in a period of two years (from 2010 to 2012).

² Income reference year: 2011.

³ For example: the percentage of the population that cannot afford to face unexpected expenses is 69,5% of the poor but also 24,9% of the non poor. (EU-SILC 2011).



At Risk of Poverty rate (threshold 2005), %

2006	2007	2008	2009	2010	2011	2012
20.0	19.1	18.5	16.2	16.3	22.9	32.3

Source: Eurostat, EU-SILC

It should also be mentioned that the redistribution impact of social transfers in Greece, although improved in recent years remains low compared with other EU countries.⁴

National Targets in the context of NRP

In the context of Europe 2020 Strategy, and regarding the European target for the poverty reduction, the Greek Ministry of Labour has set up three national targets (NRP 2011-2014):

- 1.Reduction of 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 of 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 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.

In the same context the Employment rate target is that 70% of the population aged 20-64 should be employed by 2020.

Stakeholders involvement in Greece

Historical and institutional context and evolution

In Greece early discussions about social dialogue started in 1975 when collective bargaining was enshrined by the Greek Constitution. However, the issue remained theoretical until the early 1990s, when the Economic and Social Committee (OKE), the institution of the General Secretariat of the Regions and the local government of the second tier were established.

The crucial institutional framework was formed by the law on collective bargaining (L.1876/1990), according to which the National General Collective Labour Agreement, became the platform for social dialogue.

In 1994 the Greek OKE was establishment (L.2232/1994), based on the model of the Economic and Social Committees of the EU composed by 3 parts (government - employers - employees) with equal roles and issues opinions either on its own initiative, or after receiving draft bills from the competent Minister or from Members of the Parliament.

⁴ Poverty reduction because of social expenditure is 23.5% in Greece (27.3% in EU, EU-SILC 2011). That is 20.1% due to pensions and only 3.4% due to social benefits. (17.9% and 9.4% respectively in EU).



The institutional framework of social dialogue was completed by the established of two committees, the National Committee for Employment and the National Committee for Social Protection (L.3144/2003).

The National Employment Committee is composed by government representatives and representatives of the social partners. The role of the Committee is to promote social dialogue by proposing and discussing labour market policies, as well as monitoring and evaluating the National Reform Programme regarding the Employment issues.

The National Committee for Social Protection is composed by representatives of governmental bodies, social partners and some times of non-governmental organisations. The role of the Committee is to promote social dialogue on combating poverty and social exclusion and to contribute to the establishment of a Social Protection and Social Inclusion Network.

There are several other bodies with tripartite broad representation, such as the Hellenic Institute for Health and Safety at the Workplace (ELINYAE), or the Social Security Funds, etc. However it should be mentioned that the social partners are represented on the boards of organisations such as the Manpower Employment Organisation (OAED), the National Accreditation Centre (EKEPIS), the Supreme Labour Council (IARs) and others.

The implementation of the Open Method of Coordination in the field of Employment and Social Protection and Inclusion led to a more active participation of the social partners and NGOs. As an example the elaboration of the National Strategy Reports on Social Protection and Social Inclusion was the result of an open process with the participation of (almost) all relevant stakeholders (Politicians, Public Sector, Local Administration authorities, NGOs, etc⁵. on the other hand it should be mentioned that NSR 2012 no consultation with social partners or NGOs has been conducted. The NSR final draft was sent to the main governmental services for information or comments.

Progress in the field of social dialogue was made regarding designing and implementing actions funded by ESF. For example the interventions of the OP Human Resources Development 2007-2013, under the Ministry of Labour and Social Security for the programming period 2007-2013, were designed after broad discussion. The results of this dialogue were incorporated in the programme strategy.

Over the past three years, the Greek labour market changed. Industrial relations have deteriorated and collective bargaining has virtually been abandoned. The scope of the national general collective agreement was restricted in 2012. Since then, its terms no longer apply to employers who are not members of signatory organisations. At the same time, the national minimum wage (apart from being cut drastically) was made statutory, and hence no longer a matter for the social partners to determine in the context of the national general collective agreement. Moreover, the maximum length of collective agreements was limited to three years. On the other hand, since 2012 recourse to arbitration can take place only with the consent of both employers and unions. Furthermore, decentralised collective bargaining was made easier in 2011, as firms were allowed to opt out from agreements with craft unions and to sign their own collective agreements with a firm-based association of persons. The decision to limit the autonomy of social partners and extend the scope of associations of persons has been met with

⁵ The (last) National Social Report (2011) was elaborated by the Ministry of Labour with the involvement of 22 public bodies, 24 institutions of civil society and the social partners.



concern by the International Labour Organisation, made public in a high-level mission to Greece in September 2011.

In September 2012 a thematic National Social Dialogue Committee was established with a number of issues for consultation including unemployment, undeclared employment, non-wage costs, and minimum wage. In addition, new representatives were appointed in the National Social Protection Committee, and in the National Employment Committee (both committees were established by Law 3144/2003).

Finally, it should also be mentioned that a big step was taken in the direction of establishing a mentality of participation and consultation, when open public consultation was offered by the office of the Prime Minister through the internet site <http://www.opengov.gr>, where many interested parties and citizens posted their opinions.

Similarities/differences

In contrast with other member states, Greece has little tradition/ practice in social dialogue procedures. As a result, it is not a surprise that the social dialogue has been quoted as problematic in Greece in many Reviews of the implementation of the Economic Adjustment Programmes⁶. At the time being there is no structured way to ensure the involvement of stakeholders in the fight against poverty such as the Belgian platform and like Ireland there is no structure focused on Europe 2020 or the social OMC. Things become more difficult regarding the planning, the implementation and the evaluation of policies, given the complexity of the Greek administrative structures, as well as the segmentation with -at the same time- the overlapping of competences.

As it is mentioned above, the Greek government was -like other MS - engaged in the Open Method of Coordination concerning social exclusion, but with a very weak experience in stakeholder participation. So, up to date the consultation on EU policies as far as the NRP and the NSR are concerned, is carried out by the existing structures.

The two committees mentioned above, that is the National Employment Committee and the National Social Protection Committee, could become the means for a more structured and in regular basis dialogue with different stake holders. The National Social Protection Committee, probably in cooperation with the Greek Anti-Poverty Network⁷ could become an effective structure to fight poverty.

Policy debate (currently) / Presidency

Given the current social and labour situation in Greece **“the main challenges in the social protection and social inclusion field for Greece in 2013 are to limit the social impact of the crisis and of the fiscal consolidation measures, as well as to improve the effectiveness of social transfers in combating poverty”⁸.**

In this context, strengthening social dialogue and active involvement of the social partners in the planning and implementation of reforms is a necessary condition to address complex situations and develop at least a minimal consensus on what are the necessary reforms.

⁶ See also the National Social Report 2012 and 2013.

⁷ Hellenic Antipoverty Network consists of 26 NGOs working in cooperation with European Antipoverty Network on activities aiming at helping people experiencing poverty to execute their rights and participate actively in society.

⁸ Hellenic NSR 2013, p.3



A key development could be considered the establishment of the National Strategy for Social Inclusion after the Green Paper on Social Inclusion.⁹

At the same time the six-month period of Greece's Council presidency has started and as it has been stated (also by the prime minister) the overarching priority of the Greek presidency is Growth, Jobs and Cohesion, directly aiming at avoiding jobless growth. Regarding the Greek presidency's priorities in the field of employment and social cohesion and more specifically in the social protection sector, those are summarised as follows:

- Strengthening of the social dimension of EMU. The object here is the strengthening of policy coordination in the area of social protection through the continuation and deepening of the discussion on the employment and social scoreboard.
- Fighting the social impact of the economic crisis. Poverty aversion, strengthening of social inclusion and tackling the impact of the crisis, are all in the centre of discussions on economic recovery.
- Upgrading social dialogue and active involvement of social partners in the planning and implementation process of reforms. Promoting social dialogue at all levels as well as mobilising wider social productive and other bodies with a view to boosting employment and deepening the social dimension of European policies.

The Greek Presidency will work towards the adoption of a Proposal for a Decision of the Council with a view to strengthening the "Social Summit". The Presidency will also making use of the results of the European Social Dialogue in order to ensure the adoption of the Council Decision so that the Framework Agreement of the European Social Partners on working time in inland waterways might be implemented.

A strong social dialogue is a prerequisite for effectively addressing complex challenges such as the restructuring of enterprises. During the next semester, this issue will be discussed on the European agenda while the Communication of the European Commission on "Social Dialogue and Business Restructuring" is expected. This Communication will help to address the issue in a socially and economically responsible and sustainable way.

Transferability

There is much for Greece to learn from Belgian good practice on organising and supporting stakeholder engagement in general and in the field of poverty in particular.

The establishment of a specific structure such as the Belgian platform - which will be open and will offer the possibility for all stakeholders to be met in a regular basis could be a first step. This structure could play a significant role by contributing to the EU reporting and to the coordination of all national structures. It could also be a direct link with the European Platform against poverty.

Another good practice that could be transferred in Greece is the Establishment of "A Dialogue on fighting poverty Day" which could be organised once a year in order to give all stakeholders the possibility to participate in the policy making processes.

⁹ The green paper on social inclusion is a consultation text on which the national social inclusion strategy will be based.



Epilogue

The current social and labour situation in Greece requires more than ever the strengthening of social dialogue and active involvement of the social partners in the planning and implementation of reforms, if we are to maintain the consensus of the Greek society. The involvement of partners and NGOs at national and European programmes, through democratic and transparent processes, can contribute significantly so that the benefits from the implemented actions will reach those who really need them. The knowledge and experience that NGOs have required in the field of social protection could become a valuable ally in the effort to eradicate all forms of poverty and social exclusion.

As it is mentioned above almost all stakeholders were involved in the formation of priorities and targets of the National Action Plans for Social Inclusion, although no consultation with social partners or NGOs was conducted for NSR 2012.

However, the result was not always satisfactory mainly due to the inadequate utilisation of National Committees for Employment and Social Protection, by limiting the role of civil society in a rather advisory level- and more often - at an initial level. Of course we must not forget the fact that the existence of an institutional framework is inadequate to make institutions work, if the stakeholders are not actually committed to it¹⁰, if they are not convinced about the purpose of the institution as well as about the fact that there is common interest between the opposite sides.

Regarding the two National Committees, the social partners participate in both of them, but it remains to be seen whether the committees will function properly and ensure fair arrangements in the framework of the current crisis. It should be noted however that the involvement of social partners in the development and implementation of recession measures has so far been kept to a minimum with the government and its lenders having the final say.

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