1. The Institution of Occupational Pension Insurance in Greece

The institution of occupational pension insurance was introduced in Greece by the Law 3029/2002 (GGS 2002a) in 2002 as an impact of the developments that took place throughout Europe (Tsandilas 2002:887).

Greek legislator, following the proposal of the European Commission concerning the proposal of the European Commission concerning the contribution of private pension systems, introduced the institutional framework for the establishment and function of a occupational insurance fund by adapting the new institution to the needs of the inner social insurance-oriented reality (Dali 2000/727) and, in consequence, to the creation of a new pillar of pension-granting provisions.

Along with the establishment of occupational insurance in the Greek pension system, the second pillar of pension-granting provisions (occupational pension funds) was introduced and, in consequence, the internationally recognised distinct three-pillar model, which had not been developed in Greece in contrast with other EU[1] member-states until then, of pension-oriented protection was adopted.

The possibility of granting additional provisions apart from those provided for by the public obligatory insurance under the control and inspection of the state is given through this specific institution. As a complementary means supporting insured individuals' income, the specific funds are established, governed and operated on the initiative and in conjunction with employees and employers, who also undertake their financing liabilities fully. On the other hand, the state is confined to the general inspection of the TEA (Auxiliary Insurance Fund) but will not guarantee its provisions (Nectarios 2008:128). Safeguarding the specific schemes institutionally is a novelty for the Greek pension-oriented system. Greece, adopting the model proposed by the EU, defines the entry of employees into occupational systems as optional, the development of the specific institution relying on social agents' initiative.

On the basis of the new regulatory framework, the occupational funds that will be established will be a product of social dialogue and of collective negotiations.

[1] As it was ascertained by the comparative study, the complementary occupational insurance is currently showing an upward tendency and, at the same time, playing an important role in many member-states of the European Union in relation to the main and auxiliary social insurances of the first pillar.

More specifically, prior to the institutionalisation of occupational insurance, social partners could not establish through collective contracts special funds or accounts granting periodical provisions of pensions or lump sum allowances at the employer's expense. This regulation was based on the constitutional safeguarding of the public social right in insurance that forbade the establishment of a private agent granting social insurance provisions (GGS 2002c).

Nevertheless, the introduction of the specific institution in 2002 provided for the possibility of social partners to set up funds of occupational insurance on the initiative of employees or employers or the agreement of both sides. The joint action of both employees and employers at the level of the enterprise(s) was utilised in this framework, which would promote the procedure of social negotiations at a field(s) level and restricting in this way the unilateral satisfaction of the targets set by the employment-oriented policy (Dali 2004:730).

Complementary insurance plays an important role in relation to the main or auxiliary insurance in most EU's member-states. Contrary to most EU member-states, occupational pension-granting funds had remained unknown in Greece (Spraos 1991) until 2002, when the rules governing occupational insurance were set. As it is referred in the joint report of the Ministries of Economy and Economics as well as of Labour and Social Insurances under the title "Greek Report of the Strategy about Pensions", the specific funds had been forbidden by legislation until then despite the fact that the auxiliary insurance of the first pillar already simulated occupational insurance at certain points (Ministry of Economy and Economics – Ministry of Labour and Social Insurances 2002:10).

The specific funds operate on the basis of the funded pension scheme in terms of the pension-granting provisions, which facilitates the transference procedure of rights (GGS 2002b). At the same time, also the activation of international pension funds as well as of other organisations wishing to boost investments in the field of insurance services in Greece was promoted by the establishment of the specific institution (MEF/MLSS 2002).

The establishment of the TEA in the context of the Greek pension system is a venture of immense economic and social importance. As it is pointed out in the introductory report of the Directive proposal concerning the activities and the inspection of the specific institutions, a single financial market will become a basic factor not only promoting the competitiveness of European economy but also social cohesion” (Commission of the European Communities 2000a).

2. The Historic Framework of Occupational Insurance Funds

The rules of law regulating the new legal entities are contained in articles 7 and 8 of the Law 3029/2002, the ministerial resolutions issued and to be issued under the authorisation of the specific provisions as well in the Community Directive 2003/41/EC about the activities and the supervision of occupational pension-oriented provisions.

The operation framework of the occupational insurance system is based on three pillars: the foundation of legal entities of private law of a non profit character; the insured persons’ optional entry into or exit from the specific programmes and, finally, the supervision of the Ministry of Labour and Social Insurances as well as the control of the National Analogistic Authority (Tsandilas 2002).

The specific schemes are classified in another category of a legal entity of private law. Their foundation and operation are governed by articles 7 and 8 of the Law 3029/2002 and the resolutions of the Minister of Labour and Social Insurances that will be issued under his authorisation as well as complementarily. More specifically, the TEA is a legal entity of private law of a non profit character, founded and operating pursuant to the provisions of the Law 3029/2002 under the supervision of the Minister of Labour and Social Insurances as well as the control of the National Analogistic Authority (EAA) in terms of its economic operation and viability. The indication “Occupational Insurance Fund (LEPL)” is included in its name.

By dint of the provisions in paragraph 2 of article 7, it is provided for that these funds aim at granting occupational insurance protection beyond the obligatory of one and at covering, thus, one or more insurance risks by granting provisions in kind or money paid periodically or once.

At a national level, the TEA is founded optionally per enterprise or field(s) of employees by themselves or the employees or with the agreement of employees and of employers.

Also, by dint of paragraph 3, the possibility of establishing occupational pension funds on the initiative of the autonomous employed or free occupationals or farmers or occupational unions is provided for. The precondition that this is applicable is that the number of people insured per enterprise should be over one hundred of them. The establishment of the above minimum number of the insured individuals is related to the viability of the funds to be established and to the size of Greek enterprises, as it is stressed in the introductory report (Greek Parliament 2002b, Tsandilas 2002).

The TEA is governed by its Board of Directors. The details concerning the composition and number of administration's members and the frequency of BD's election are stipulated in its statute. The law will not intervene in the way in which the administration is appointed, giving priority to individual initiative and regulation.

With reference to the sources and to the financing methods of occupational insurance funds granting pension-oriented provisions, the law states that this funds operate on the basis of the unfunded pension scheme. In the specific case, choosing between the stipulated contributions system or stipulated provisions system so that expenses may be covered is required as well as it is forbidden that they were purchased prior to the statutory time provided for in terms of granting pension to a beneficiary.

In this way, occupational pension funds (pension-granting funds) are distinguished from other depository organisations. No respective limitation whatsoever in terms of the complementary-occupational insurance programmes (i.e. medical-pharmaceutical treatment) is pinpointed as well as the possibility of establishing occupational funds on an assessment method basis is provided for.

3. Social Partners' Views about the Institution of Occupational Insurance

Introducing the institution of occupational pension provision had been the object of negotiations between Greek government and social partners who supported the operation of the specific programmes as complementary mechanisms of insurance-oriented and, especially, of pension-oriented cover of employees.

Institutionalising occupational insurance by dint of the Law 3029/2002 is a step of modernising social insurance in Greece that gives the latter the possibility to grant provisions in excess of those provided by the obligatory public insurance in compliance with the control and supervision of the state and of the EAA (National Analogistic Authority). By the establishment of the specific institutional framework, the terms and conditions for the formation of an operational framework for occupational pension funds were set and the course of the specific institution lies in social partners' and employees' initiative.

The Views of General Workers' Confederation of Greece (GSEE) towards the Institution of Occupational Insurance

In the context of the European guidelines for the modernisation of the pension systems, the GSEE advocated for the introduction of occupational pension funds into the Greek pension system by dint of the Law 3029/2002 as a complementary institution of the public social insurance system (Polyzogopoulos 2008). Nevertheless, the Confederation ascertained that the appropriate conditions "for the formation of a pension-oriented protection system created on the model of European schemes with an alternative way of organisation, operation and of funding to the purpose that workers' free movement within European Union's interior should be facilitated" (GSEE 1997) ought to be set at the same time. More specifically, the GSEE, in terms of the proposals laid about the reformation of the pension-oriented issue, had phrased –prior to the enforcement of the Law 3029/2002- the introduction of the occupational insurance institution in Greece and, at the same time, the possibility of establishing similar funds by setting up, per case, a Collective Employment Agreement (GSEE 2000).

In 2002, the institution of occupational funds was introduced into the Greek pension system by the Law 3029/2002, which was characterised by the syndicalists as "one out of five institutional changes that would prove catalytic for the future function of the Greek pension system" (GSEE 2002/32). The new institutional framework relies, according to the stances of Confederation's representatives, on the axes: firstly, on the optional nature (foundation, insured individuals' subjection, right of choice among multiple funds, right of exit), secondly, the establishment of legal entities of private law of a non profit character and, thirdly, on the supervision of the Ministry of Labour and of Social Insurances as well as on the control of the National Analogistic Authority.

In the course of the relevant developments, subsequently to the enforcement of the relevant law, the GSEE came out with additional reservations, proposing, however, annexes about the operation framework of the institution of occupational insurance. More specifically, the specific law will not provide for "self-owned resources" in terms of the funds of article 7 of the Law (3029/2002).

Therefore, the TEA of the Greek pension system will operate with a high degree of precariousness in cases of acute financial recessions or bad management. In the specific cases, the funds lacking property of their own under articles 7 and 8 of the Law 3029/2002 could be reliable or/and unviable organisations (Romanias 2003:142). In consequence, according to G. Romanias (2007), the legislator ought to proceed to the completion of the regulations of the Law 3029/2002 by the establishment of an additional safety reserve fund required by the existence of self-owned regulatory capitals (Romanias 2007:408).

According to the views of the Greek syndicalists' movement, the specific schemes are the Greek version of the IESP (Institutions of Occupational Pension Provisions), the activity and supervision of which is governed by the relevant Directive. More analytically, in terms of the role of the specific schemes and according to Confederation's views, occupational pension insurance can interact neither at a conceptual level nor at a supervisory and control one in relation to the function of the specific schemes with social insurance. The structure of the relevant regulations of the TEA of the Law 3029/2002 makes clear that "the specific schemes will not interact conceptually with social insurance but are an institution which is clearly distinguished from the social insurance of the first pillar of pension protection as well as autonomous in its function, being a specified more special form of it" (Romanias 2007).

In conclusion, despite the weaknesses of the relevant law the GSEE had pointed before but also after it had passed, the Confederation support the institution of occupational insurance and promote the specific schemes as the evolution of the specific funds can contribute to the reinforcement of pensioners' income as well as be utilised as tools for the economic development of Greece. In this direction, the institution of occupational insurance in Greece should operate on parallel with public pension and on a distinct (second) pillar lest it should, as their representatives maintain, have any impact whatsoever on the first pension-oriented protection pillar (main and auxiliary pension), which should keep a predominant presence in the social insurance system (Robolis and Romanias 2001).

In this context, the reinforcement of supervisory-control mechanisms of occupational insurance is of first priority to the Confederation. At the same time, the immediate operation of the National Analogistic Authority as well as the subjection of occupational insurance to the relevant ministry (of Development or Economics) are necessitated for the evolution and consolidation of the specific institution in the Greek pension system (Romanias 2009). The specific changes in the legislation in force, according to the syndicalist movement, can give a new impetus to the institution of occupational insurance, which, as they argue, is a "venture of immense economic and social significance (Romanias 2004).

The Views of the Greek Industrialists' Association (SEB) Towards the Institution of Occupational Insurance

The Greek Industrialists' Association (SEB) think that the pension-oriented quest is a major issue concerning Greek economy and society. The low levels of pensions throughout a large part of the population as well as the prospects of social insurance pensions that seem ominous due to the deficits in funds will make imperative the reformation of the pension-oriented system based mainly on the axis of the social insurance that is obligatory to all without, nevertheless, safeguarding senior citizens' rights being confined to the provisions of only the first pillar of pension-oriented protection (Kyriakopoulos 2006:2).

According to the SEB, the revenues forming pension in many European countries are derived form various sources and are often referred to as the model of the three pension-oriented protection pillars. In terms of the specific model, the first pillar represents the insurance provided by the law, the second pillar concerns the revenues resulted from occupational funds and the third pillar refers to the individual securing of pension through savings and private life insurance contracts.

As it is pointed out by the above association, the assessment method pension scheme that was consolidated in the early post world war era has been unable to meet its obligations for the last years. At the same time, the problems and the deficits concerning both the main and the auxiliary insurance that are faced by the relevant agents operating as legal entities of private law will encumber the social insurance systems, and the introduction of the new institution of occupational funds which will be established by reaching joint agreement between employees and employers is proposed. The specific funds will operate on the basis of the funded pension scheme as legal entities of private law that could be more financially effective by refurbishing pensioners' revenues at a higher percentage than that of today (Papaioannou 2002).

Introducing new institutions and, specifically, occupational funds (second pillar) by the Law 3029/2202 is, according to the SEB, a significant step towards the reformation of the social insurance system. The development of the specific funds is expected to contribute to the viability of pension systems (The Analyst 2003aQ610). The European-wide tendency favours pension schemes agreed in the context of occupation (occupational pension schemes) by dint of the Directive 2003/41, operating in the context of work complementarily with public social insurance and relying more and more on the funded pension scheme. The additional pension of the second pension-oriented protection pillar is directly connected to the insured individual's occupation with a specific company or occupational field. These schemes, according to the SEB, have strict specifications, are managed by private agents under the inspection of the state and serve workers' circulation from employer to employer as well as frequent changes in the context of occupational life.

By dint of the Law 3029/2002, however, fears and scepticism have been expressed in terms of the function of occupational schemes. According to the representatives of the SEB, the consideration that the "construction of four pension-oriented protection pillars instead of the famous three ones that are in force in other EU's member-states according to the pension-oriented classification European model was dominant" (The Analyst 2003b).

More specifically, after the enforcement of the Law 3029/2002, problems, according to the SEB, concerning the operation framework of the schemes in question occurred in the course of the specific institution. According to the stance of the above association, "even though many employees in Greece intend to contribute additionally to the pensions of their work force, the legislative framework functions restrictively". As it is stressed, "the law is regarded as inadequate and ineffective, needing to be amended immediately inasmuch as, despite insurance companies' vast experience in the management of long-term capitals, private companies are excluded and, as a result, competition is restricted. However, as it is ascertained, also the blurred taxation framework acts as a counter-incentive in order that saving, which would lead to more effective pension-oriented systems operating in favour of workers, might be boosted.

Changing the role of auxiliary funds is SEB's basic attitude in the framework of the modernisation of pension systems and the development of the TEA. The specific funds should have the possibility to be converted into occupational schemes (second pillar) so that, in this way, there would be a gradual transition of auxiliary insurance of an assessing character to the funded pension scheme as well as, at the same time, self-administration and self-management of the new funds by also workers themselves (SEB 2002).

In the course towards the reformations and the modernisation of the pension system, according to the SEB, the auxiliary pension system should be developed gradually into occupational pension according to the funded pension scheme (The Analyst 2003a, Ministry of Labour and Social Insurances 2004).

At the same time, the combination of the assessment method and of the funded pension schemes as well as the introduction of new institutions (i.e. occupational funds) that are in force in other economies can contribute to the achievement of solutions (SEB 20012:598). Facing the specific issue will contribute, at the same time, both to the enhancement of competitiveness of Greek economy as well as to the promotion of the labour sector (Kyriakopoulos 2002).

According to the approach of the SEB to the TEA, the former are optimistic about the development of the occupational insurance institution and guarantees that it will contribute to its consolidation in Greece. More specifically, facing the pension-oriented issue should be discussed in the context of a dialogue aiming to secure the highest possible consensus (The Analyst 2003a, SEB 2001:598, Kyriakopoulos 2002). However, in order that this dialogue may be effective, it should be broadened, namely, in order to include social and political agents and aim at the achievement of consensus, comprehensive, complete and equitable as well as include also the major issue of fiscal reformation connected directly to the insurance issue. As it is argued in the context of the specific dialogue, the SEB can lay down their views and be concerned with the views that will be expressed in as far as this issue is concerned (Anthonakopoulos 2001:3).

4. The Experience of Occupational Pension Funds in Greece

According to the Law 3029/2002, the operation of occupational insurance funds is predicted to contribute directly to the expansion of workers' insurance protection inasmuch as it will both cover the existing gaps resulted from the lack of auxiliary insurance of, mainly, free occupationals and meet the need for the additional reinforcement of workers earning high revenues.

More specifically, the specific schemes granting pension provisions nationwide operate on the basis of the funded pension scheme. According to recent data, five occupational funds have been founded totally in Greece: economists' occupational insurance fund; the fund of ELTA's (Greek Postal Service) personnel's occupational insurance; the occupational insurance fund of the workers at the Ministry of Economy and Economics, which grants lump sum allowances; geotechnicians' occupational insurance fund, which grants either lump sums or periodical provisions (pensions) as well as the recently established casinos' personnel's occupational fund, which grants lump sum and compensations in general from the solidarity fields.

In this context, it is worth noting that no distinction whatsoever between men and women is contained in TEA's statutes in part that have been approved in Greece in respect of both the terms and the sums of the contributions paid as well as of the preconditions and the sums of the provisions granted (MESP/MEF 2005).

In conclusion, as it is ascertained, the occupational pension funds in question in Greece will diverge among them in respect of both regulations in part and the contributions they grant to the insured individuals. Being a product of collective contracts the funds in question of the Law 3029/2002, they will display diverging regulations existing among them that occur according to the occupational category and to the goal pursued by the participants.

5. The Depiction and Evaluation of the Function of the Institution of Occupational Insurance in Greece

The Law 3029/2002 introduces the institution of occupational insurance and attempts to cover the regulatory gap inn the sector of complementary insurance in Greece, choosing the occupational field as an axis for the regulation ventured and setting a framework of rules for the foundation of occupational insurance agents by salaried or free occupationals at an operational, sectional multiple occupational fields level (Dali 2004:724).

The institution of occupational funds in Greece and abroad can contribute to both the operation and to the development of domestic financial-credit markets. Due to their long-term orientation, the specific funds can contribute to the competitiveness of the financial-credit system, support financial novelties, such as asset-backed securities, structured finance and derivative products, and, at the same time, exercise pressure for securing the protection of the investor through legislation, securing in this way the integrity of the specific system (Tessaromatis and Frangos 2004). At the same time, the long-term investments horizon of the specific funds can contribute positively to the stability of the financial-credit market.

Beyond the important role the specific institutions can play in the context of national economies, they can, at the say time, contribute to the promotion of social cohesion with the aim to secure a protection level in favour of future pensioners' rights. According to Mr. Fritz Bolkenstein, the relevant commissioner for the internal market, occupational institutions of pension provisions can play a major role in the social cohesion in many member-states'. By means of the specific systems, the participants can refurbish their income sufficiently and, therefore, maintain a decent standard of living during old age (SPC 2005).

Nevertheless, despite the significant role occupational funds can play both in terms of economic growth and of social cohesion, it is noted that the specific institution remains practically inactive in Greece after the enforcement of the law 3029/2002 with the exception of the foundation of some funds, like those of the ELTA, economists, geotechnicians and of casinos' personnel in the field of the pension-oriented protection. The aetiology of the specific development is the occupational insurance institutional framework, which spawns problems concerning the establishment and operation of the specific schemes. As it has been ascertained, modifications in specific parameters of its operational framework as well as the regulation of specific omissions in the legislative framework of the institution of occupational insurance appear to be necessary.

More specifically, as far as Greece is concerned, the state has not established a clear tax-oriented framework by law as well as the existing resolutions and circulars will not provide the safety of the law (Zambelis 2009). The clarification of the Ministry of Economics that it exempts employees' and employers' contributions from taxation and harmonises the contributions taxation regime with the European Commission proves the will of the specific ministry in the issue of tax-oriented contributions. However, the regulation related to the taxation of provisions is still pending. Therefore, an overall legislative regulation aiming at lifting the reservations put forward by employers and employees in relation to the taxation status quo of the specific schemes is of first priority (Tessaromatis 2009, Romanias 2009).

Pursuant to the regulations of the specific law, it is stressed that "the height of the funds' reserves will reflect the financial liabilities they have undertaken towards the insured individuals and the beneficiaries of the provisions" (Romanias 2004). The specific equilibrium, however, will deprive occupational insurance funds of their possibility to procure additional property assets that will comprise their own property for further guaranteeing the future payment of the owed pension-granting provisions (Romanias 2004).

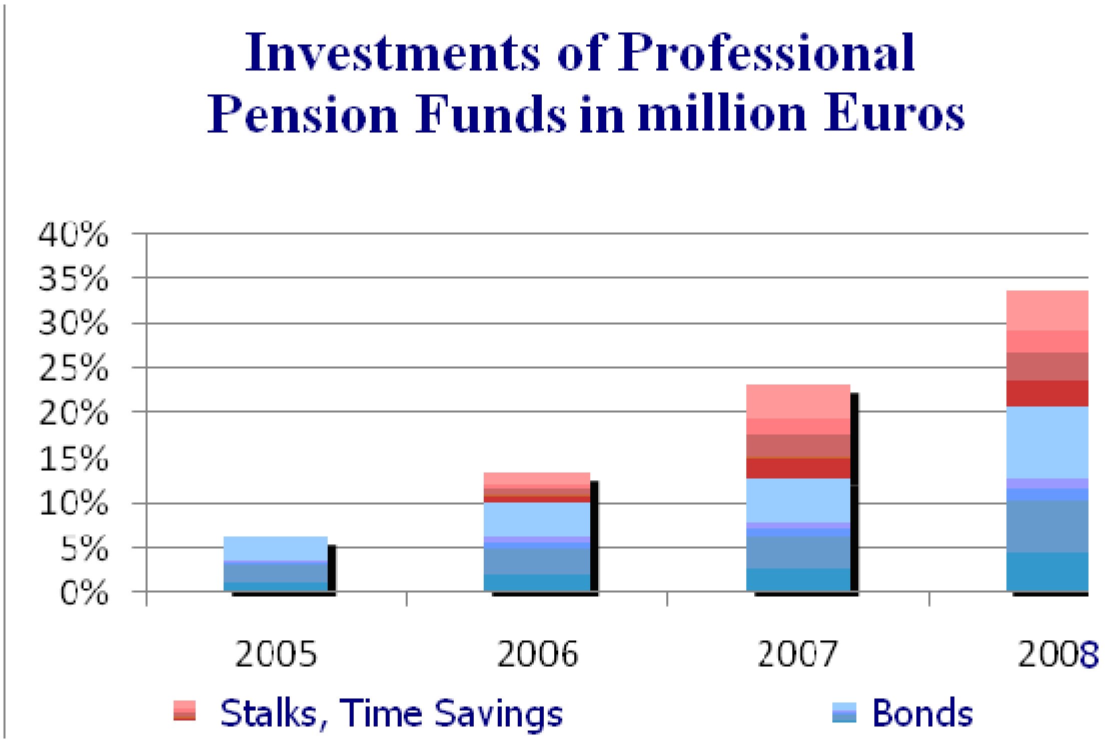
On the basis of the regulations of the Law 3029/2002, the TEA is equipped with reduced guarantees for the payment of pension provisions. In this framework, the demand for additional guarantee is absolutely necessary at times of uncertain financial-credit developments like these we are currently going through (Romanos 2007:388). Therefore, the modification of the specific parameter can be the starting point for the development and evolution of the institution of occupational insurance in Greece.

As concerns the investments of TEA's capitals, various methods of managing assets and liabilities of a occupational pension fund are proposed, depending on the character of each and every fund. Nevertheless, the course and development of investment revenues lie in the management of the specific funds. Investment-oriented policies should be governed by the principles of prudent management in order that safety, profitability and easy liquidation may be accomplished and the course of investments should be monitored systematically for preventing investment risks. The correct allocation of the portfolio in additional values is a method of correct management (Tsandilas 2002).

Prudent investments, new accounting rules concerning the assessment of liabilities and their reflection in enterprises' balance sheets, the establishment of a special framework for investments on the basis of risks, the financial products for the management of risks (long-term state bonds, bonds connected with inflation) will allow in practice the safety of occupational insurance funds' money-placing (Tamvakakis 2009). Common experience also proves that investing in real estates as well as in more stable values offers the opportunity the specific schemes need (Tsandilas 2002).

More specifically, with reference to the investment framework of occupational funds, as it has been shown in their course until this day, occupational pension funds invest their highest percentage in bonds in Greece. Nevertheless, the percentage invested in stalks, even though it is relatively low, is being increased more and more in the course of time. The investments of three occupational pension funds (ELTA, economists and geotechnicians) during the years 2005 – 2008 are presented in the graph below.

Graph 3.4.a: Investment framework of occupational pension funds (2005-2008)



Source: E.A.A. Qualitative summary report for Occupational pension fund, Greece, 2008

As it is shown by what has been discussed above, there is a significant increase in the investments of the specific funds amounting to 35% of their property assets in 2998. The portfolio of the specific funds consists of various investment products so that there will be a relative proliferation of the risk to reduce the investments[2] risk in this way. It is worth noting that, during the years 2005-2008, the yields of these investments were considerable and contributed largely to the increase in occupational funds' property assets.

Likewise, the role of the National Analogistic Authority is a significant factor in the smooth operation of the TEA. It should be ensured that the specific schemes will operate under conditions of security and effectiveness under the supervision of the specific authority as the security of occupational pensions is a priority for the development of the specific institution. At the same time, the rights of future pensioners should be protected by strict rules of preventive supervision.

However, as it is observed, EAA's competences refer to both the observation of social insurance organisations (legal entity of private law) and the TEA (legal entity of public law), which results in ambiguities and confusions in terms of its role and mission. More specifically, according to the national regulatory supervision grid, the EAA proceeds to the single controlling treatment of occupational insurance funds with the other agents of social insurance and it is in this context that concern arises in relation to the effectiveness of subjecting agents of an inhomogeneous legal status quo and different rules of securing their viability to the same control authority (Dali 2004:730). Separating the supervision of occupational funds from the agents of social insurance so that the EAA will contribute to the smooth operation of the institution of the TEA is the obligation of the state.

In the context of the expected legislative initiatives, the provision for the establishment of "open TEA" is significant. The specific schemes will be open collective pension projects aiming to facilitate the self-employed persons as well as those who work with small or small-medium enterprise not numbering 100 members (Nectarios 2008:142). The specific legislative initiative will reinforce social cohesion and solidarity since the possibility will be given that funds with a smaller number of workers wishing that the reinforcement of their pension-oriented income be established.

[2] As it is pointed out, the yields of occupational pensions depend on the kind of the fund (of stipulated contributions or stipulated provisions). Cf. Tessaromatis 2009. The dangerousness of the portfolio of the stipulated contributions funds with a weaker toleration against risk should be reduced. Cf. Zambelis 2009.

In the field of occupational pensions, the role of the state is critical for the formation of a modern regulatory framework regulating the parameters of TEA's operations with the aim to accomplish the smooth operation of the specific funds that will meet the changing needs of society and, at the same time, contribute to the reinforcement of the adequacy of the pension-oriented income to elderly citizens[3],

On the basis of the previously mentioned items, it becomes conceivable that the institutional framework of the Law 3029/2002 has created new prospects for the future of pensions in Greece.

However, seven years after the enforcement of the relevant legislative framework, the established occupational funds have not succeeded in being integrated into the Greek system of pension-oriented protection.

Nevertheless, seven years after the relevant law draft had passed, the occupational funds that were founded did not manage to establish themselves in the fold of the Greek pension-oriented protection system.

More specifically, as concerns the operation of the existing occupational funds in the field of pension-granting protection (in terms of the lump sum or periodical provisions), it should be noted that there were no sufficient data helping with the formation of a comprehensive aspect as the specific institution is still in an initial stage.

According to the data the relevant directorate as well as the EAA provided, it results that the institution of occupational pensions is currently going through it first stage. More specifically, the numbers of insured individuals per occupational category on the basis of the 2008 data are as follows:

Table 3.4.a: Percentage (%) of Participants in Occupational Pension Funds (2008)

YEAR	**NAME OF THE FUND**	**INSURED INDIVIDUALS' TOTAL**
2008	OCCUPATIONAL INSURANCE FUND OF THE MINISTRY OF	35,398

[3] Researchers, like Y. Stevens (2004), point out the important role of the state to the purpose that the occupational pensions of the second pillar will contribute to the modernisation of pension systems, p. 83.

	ECONOMY AND ECONOMICS	
	ECONOMISTS' OCCUPATIONAL INSURANCE FUND	1,319
	GEOTECHNICIANS' OCCUPATIONAL INSURANCE	577
	ELTA' OCCUPATIONAL INSURANCE FUND	9,808
	CASINOS' OCCUPATIONAL INSURANCE FUND	200

Source: Ministry of Employment and Social Protection 2009

The total percentage of insured individuals from 2004 to 2008 is shaped as follows:

Table 3.4.b: Percentage (%) of Participants in Occupational Pension Funds (2008).

YEAR	**TEAGE**	**ETAO**	**TAE- ELTA**
2004	-	-	10876
2005	-	-	10841
2006	-	1065	10445
2007	473	1228	10088
2008	577	1319	9808

Source: National Analogistic Authority, 2009

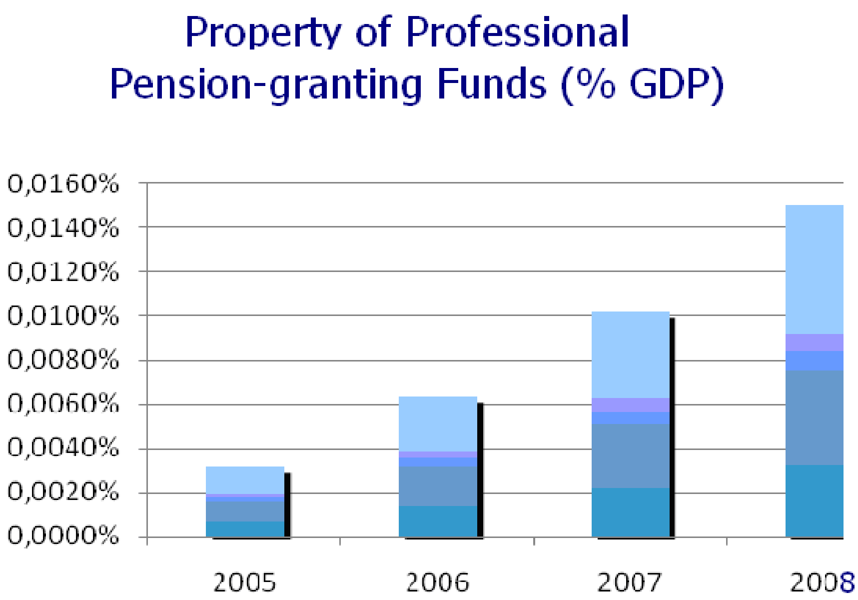
The data resulted from the assessment of the five-year operation of the institution are not at all encouraging since participation in the five occupational funds (pension provisions and hospitalisation expenses) amounts to just 1% of the insurable population (Anagnostou-Dedouli 2009). In terms of, especially, the data concerning the funds providing pension-oriented provisions[4], the percentage of

[4] The following occupational funds are included in the specific percentage: ELTA's; Economists' and Geotechnicians'.

the active population participating in the specific occupational funds amounts to approximately 0.26% for 2008[5].

Occupational pension funds' property in Greece as a percentage of the GDP amounts to 0.00318% for 2005, 0.0063% for 2006, 0.01020% for 2007[6] and 0.0150% for 2008, is shown indicatively below.

Graph 3.4.a: Occupational Pension Funds' Property.



Source: E.A.A (2008): Qualitative summary report for 2008. Greece

It is ascertained in the above diagram that funds' property assets are a very low percentage of the GDP but the upward tendency shown in it is obvious. Examining the percentile increase in the GDP, it is inferred that the increase observed is owing exclusively to the enlargement of funds and to the considerable yields their investments obtained regardless of economy growth rate.

According to the previously-mentioned items, it is made clear that specific percentages are not at all encouraging and prove that this institution is still going through its initial stage after seven years of operation. However, occupational funds in Greece can be a dynamic pillar of the social insurance pillar. In this

5 Calculated on the basis of the data provided by most funds until December 31st 2008.

6 At a global level, occupational funds' property amounts to 36 trillion US dollars, that is, corresponding to 75% of the World Gross Domestic Product, according to data for 2007. Cg. OECD 2007.

context, prudent management and continuous monitoring the course of investments, especially, during periods of economic recession will be required as the future of occupational pensions depends, to a considerable degree, on the capacity of the specific schemes to reduce their exposure to risks.

It is inferred from the above data that the institution of occupational pensions needs be rejuvenated. The specific modifications as well as the completion of the indispensable omissions can transform the TEA of the Law 3029/2002 into reliable pension products providing organisations contribute to the smooth function of market as a complementary mechanism supporting insured individuals' income as well as mechanisms boosting savings and investments. The institution of the TEA is a venture of paramount social and economic importance and, thus, increased concern about the correct, effective application of occupational insurance is required (Romanias 20007). However, the development of occupational pensions should become a strategic priority on the part of the state. Taking immediately the specific action in combination with the prudent occupational management of the specific schemes is a sine qua non condition for the successful application of the institution of occupational insurance in Greece.

Applied in compliance with the above preconditions, the specific institution can contribute to the reinforcement of participants' pension-oriented income as well as guarantee the viability of pension systems. In this context, constructing a strong pension-oriented pillar will increase national savings as well as investments and, in consequence, boost the growth of Greek economy. At the same time, it will contribute to the reinforcement of social cohesion and solidarity with the aim that a high level of protection concerning future pensioners be secured.

6. Conclusions

The object of social policy is in a continuous mobility, discussion and revision. Its adaptation to the new data requires the modernisation of the European model and, especially, of the social protection systems, laying special emphasis on pension-oriented systems. It is necessary that the specific systems should become capable of securing adequate incomes for pensioners with solidarity and equality without destabilising fiscal economies or encumbering excessively the generations to come as well as respond to individuals' and society's changing needs.

The operation of occupational funds under the Law 3029/2002 is a significant achievement in terms of both economic development and social cohesion. The specific institution offers the possibility of increasing national money saving and, at the same time, of funding deviations or particularities of specific fields of workers. In the context of the establishment and of the operation of specific schemes, it is stressed that new forms of insurance and of solidarity can and should operate complementarily in the Greek pension system. The coexistence of public and of private partners is indispensable so that the most effective pension-oriented protection system will be accomplished.

According to the specific prerequisites, the institution of occupational insurance is expected to contribute decisively to the reformation and modernisation of the Greek pension system, securing sufficient and viable pensions to the future pensioners. At the same time, the development and evolution of the specific institution will contribute, apart from securing a high standard of pension-oriented provisions for senior workers, to the reinforcement of social cohesion, enhancement of pensioners' living standard and, in consequence, to the safeguarding and modernisation of the European social model. However, in the context of the development of occupational insurance, protecting workers' social rights should be the first priority in any case.

In conclusion, it should be made clear that the above inferences concerning the institution of occupational insurance in Greece are compatible with the spirit of the Directive in terms of the institutions of occupational pension provisions. As it is stated also in the preface of the Directive 2003/41/EC with reference to the course as well as to the prerequisites for the development of the specific systems, it is a fact that "from the moment social insurance systems constantly receiving pressures, occupational pension-oriented provisions will be their complement more and more in the future".

For this reason, "occupational pension-oriented provisions should be developed without, however, the significance of public insurance systems being disputed in terms of their safety, viability and the effectiveness of social protection, which should ensure an acceptable standard of living during old age and be, in consequence, the centre of the target aiming at the reinforcement of the European social model".

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Social Care Services for the Elderly in Greece: Shifting the Boundaries?

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Abstract

Social care services in Greece represent one of the oldest but also one of the most neglected areas of the Greek social protection system. Their development is closely connected with the marginal role of social assistance within the framework of the Greek social security system. During the past decades, a number of socioeconomic developments, more or less common across Europe, have addressed significant challenges to the institutional and familial arrangements related to the provision of social care to the elderly. These developments have important implications for the so called "mixed economy of social care" that characterise the whole system of social care provision. In this context, the aim of the paper is to unfold the provision of social care to the elderly and to discuss some preliminary theoretical considerations about the organisation of social care services for the elderly in Greece. It is argued that the provision of elderly care in Greece is on the edge of a transition and that recent developments could reshape its boundaries by altering the scope of the welfare mix components that form the system of elderly care provision.

Keywords: social care services, mixed economy of social care, elderly, Greece

1. Introduction

Social care services in Greece represent one of the oldest but also one of the most neglected areas of the Greek social protection system. Social care usually refers to the provision of support via personal social services and informal care. In the case of Greece personal social services did not develop on the basis of a rational planning taking into account the complex needs of their potential users. Their development is closely connected with the marginal role of social assistance within the framework of the Greek social security system. Thus the creation of a unified network of personal social services offering provision in line with the principle of universalism has not rendered possible. In this context, elderly care lies at the interface of personal social services and informal family care. Social care services for the elderly crucially affect the quality of life of a large part of the population. They have far-reaching implications not only for the older people in need for care but also for a growing proportion of the population that provides informal care to older family members.

This paper attempts to unfold the provision of social care to the elderly and to discuss some preliminary theoretical considerations about the organisation of social care services for the elderly in Greece. To be that accomplished the following section focuses on the conceptual framework aiming at clarifying misunderstandings, and even conflicts, of the terms usually used in social care literature. In section three attention is directed to the provision of elderly care services in Greece. The role of the different components that form the system of social care services is explored. Discussion follows the community/institutional care divide. Section four concludes arguing that social care services for the elderly in Greece are on the edge of a transition and that emerging trends may shift their boundaries.

2. The Conceptual Framework: Personal Social Services, Social Care, Mixed Economy of Social Care

We should stress right from the outset that it is extremely difficult to provide a definition of "personal social services" or "social care services" which is generally accepted among different countries and accurately reflects the range of different services, their responsibilities and organisational structure. Terms as such, on the one hand, have been used interchangeably as synonymous and, on the other, might have fairly different meaning from one country to another. Thus it is important to clarify the notion of the key terms that shape the conceptual framework of this paper.

2.1. Personal Social Services

A review of the existing literature depicts the ambiguities in the definition of personal social services. The various definitions are not ideologically neutral, but reflect different perceptions of the role that personal social services are supposed to play in a given society. The discussion is turned mainly, but not exhausted, around the universality or selectivity of services. Another frequently arising issue refers to the degree to which personal social services are discrete from or part of related services provided within health, employment and social protection services. Again there are contradictory views as to which definition should be adopted.

The key word for the understanding of the term is not other than the word "personal". This does not imply simply a meeting between users and agencies. It is used to denote a communication with each other; the agency seeks to understand and interpret the needs of the user and is prepared to use her/his personal judgement for the service provision (Marshall, 1975). In this framework, the term refers to the provision of individualised care[1], related to user's specific needs and circumstances, that is based on a close relationship between user's and agencies of social services. This definition, however, does not necessarily distinguish the personal social services from "the welfare services" in general.[2]

It has been argued (Amitsis, 2001) that personal social services represent the "hard core" of the social protection systems since they usually deal with a number of complex needs that cannot be met merely through the provision of cash benefits or benefits in kind. In the Greek literature personal social services have been described with the term "social assistance in the limited sense" (Stathopoulos, 1996) or "social services in the narrow sense" (Amitsis, 2001). They referred to the provision of support to the most disadvantaged or vulnerable who were also in economic hardship; mirroring the marginalisation of social assistance within the Greek social security system. Often other terms such as "social services" or "social welfare services" have been used interchangeably as having more or less the same connotation with personal social services.

Personal social services provide social care and protection mainly to families and children, young persons (in trouble), older people, people with disabilities, people with mental health problems and to other vulnerable groups of the population that are at the risk of social exclusion. The provision of support, however, represents only a part of their activities. Their responsibilities, as Baldock (2003:370) points out, often appear to be "a ragbag of disparate social rescue activities left over from the other parts of the welfare system". This confirms the difficulty in their recording and classification. Munday (2003) in an attempt to review the European personal services for a report drafted for the Council of Europe, summarised their responsibilities under the following activities: provision of care and support, protection, regulation, community development and care organisation, social control, social integration.

In the British literature "the personal social services" usually refer to the work of local authorities social services departments and to the work of the independent sector (voluntary and private) agencies. In this framework they are closely connected with the provision of social care to specified user groups. This is reflected in both older and more recent textbooks of social policy.[3]

[1] Contrary to standardised services.

[2] In the U.K., as Marshall (1975) discusses, the term "personal social services" replaced the term "welfare services" in 1968 when the then Labour government set up a Committee under Frederic Seebohm "to review the organisation and responsibilities of the local authority personal social services". The "personal social services" was used instead of the "welfare services" because the latter term was considered too vague to define services based on their objective and too narrow to denote an administrative area, given the fact that at that time welfare departments did not include work with children.

[3] See for example Brown (1985) and Baldock *et al.* (2003).

2.2. Social Care

Defying social care in a way that is commonly acceptable across different countries is also not an easy task. In the European comparative literature social care usually refers to the personal social services and a wide range of informal support and activities provided by families, friends, neighbours, colleagues and volunteers on an unpaid basis (Munday 2003; Munday, 1996a).

Frequently, as Twigg (2003) points out, social care is defined in opposition to medical care. In this sense it refers to the provision of services that do not fall into the remit of medicine. Social workers are at the centre of services, along with other professionals such as social carers and family assistants (or variations on these terms).[4] Distinguishing, however, social care from health care is not always a straightforward process. The boundaries between them are often blurred and disputed. For example, frail elders or persons with disabilities have joined medical and social care needs.

In pursue of shifting the boundaries between health and social care services a new trend has emerged in the provision of social services: the provision of integrated services.[5] As it is argued in a report prepared for the European Council by Munday (2007), integration should be understood as an umbrella term covering various approaches or methods[6] seeking to attain greater coordination and effectiveness between services to achieve, principally, better outcomes for service users; cost advantages are also possible. In this sense, other practises aiming at the problem of service separation are less complete than integration; rather they can be understood as important tools to reach integration of services.

Social care is also closely connected with the provision of care in the community in the sense of moving away of institutional care, engaging local authorities in the provision of services and empowering local social networks (Stasinopoulou, 1993). As a mean of providing social care, is concerned with the resources available outside formal institutional structures, particularly in the informal relationships (Bulmer, 1993). Community care services can be provided at home (domiciliary care) or at structures such as day centers, etc.

The volume of the provided community care services, the degree of engagement and the responsibilities of local authorities, as well as the role of informal social networks vary considerably depending on the country under question. In the U.K. for example, social care services fall into the responsibility of local authorities. They are provided by the social services departments that operate under their auspices. These local authorities' social services departments were introduced in the early 1970s and

[4] In addition to the health sector that medical practitioners have a leading role.

[5] In fact, pulling together separated social services, such as health and social care services, refers to the horizontal level of integration. Vertical integration in social care has quite a different meaning. At the macro level refers to measures aiming at achieving better coordination among different levels of government – national, regional and local; at the micro level it refers to the better coordination of residential, community and domiciliary services for different user groups (Munday, 2007). For a European comparative study on integrated long term care services for older persons see also Billings and Leichsenring (2005).

[6] Such as service coordination, cooperation, partnerships, pooled budgets, care trusts, collaboration, inter-professional or joint working.

represent a wider effort to reorganise the personal social services; an effort which focused upon the amalgamation of services and formed round the idea of generic social work.[7] In Greece, on the contrary, until recently the role of first and second-tier authority governance in the provision of social care was limited; the role of the third sector residual[8]; the effective unification of disparate services was not rendered possible; long-term care services were almost exclusively provided through institutional care; and the role of family in the provision of care was -and still is- extremely important.[9]

In the framework of the Greek social protection system, the term social care was introduced by Law 2646/1998 on the "Development of the National Social Care System". Social care is defined as the "protection provided to individuals or groups of people via prevention or rehabilitation programs and aims at creating equal opportunities for individuals to participate in the economic and social life and at ensuring a decent standard of living. The support of the family is a fundamental objective of the above mentioned programs".[10] This definition has two characteristic features and at least one controversy. First, it refers to participation. Participation is widely considered as a central dimension of the social exclusion concept (Burchardt *et al.*, 2002). The social exclusion rhetoric in general terms supports the statement that one can be socially excluded even if not being materially deprivated (Hills *et al.*, 2002). In this sense, social care programmes should have focused not only upon those considered poor (because lacking adequate income), but on the entire population. Secondly, it refers to living standards. Ensuring decent living standards, however, reflects selectivity through means testing and targeting to those most in need. In this sense, social care programmes concerns just those lacking adequate income - not the entire population. In practise, the Greek social care system has been characterised by the second feature and has left aside the principal of universalism. Besides that, hardly any steps have been taken in the direction of creating a nation wide unified system combining prevention with prompt intervention (Petmesidou, 2006).

2.3. Mixed Economy of Social Care

Social care services among different countries vary to a large degree in the way they are provided. A mix of sources in the provision is usually the rule, leading to the creation of mixed economies of social care. In the European comparative literature, the development of mixed economies has been characterised as a major trend in social care (Munday, 2007; Munday, 1996b). European countries have developed the mixed economy of social care according to the historical diversity of their welfare systems.

Social care services are provided by public sector organisations, by non-governmental (NGOs) and other voluntary non-profit organisations and by private for-profit organisations. Most social care, nonetheless, is not provided by the official personal

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[7] For a detailed analysis and a critical discussion on the work of the Seebohm Committee which introduced the reorganisation of the local authorities social services departments see also Townsend (1975).

[8] For an in depth analysis of the role of Non Governmental Organisations (NGOs) in the provision of social care in Greece see Polizoidis (2008).

[9] In Greece care in the community often is understood as care provided by the community, referring to the provision of informal care by the family and mostly by women (Stasinopoulou, 1992).

[10] Law 2646/1998, article 1, paragraph 1 (FEK 236 A').

social services. It is provided by informal networks, most profoundly within the family by family members, and it is provided on an unpaid basis. As Evers (1993) has already discussed, acceptance that all the above mentioned four components should have an active role in the provision of services has won and is still gaining ground; the real questions lies on their respective roles, responsibilities and limits as the way we understand anyone of them entails assumptions about the role of the others. In other words, the degree of activation of each sector in the provision of social care represent a key factor for the welfare mix per se and for the organisation and responsibilities of the social care system as a whole.

The growth of mixed economies in social care connotes the broadening of perceptions to take into account the resources of all components of the welfare mix (Ely and Sama, 1996) and the creation of alternatives. The role of the state is shifting from providing services to regulating the participating agencies and the overall system. The adoption of such ideas to a certain extent responds to political discourses about consumerism, users' choice and empowerment.[11] Although in Greece the latter issues are seldom included in the policy agenda, partly because the relative lack of state provisions has always left the other sectors a prominent role, in other European countries the exercise of choice has been employed. Direct payments, where individuals receive the cash equivalent of services to arrange their own support, represent a tool of such type. Another measure towards this direction is the introduction of the individual budgets in the U.K. As Glendinning and Means (2006) explain, individual budgets bring together for any individual the resources from a number of different services to which they are entitled. The total amount is made transparent to the individual who uses the budget to secure a flexible range of different types of support, from a wider range of providers compared to direct payments or conventional social care services. The use of such methods and tools, apart from the obvious advantages, raise particular serious concerns. Questions of equity and information and effects on the care market, care professionals and informal carers are some of them (Glendinning and Means, 2006; Kremer, 2006).

The creation of mixed economies of social care has major implications for social services integration (Munday, 2007). The provision of integrated social care and health services has already been hard enough to be accomplished. In the case that services are provided by a number of public, private non-profit and private for-profit agencies, integration is much harder to be achieved. Further, and most importantly, as Petmesidou (2006:348) stresses, a major priority to be addressed is "how to develop and balance universal provision with multiple funding and delivery arrangements in a way that enhances equity, accessibility, users' voice and accountability".

3. Social Care Services for the Elderly in Greece

In this section we attempt to describe the pattern of connection among the quartet of institutions – namely the family, the state, the third sector and the market - that, on the

[11] Heikkila and Julkunen (2003) point out that far-reaching empowerment strategies, although sometimes are regarded as synonymous to terms "user involvement" or "user participation", should be distinguished form them. User involvement entails preconditions that the users' activity has an impact on the service process. User participation means that users are only taken part in some activity.

whole, form the network of social care services for the elderly. After a brief comment on the challenges arising from population ageing, an effort is being made to examine the provision of elderly care services in the community and institutional settings.

3.1. Demographic Ageing and Informal Family Care

Greece is facing a considerable ageing of its population. According to the data of the National Statistical Service of Greece, in 1991 the percentage of the population over 65 years old was near to 14%, while in 2001 this percentage rose to 17% and is expected to reach 24% by 2030. The ageing of the population has been the subject of intense discussions under various viewpoints. From a social policy point of view, it usually raises concern for the viability of social insurance funds and retirement policies and not (or at least not that often) for the provision of social care services. Demographic ageing, however, coupled with the rising participation of women in the formal labour market and changing family arrangements, has major implications for social care services. It increases the demand for services of this kind. Nonetheless, Greece scores extremely low on both residential and community care for the elderly if compared to other European countries (Bettio and Platenga, 2004). It has been estimated that in Greece the number of elderly people in need for care is about 80.000 and that two thirds out of those are cared for by family members (Moussourou and Petroglou, 2005 *cited in* Stratigaki, 2006).

A number of studies have tried to classify countries according to their welfare regimes.[12] These approaches have received from time to time various criticisms from feminist scholars and others. It is beyond the scope of this paper to examine the range of typologies suggested and their associated limitations. Debates about welfare regimes, however, did not focus explicitly on care strategies. In this framework Bettio and Platenga (2004) argue that a different typology arises if the focus is shifted from welfare models to care regimes. They propose a classification that groups countries into four clusters. Greece has been classified in the first cluster (along with Italy and Spain) that "delegates all the management of care to the family".[13]

Therefore, it is not surprising that care for the elderly in Greece has been characterised as a "family affair" (Ministry of Health and Welfare, 1999). Public provision still remains limited and the family continues to carry the main caring responsibilities. Women bear a disproportionate burden in caring for all family members as they provide the bulk of informal care within the Greek family.[14] Indicative are the findings of a recent study on family carers of frail elderly persons in Greece (Triantafillou *et al.*, 2006) where women representing 80.9% of family cares.

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[12] Esping-Andersen (1990) with his seminal work *The Three Worlds of Welfare Capitalism* by focusing on the dimensions of de-commodification and stratification identified three distinct "welfare regimes": Social Democratic, Conservative and Liberal welfare regimes. Later several authors (see for example Ferrera, 1996) argued for a distinct fourth type, which is varyingly typical of Southern Europe.

[13] Portugal and Ireland have been characterised as atypical cases between the first and other clusters. The second cluster includes the U.K. and the Netherlands (with borderline cases Belgium and France); Germany and Austria form the third cluster; while the Nordic countries the fourth.

[14] Based on ECHP data for the year 1996, Bettio and Plantenga (2004) found that the gender gap in care provision in Greece is particularly high (82.7%). For a discussion on caring as an engendered process in the Greek context see also Stratigaki (2006).

In this context, unpaid family care work along with privately financed services (by the elderly and/or their family) plays a central role in covering needs. During the last fifteen years privately financed services have expanded with the large flows of female migrant workers (often undocumented) who provide cheap and flexible care work within the family.[15] This trend has partly filled the arising gap between high demand for formal care services and limited supply and has allowed elderly people and their families to meet care needs also for an added reason. It follows rules of reciprocity. Since some times it is considered socially disapproving to put one's parent or grandparent to an institution, employing a female migrant to perform caring tasks seems to solve this problem as well (Van der Geest *et al.*, 2004). This pattern, however, restrains further the development of formal care services (Emke-Poulopoulou, 1999; Sissouras *et al.*, 2004), raises issues of social equity and long-term viability (Bettio *et al.*, 2006) and leads to labour market segmentation in the elderly care sector (Karamessini and Moukanou, forthcoming).

3.2. Community Care

Until the late 1970s long-term care services for frail elderly people were almost exclusively provided through institutional care. Community care was formally introduced in 1979 via the establishment of the first Open Care Centers for the Elderly (KAPIs); while domiciliary care was introduced only in the late 1990s via the programme "Home Help" and expanded latter under EU funding. The shift to community care services has been justified on the grounds of bringing together older people with the rest of the community, meeting their preferences and improving their quality of life, avoiding the risk of social exclusion, enabling the reconciliation of work and family life for informal cares and reducing costs. Nowadays, community care for the elderly is provided through KAPIs, the programme "Home Help" and through the Day Care Centers for the Elderly (KIFIs). There are 582 KAPIs, 1,100 "Home Help" programmes and 49 KIFIs situated in municipalities throughout the country serving about 146,500, 50,000 and 1,300 users in respect (*cited in* Karamessini and Moukanou, 2007).[16]

As mentioned before, the first pilot KAPIs were set up in 1979 by the Ministry of Health and Welfare in the area of the Athens. In 1984 they came under the responsibility of first-tier local authorities and the spread of KAPIs was encouraged. They were originally designed to offer a wide range of services to the elderly: recreation and education, basic medical and nursing care, social support (through social work with individuals, groups, family and the community), physiotherapy and occupational therapy, home help for those who live alone and have no other support (Amira *et al.*, 1986). In cases of best examples KAPIs are staffed by an interdisciplinary team composed of social workers, nurses, health visitors, family assistants, physiotherapists and occupational therapists. In most cases, however, due to budgetary constrains not all of the above mentioned professionals are employed

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[15] As Bettio *et al.* (2006) argue Southern European countries (Greece, Italy, Spain and Portugal) face a transition from a "family" to a "migrant in the family" model of care, especially regarding elderly care.

[16] Data for the operation of KAPIs are based on the records of the Hellenic Agency for Local Development and Local Government and refer to year 2003. The number of KAPIs users represents a rough estimation and includes a large number of elderly people that use the services periodically. Data for the operation and the number of users of "Home Help" Programmes and KIFIs are based on the records of the Ministry for Employment and Social Protection and refer to year 2005.

(Karamessini and Moukanou, forthcoming). As for the volume of the provided services, they have partially been provided mainly due to resource constraints, administrative insufficiency, understaffing and the large number of users that exceed capacity (Ministry of Heath and Welfare, 1985). Nonetheless, a number of studies indicate that KAPIs are quite popular care services and that their users place great value on their existence (Amira *et al*., 1986; Teperoglou, 1990; Tsaousis and Hatzigianni, 1990; Ritsataki *et al*., 1992).

In 1997 domiciliary for the elderly was introduced by central government to meet the need for basic care services of elderly dependent people who live alone, have little or no family support and lack sufficient financial resources. The first "Home Help" programmes were funded by central government (jointly by the Ministry of Interior and the Ministry of Health and Welfare). Afterwards, with funding under the 2nd and respectively 3rd Community Support Framework they came under the responsibility of local authorities and they were expanded.[17] At that time priority was also given to depended older persons that were cared-for by female family members. "Home Help" programmes were initially designed to provide domiciliary care through social work services, nursing services and family assistance services[18] to frail elderly people. Later on their scope was widened to include the provision of domiciliary social care to individuals with disabilities.[19] An evaluation report of the programme (Hellenic Central Union of Municipalities and Communities, 2002) indicates that "Home Help" users widely recognise the value of the services provided by these programmes.

In 2001 the Day Care Centers for the Elderly (KIFIs) were established in urban areas. They operate under the responsibility of local authorities and receive funding by EU sources. KIFIs provide daily care services through trained staff[20] and specially equipped premises to frail elderly with chronic health related problems who are unable to receive care from informal networks.

Overall, since the late 1990s the availability of EU funding has allowed the expansion of community care services for the elderly provided by local authorities. These, services, although valuable for users and informal cares, are selective – targeting mainly to those lacking sufficient financial means – and limited in quantity. Local authorities have not managed to develop community care services in a systematic way over the years and the recent expansion of social care programmes occurred in a deficient and fragmented way (Petmesidou, 2006). What is more, their future prospects remain uncertain depending on available EU resources. Indeed funding through the National Strategic Reference Framework (ESPA) for the period 2007-2013 seems that is going to alter the balance of the welfare mix in elderly care.

Very recently a new tender has been announced concerning the provision of domiciliary care services to the elderly and people with disabilities. Participants in

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[17] Out of the 1,100 programmes in operation, 101 receive funding from central government and the rest from the 3rd CSF (Ministry of Employment and Social Protection, 2005).

[18] "Home Help" programmes are staffed by an interdisciplinary team including a social worker, a nurse and a family assistant.

[19] As Petmesidou (2006) notes, in other European countries home care services were initially established to help families caring for people with disabilities and extended afterwards to the elderly, while in Greece services developed the other way around.

[20] KIFIs are staffed by a nurse, a social carer and supporting personnel.

this tender, under certain preconditions, can be municipalities and municipal enterprises already run “Home Help” Programmes, any other public body, but also non-profit and for-profit private legal entities, as well as any other relevant private agency. Another interesting feature is that funding will be granted for each user of the programme (up to a fixed maximum number of users according to each agency’s capacity) and not for the programme as a whole. These are major developments, on the one hand, for the continuity of the existing local authorities’ programmes. They are given the chance to secure most requested future funds. On the other, probably we are about to witness a shift in the balance of the mixed economy in elderly care. Both non-profit and for-profit organisations could claim EU funds for the provision of domiciliary care services. As for users’ choice and quality of services it remains to be seen.

3.3. Institutional Care

The number of elderly people living in institutions providing social care is extremely low (0.6% according to 2001 census data). This has been attributed to the importance of family ethics in Greece but also to the shortage of places and their uneven distribution within the country and to the low quality of the provided services (Emke-Poulopoulou, 1999; Sissouras *et al.*, 2004; Chartreau *et al.*, 2005; Papaliou and Fagadaki, 2005). Institutional care for the elderly is provided by the Elderly Care Units.[21] They are either non-profit (established by the Church, NGOs and local authorities) or for-profit (market services). To provide long term care for elderly people who lack sufficient financial resources, the Ministry of Health and Social Solidarity signs subcontracts with non-profit Elderly Care Units; but for a very limited number of places. It should be stressed that in the absence of public services providing residential care solely to the elderly, an interconnection with the provision of long term care to people with disabilities has been developed. Nursing Homes for Chronically Ill that were designed to address long term care needs of not self-sufficient adults suffering from kinetic disabilities or mental deficiencies, provide long term care also to a number of older people in economic deprivation.[22] Further, in the provision of residential care to the elderly important is the role of the Greek Orthodox Church.[23]

Mostly due to the absence of a unified monitoring authority statistical data on the number of the existing Elderly Care Units and their users are insufficient (some times even controversial). To make thinks more complex several units (both non-profit and for-profit) operate without having registered with local authorities.[24] Thus it is impossible to know their exact number and the number of older people they host. What is more, a number of private clinics are operating as residential homes as well, in the sense that they provide long term nursing care to frail elderly people. In general

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[21] All residential homes providing long term institutional care to older people were renamed to “Elderly Care Units” by Law 2345/1995.

[22] In 2002 they were providing long term care to around 2,600 frail elderly persons (Ministry of Health and Welfare, 2002:9).

[23] A pamphlet about the social welfare institutions of the Greek Orthodox Church (published in 2001 by the publication branch of the Church of Greece) indicates that the majority of institutions are concerned with the provision of elderly care services.

[24] The license for the establishment and operation of all Elderly Care Units is granted by second-tier local authorities (prefectures). Local authorities are also responsible for their monitoring, supervision and control.

terms, the non-profit sector includes about 120 Elderly Care Units that provide long term care to around 2,800 individuals. The for-profit sector includes about 110 units and based on rough estimates it is believed that the number of their users is approximately 3,200.[25]

As stressed before the percentage of elderly people using institutional social care services is low. The dominant trend is the provision of services in the community. This emphasis on community services, coupled with strong family ties and the associated stigma of institutional care, on the one hand, and serious failures of institutional services, on the other, ignores the possible positive outcomes of high quality residential provision. As Foster (1991) has already suggested good residential care should be regarded as an integral part of care in the community. She challenged that institutional care is inherently undesirable and in this context she proposed a form of shared care. This could offer an alternative solution to frail elderly people and their informal -primarily female- family carers. Her proposal remains up to date and in line with contemporary discussions about the provision of integrated elderly care services. In the case of Greece, however, where the family continues to be the main care provider utilising the irregular work of female migrant carers this do not seem to be forthcoming.

4. Concluding Remarks: A Shift in the Boundaries?

Care for the elderly lies at the uncertain boundaries of social care. The borderlines between health and social care are hard to define. As a response an emerging trend towards the provision of integrated services is progressively coming to the front. The boundaries between the provision of social care to older people and to people with disabilities are also vague. Elderly care is provided by a quartet of institutions – the family, the state, the third sector and the market – that interconnect and form the mixed economy of care.

In this context, the provision of elderly care in Greece is on the edge of a transition. The ageing of the population along with an increase in female employment rates has put pressure on the engendered family-centred model of service provision. Provision of services in the community - the dominant trend in political discourse - presumes the empowerment of local authorities as service providers and the upgrading of the third sector to become an active actor in service provision too. Public sector instead of being the only significant provider should be considered as the regulator of the overall system. Local authorities, though, have developed social care services in a fragmented way; while the role of the third sector in the provision of social care has been described as residual. In parallel, however, available EU funds seem to enable the growth of the independent sector. As for market services, there is evidence suggesting the development of a market of care, but at the same time the work provided by female migrant carers has been leading to the creation of an informal care market. All in all, it seems that the emerging trends could alter the scope of the welfare mix components, reshape the boundaries and transform the character of service provision in social care services for the elderly.

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[25] See Ministry of Employment and Social Protection (2005:28) and Ministry of Health and Welfare (2002:9).

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Familistic welfare capitalism in crisis: The case of Greece

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Abstract

The paper focuses on the double role that the family is called to play in Greece; namely, to be the main provider of welfare and protection to its members and a key institution in the reproduction of the Greek political economy. Until recently, the family in Greece acted as an agent of decommodification of its members in and out of the market via its capacity to consolidate and mobilise resources: as a property owner, employer, member of clientelistic networks and as a claimant of social insurance rights. The paper explores the most recent reforms in Greek social policy with regards to pension rights, the governance of pension funds and labour market conditions and rights. A clear trend towards re-commodification is identified which, combined with analysis of recent socio-economic indicators, leads to the conclusion that the dual role of family is in crisis and, with it, the logic of reproduction of familistic welfare capitalism in Greece.

Keywords: family welfare regime, Southern European welfare capitalism, household indebtedness, recommodification

1 Introduction

The family played traditionally a double role in the reproduction of the Greek society. It was the main provider of welfare to its members and a key institution for the reproduction of the Greek political economy. After the end of the World War II and even after the restoration of parliamentary democracy (1974), the family played a double role since it became the key institution for the social reproduction through a segmented and unequal welfare system, a clientilistic political system that was based on thin alliances of social and occupational groups and of a state-depended economy that preserved – in a way continues to preserve- a market where its main sectors are controlled by oligopolies. The case of Greece is not unique within its particularity. The paper treats it as a case of a particular type of welfare capitalism which we identify as ‘familistic welfare capitalism’. It is a socio-economic morpheme that bears many resemblances with other South-European countries but also internationally, with semi-periphery countries in Latin America and South Asia (Haggard and Kaufman, 2008). The paper argues that, at least in Greece, the role of the family is under crisis and along with it, the logic for the reproduction of the Greek familistic welfare capitalism.

The paper comprises three parts. In the first part, it examines the contemporary literature of welfare regimes and focuses on the concept of decommodification, the status of the familistic welfare capitalism in relation to other typologies as well as the literature on the Greek case. In the second part, the paper focuses the trend towards re-commodification in the areas of Greek social policy: pensions, pension funds’ governance and labour rights. In the third part, we examine recent empirical data for the financial status of Greek households. The paper ends with a discussion of the negative consequences for the re-commodification trends in the ability of the Greek families to consolidate and mobilise resources and consequently in the crisis of social reproduction in Greece.

2. Re-commodification and the 'South European' welfare states

In recent years, comparative social policy has constructed several ideal types in order to identify and explain similarities and differences across countries and regions in relation to policy processes and the importance of political, economic and gender factors for the development of the modern welfare state. Esping-Anderson's (1990) pioneering typology grouped together welfare systems and welfare regimes to construct three worlds of welfare capitalism. *Welfare systems* refer to the institutional arrangements of welfare provision, entitlement conditions and benefits structures with pensions and unemployment benefits as typical examples. *Welfare regimes*, as Taylor-Gooby (1996, p.200) puts it, is 'a particular constellation of social and political and economic arrangements which nurture a particular welfare system'. More specifically, the term 'welfare regimes' captures the modes of governance that institutionalise the role of the state, the market and the family in the production, redistribution and welfare consumption within welfare capitalism. These modes of governance, are interlinked with the enactment of public policies and political-economic institutions, with the latter crystallising 'residues of conflict and structurations of power relations' (Korpi 2001: 9).

Esping-Andersen's ideal types of three worlds of welfare capitalism referred to particular type of welfare systems i.e. universal, conservative and residual that responded to particular welfare regimes i.e. Social democratic, Corporatist and Liberal, respectively. Esping-Andersen categorised the welfare systems and regimes according to the level of de-commodification, and systems of stratification. De-commodification is defined as 'the extent to which individuals and families can maintain a normal and socially acceptable standard of living regardless of their market performance' (Esping-Andersen 1987) while the systems of stratification refer to the importance of social solidarity among social groups and how risk pooling is organised (Baldwin 1990).

2.1 The South European welfare states and the typologies of welfare regimes

In light of this theoretical contribution, there have been several critiques regarding the adequacy of the de-commodification to explain welfare state development (Knijn and Ostner 1997), the methods used (Fawcett and Papadopoulos 1997, Allan and Scruggs 2004) but mainly on the ranking and grouping of welfare systems (Castles 1993; Bonoli 1997; Arts and Gelissen 2002; Korpi and Palme 2003). The critique that we opt to focus is on the identification of a distinct welfare regime for the South-European welfare systems.

Schematically we identify two approaches for the understanding of the Southern European welfare systems. The first suggests that the South-European welfare systems belong to the corporatist- conservative welfare world and are either 'in their infancy' (Katrougalos 1996: 40) or represent a 'discount edition of the continental model' (Abrahamson 1999). These approaches argue that despite South-European welfare states' 'lagging behind' (Castles 1993), it is a matter of time for the South European welfare states to catch-up in terms of their social expenditure with their more advanced 'sibling' welfare systems (Gough 1996, Katrougalos and Lazarides 2003).

The second approach highlights the distinct welfare policies in South European welfare states and designates the causes for the identification of a distinct fourth 'South European welfare world' that includes Italy, Spain, Portugal and Greece (Ferrera 1996). Ferrera identified politico-institutional and socio-economic factors that determined the development of these South European states such as the lack of a rational (Weberian) bureaucratic state mechanism prior to welfare expansion, the polarisation between Left and Right wing parties, the role of the latter as aggregators of societal interests and finally the role of the Catholic church, the family and the legacy of authoritarian regimes.

The common characteristics of these welfare systems are the highly fragmented income maintenance system which provides generous benefits to particular occupational groups. Inequalities in welfare services are also linked with the labour market, disadvantaging employees involved in the shadow labour market, since they cannot build their social insurance claims and instead have to rely on meagre social assistance benefits. The existence of clientelistic relations among political parties, candidates and voters generates a 'favouritism' that services the interests of particular occupational and electoral groups and reproduces a selective mechanism for covering needs and providing welfare. Parallel to this, the South European states offer universal access in health care, without however crowding out the role of the private sector. Particularly in Greece, the relation between public and private health services is symbiotic since the state covers the cost of private health services for public employees and even hires private services to meet public demands.

However, similar to Esping-Andersen, Ferrera did not examine the role of production relations as well as capital accumulation (Jessop 2002), neither how the relations among different 'welfare worlds' are bargained within the process of European integration. Historically the South-European states lagged behind other continental countries in industrial development (with the exception of the Italian and Spanish north) due to the lack of long-term industrial planning from the employers that could set the basis for industrial development (Papadantonakis 1985). At the same time, 'competiveness' among these countries was based on the pursuit of low labour-cost, which was politically translated in a constant attempt, on behalf of both employers and the state, to minimise their responsibility for social reproduction (Papadopoulos 2006).

These characteristics of South European welfare states were not just endogenous problems of 'rudimentary development ' but as the result of the way in which national political economies were integrated in the global and European economy; essentially as semi-peripheral economies (Marinakou 1997) that relied on 'external growth strategies' and domestically remained socially unequal (Fotopoulos 1986). The end-result was the failure to introduce a universal system of social protection and instead institutionalised segmented and residual social programmes and welfare policies (Petmesidou/Mossialos 2006).

Essentially, in Southern Europe, the state 'locked in' the responsibility for the provision of care and social protection to the family unit, minimising therefore employers' political and economic cost for the reproduction of this particular type of welfare capitalism. In these welfare states, it is the family's role to undertake the responsibility to protect its members from the exposure to social risks. In this way, it is not primarily the residual or rudimentary development of the welfare state that necessitated the reliance on the role of the family as welfare provider but the specificities of this particular political economy that embedded in its logic the role that traditionally family played within these societies.

2.2 The familistic welfare model: the Greek case

In Southern Europe, family plays a key role, as an institution that provides 'decommodification' when its members are out of the labour market or lack the necessary resources to maintain their living standard. The role of the family in the familistic welfare model is not confined to household members but rather refers to an extensive network of kin that 'provides a mechanism for aggregating and redistributing resources among its members' (Allen et al 2004: 116). Therefore it is necessary to focus both on the role of the family as a welfare provider and also in the strategies that the families employ in order to consolidate and mobilise the necessary resources for the reproduction of this particular type of welfare capitalism.

Our argument in this paper preserves family's central role as the main provider of care and protection but adds one important dimension in the role of family as the basic institution for the reproduction of the Greek political economy. These roles are interlinked with the ability of the family to consolidate and mobilise resources as

- an owner,
- an employer,
- an member within the clientelistic system
- a claimant of social security rights (through its members that were able to secure them within the labour market).

The family draws resources as an owner of wealth. The resources that it receives are money (e.g. rents, hires, subsidies) but also consuming products (e.g. foods). Apart from income transfers or goods, real estate and housing transfers are at the centre the familistic welfare model. The family house, apart from providing hospitality to its members and its symbolic significance[1], is essentially the place where the family redistributes and exchanges services of care and support to its members (Poggio 2008; Kohli and Albertini 2008).

At the same time, the growth of small and medium family businesses in the sectors of production and services constitutes an important part of the Greek political economy. Here the family functions as an employer since it provides the possibility to its members to be employed either permanently or occasionally. The family members can join the family venture either as their primary or secondary job, with the majority of these jobs however not contributing social insurance payments and therefore not establishing claims within the welfare system.

[1]See Allen et al 2004 on the concept of patrimony.

At the same time, the family constitutes an important part of clientelistic system that creates networks with political, social and public institutions in order to secure favourable treatment its members. In this way, the family has access in information and resources that allow its members to improve their daily and professional life. Finally, the family via its members that participate in permanent places of work (e.g. public sector) ensure fiscal support but also health services and benefits (e.g. medical cover of children, orphans and widows' allowance).

Schematically we distinguish two periods for the reproduction of the familistic welfare model: in the first phase the family reallocated the resources that it ensured from its clientelistic relations with public institutions and political parties' representatives. The extension of these 'favourable and discriminatory' policies depended on the capacity of each family to negotiate and develop its clientelistic networks in order to benefit from the redistribution of public resources and the tolerance of the state in illegal activities (Petmesidou 1996). A typical example was the tolerance of the state in arbitrary constructions (e.g. housing), the trespassing of public property (e.g. commercial buildings) and the perpetuation of shadow labour markets. These examples are not exemptions or idiosyncratic problems of the Greek political economy but the norms that are in accordance with the reproduction of the Greek familistic welfare regime that places the family at the centre of this welfare and productive system. The amalgamation of these practices allowed the Greek families to increase their resources and the concentration of wealth, especially for a part of the middle classes, and provide a series of indirect subsidies to its members realised as income, products or capital (e.g. for purchase of first residence, set-up costs for businesses).

This period of "maximisation of family resources" entered a transient stage during the enactment of the 'modernisation era' in the mid 1990s. The imposition of market rules through the integration with the European Monetary Union locked the economic policies in a frame where public borrowing and consequently distribution of government resources was severely limited. The alternative that was offered aspired to transform families from stakeholders (family businesses) to shareholders with Greek families investing an important part of their wealth and savings in the stock market during 1999-2003. The losses of savings but also the excessive borrowing of households in order to invest their money in the stock market, constituted an important structural blow in the capacity of households to mobilise resources and protect their members. Simultaneously the amalgamation of public socio-economic policy of 'meagre social spending' that was enacted in the late 1990s constrained – though no completely- the possibility of families to consolidate economic resources.

During the first period of the reproduction of the familistic welfare model, the role of the family was absolutely compatible with the institutions of the Greek political economy and until recently, any crisis within the Greek welfare system was absorbed from the Greek family. Even recently, various authors (González, 2002) continue to posit the family as the main respondent to any emerging social risks and in fact they argue that the role of the family is strengthened. According to González, (2002: 173)

'now with a more flexible labour market in which the number of non-stable jobs is increasing and non-qualified workers occupy the lowest levels in private companies, the family strengthens its inclusive role'.

The recent reforms and socio-economic changes that intensify the re-commodification trends in and out of the labour market (Papadopoulos 2005) place even more challenges to the family and its inclusive role for South European welfare states. However, we argue, that at least in the case of Greece, these changes constrain dramatically the ability of the family to mobilise and consolidate resources. Instead of strengthening the role of the family, these changes undermine it even more, placing thus the family unit under crisis along with this particular type *of* familistic welfare capitalism.

3. The tendencies to re-commodification

In the second part of proposal we analyze the trend towards re-commodification in three areas of Greek social policy: pensions, governance of pension funds and labour market conditions and rights.

3.1 Pension rights

The relation of re-commodification and pension rights is identified from the changes in the institutional characteristics during the recent pension reform and refer to the extend that welfare systems provide a minimal income for pensioners regardless of their participation in the official labour market (e.g. farmers, women, immigrants). Analytically, the changes in the institutional characteristics of public insurance programs focus in the increase of statutory retirement age, changes in the calculation formulas of pension benefits and the imposition of `penalties' for early retirement.

The Greek pension system was the last south-European system to meet the challenges stemming from demographics, i.e. ageing of population and low fertility rates (Ferrera 2005). Despite the challenges that the unfavourable demographics would bring in future decades, the actuarial study of the 'INE-GSEE'[2] (Rompolis et al 2005) on the private (IKA) and banks (ETAM) employees' social insurance fund highlighted two structural insufficiencies of the current public pension system. The first insufficiency refers to the redistributive ability of the pension system to offer substantial replacement rates since 64,8% of pensioners received a benefit below 500 Euros and hardly 9% of pensioners within these major schemes received above 1000 Euros.

The study emphasised the need for higher contributions of both employees and employers for the viability of the pension system. However, the study also exposed the long-standing practise of governments to avoid paying its share of social insurance contributions as detrimental for the ability of pension funds to meet their future liabilities. While the study of the INE-GSEE had already recorded a series of real challenges for the Greek pension system, the government preferred to stress the need for an administrative reform and highlight the impact of the looming demographic crisis on public social expenditure (Petralia 2007). The recent 2008 reform involved both parametric and paradigmatic changes in the pension system. Apart from the changes regarding the calculation of pension benefits and the increase of statutory

[2] INE-GSEE is the Social Research Institute (INE) for the General Confederation of Greek workers (ΓΣΕΕ) and its members are predominantly employed in the private sector.

retirement age, the reform decreased the segmentation of the Greek insurance (5), complementary (6) and auxiliary (2) funds and established a "solidarity fund".

The changes in the recent pension reform are summarised in strengthening the links with the labour market, the increase of statutory retirement ages and the changes in the calculation of pension benefits from 2013. More specifically, the retirement age for both men and women is established at 60 as a minimal age for the reward of an (early) pension. At the same time, the amount of years required to qualify have increased to 25 and 35 annual contribution years in order to establish a pension right for an early and full retirement benefit, respectively. The calculation of pensions is not anymore based on the choice of the best 5 years of work out of the last ten but it is calculated as the mean of the last 10 years. This change reduces the replacement rate of pension benefits and intensifies the effort of workers to achieve high rewards during their last working decade. In the event of early retirement, the pension system imposes a penalty of 6% per year while it provides as motive for delaying retirement an increase of 3.3% per year on pension benefits. The recent reform reduces substantially the pension income for women since if they retire in the 55th year of their age (as had it been before the reform) they will receive at least 30% lower replacement rate from their pension insurance provider.

Apart from the changes in the calculation of pensions, the recent reform limited the ability of complementary funds to offer a replacement rate higher than the 20% for 30 years of full contributions. In the event that the contribution is reduced to 15 annual years, the worker will receive only 8% replacement rate from the complementary fund. It becomes clear that the recent reform is not only prolonging the participation in the labour market for wage earners in order to qualify for a full pension, it also decreases substantially their generosity. In this way, the state tries to limit its economic and political cost and shifts the risk for a sufficient pension to the wage-earners. As we know from the existing studies on the Greek labour market conditions (Papadopoulos 2006), the employment structures induce uncertainty that endanger ability of the family to maintain the living conditions for its members. While therefore the family is called once again to play an important role, the rewards of its members that were able to establish pension rights are perceptibly decreasing.

3.2 The "solidarity fund" and the changes in the governance of pension funds

The second insufficiency that INE-GSEE study identified refers to the investment of pension funds' reserves. In the case of the Greek pension fund governance, the study recorded the paradox that the more savings that are channelled in the funds, the higher the burden for the funds to meet their liabilities (Rompolis et al 2005). The reason for this 'Greek paradox' is that the returns from the investment of pension savings are negative, exacerbating thus the budgetary pressures for the funds to meet their promises, providing thus clear disincentives for this particular form of saving.

The role of state in the governance of pension funds remains historically a pathological problem for the pension funds since until 1992, the reserve funds were deposited in the Bank of Greece on an interest-free rate. This chronic practice was used by each successive government in order to meet their accounting needs and fund private projects, at the expense of the reserve funds' growth (Rompolis et al 2001, Papadantonakis 1985). A characteristic example of the clientelistic governance of the reserve funds was revealed two years ago and involved the investments of savings in `structured bonds' that induced important losses for the funds and important profits for a clientelistic network of (private) financial capital investment managers (FT 2006). In light of the aforementioned clientelistic network scandal over pension funds investments, the government issued a series of investment rules and regulations for the reserves. The new investment institutional framework allows 23% of the savings to be invested in financial capital products and only 1% in structured bonds (EtK 2007).

With the recent pension reform, the government established a new "solidarity fund" (effective in 2019) for pensioners with low-income groups. The "solidarity fund" will not be funded by the public budget but would rather draw resources from privatisations of public enterprises and assets (10% of their value), VAT income (4%) and transfer 10% of pension funds' assets. Basically the government seeks to minimise the cost and its contribution to social protection while at the same time it arbitrarily transfers the money of the existing funds without the prior consent of their rightful owners and representatives (trade unions).

The unification of the pension funds with the recent reform allows the government to pool the resources of wealthy pension funds (e.g. mechanical engineers) and use them in order to cover the liabilities of other professional groups pension funds' that had severe fiscal problems. Essentially, the government arbitrarily transfers the resources between funds, in order to minimise the cost for the public budget, without however carrying out any actuarial study to examine why some funds were overly indebted in the fist place. The low return of pension fund investments as well as the arbitrarily transfer of pensions' assets undermine the redistribution role of the funds but also their ability to invest autonomously their savings and manage their funds.

Evaluating the importance of these changes that we have presented so far both in relation to the pension system and pension funds governance, the overall aim of the recent reform is to weaken the institutional reproduction of the pension funds and consequently provide motivation to younger generations to search for more profitable, private, insurance programmes. The questions raised here are how far the private sector is willing or is capable of undertaking such a responsibility. Until 2007, the percentage of wage-earners that signed a pension contract with private insurance companies was estimated at 16.5% (EAEE 2007). Regardless whether the private sector is ready or reliable to undertake such a responsibility, these changes signal towards the marketisation of family resources with doubtable returns.

In contrast therefore with the mainstream approaches, that highlight that South-European countries remain part of the conservative-corporatist welfare systems, the findings show that the familistic welfare capitalism is not able to keep pace with the privatisation of pension provision, since wage-earners lack a substantial income in order to save. The distinct features of the familistic welfare capitalism is that it is based on the family internalises the reproduction cost, with the market retaining its essential role for a percentage of self-employed and families with high incomes. Along with the trend for the recommodification of pension rights, the consolidation of the market mechanism in the governance of pension funds stems from the investment of pension savings in the volatile financial capital markets (Roumpakis 2009).

3.3 Changes in employment relations

The trend towards the re-commodification of labour is evident in the terms and conditions of retirement. Nevertheless, it remains important to explore four (4) subcategories for the re-commodification of labour in and outside the labour market. Analytically the paper explores the application of `flexicurity' in the Greek labour market, the increase of precarious jobs, the growth of real wage and unemployment benefits.

3.3.1 *Flexicurity a la Greque*

The application of `flexicurity' in the Scandinavian countries and especially in Denmark refers to two basic characteristics of employment policies: flexibility of workers in the labour market and simultaneously security for workers during periods of mobility or unemployment. The application of flexicurity presupposes the existence of a developed mechanism of public support for the workers, a dynamic investments policy on behalf of the employers but also a social dialogue between the main social partners. These conditions are far from the reality of the Greek political economy and therefore any reductions in the protection of workers in the labour market without the simultaneous expansion of social policies will bear even greater economic and employment insecurity to the workers.

In 2007, the centre-right wing government appointed the 'Magginas-Koykiadis'[3] committee to provide consultation for the institutionalisation of partial employment and the application of flexible regulations. The proposals were rejected by the Ministry of Employment since such a program would necessitate the expansion of social programs as a compensation for the further flexibility in the labour market (Makedonia 2008). The findings of previous studies (Papadopoulos 2006) along with the argument of this paper verify that the state attempts to maintain its minimal political and economic cost. In fact, the reproduction of shadow labour markets along with the increase of precarious jobs provide employers flexibility within the labour market with low non-wage costs (Karantinos 2006; INE-GSEE 2008).

3.3.2 *Precarious places of work Rented workers*

The tendency for re-commodification becomes even more apparent from the increase of precarious jobs since even temporally as well as fiscally, these jobs offer minimum professional and economic security and fail to establish any claim for social insurance. The precarious jobs refer to part-time jobs, EU subsidised training programs (e.g. 'STAGE' programmes), temporary employment but also the self-employed that work on a daily or task contracts ('δελτιο παροχής υπηρεσιών'). The increase of temporary and part-time employment does not establish full social insurance rights but also 25 % and 50% of these workers respectively, receive less than 500 Euros (Triantafylloy 2007).

[3] The committee was named after the Minister of Employment and Social Protection and the appointed chief academic counsellor.

Along with the increase of precarious jobs, recruitment agencies that offer rented labour employ increasing numbers of workers with the latter employed regularly at different employment sites and accept wages and conditions that their permanent colleagues would not accept. The renting of labour, perhaps the most extreme form of recommodification of labour in Greece, reminds us the words of Polanyi that referred in the marketisation of labour during the early years of capitalism:

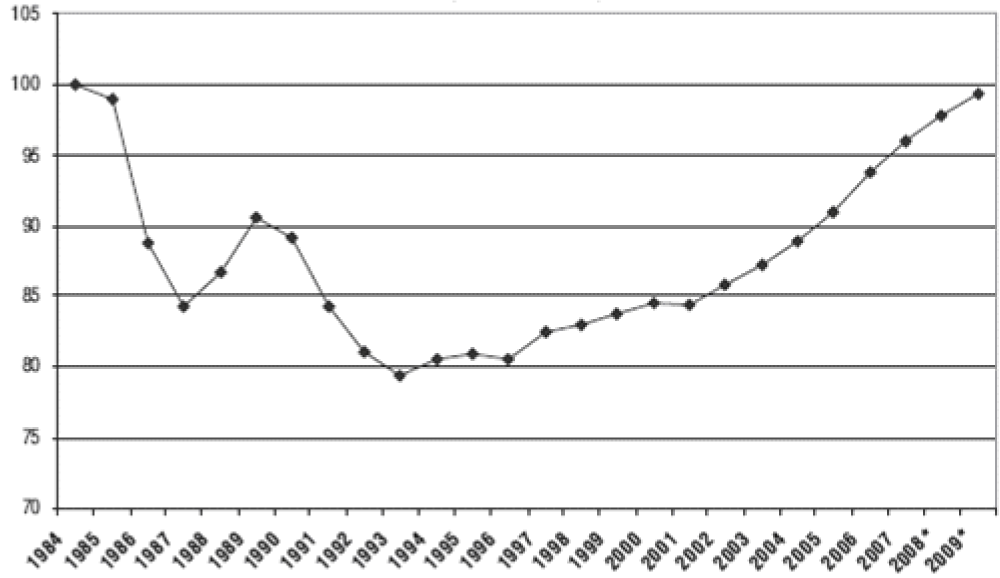
> «It is not up for the commodity (labour) to decide where it should be offered for sale, to what purpose it should be used, at what price, it should be allowed to change hands, and in what manner it should be consumed […] this makes clear what the employers' demand for mobility of labour and flexibility of wages really means: precisely that which we circumscribed above as a market in which human labour is a commodity"
>
> (Polanyi 1957: 185)

Apart from the re-commodification that takes place within the official labour market the recommodification of labour is also linked the role of illegal migrants in the reproduction of the familistic capitalism as the most insecure workers in Greece. Although it is impossible to fully discuss this topic within this article, we want to highlight that migrants' assisted' in maintaining a low cost for the reproduction of the familistic welfare capitalism, at a time that the latter was 'modernised' and in particular during the entry of women in the labour market (see also Bettio et al 2006). The migrants contributed through the supply of care services (e.g. elderly, disabled, children), manual work (e.g. farming, construction) and cheap labour force to family business and by doing so squeezed labour costs and allowed cheaper consumption of care services. Essentially, the logics of solidarity, reciprocity and division of labour among family members were substituted with the marketisation of traditional family activities. The re-commodification of labour that marks the qualitative evolution of the Greek familistic welfare capitalism would have been impossible without the contribution of (legal and illegal) migrants.

3.3.3 *Real wages*

The recent annual study of INE-GSEE (2008) does not leave much space for optimism for the changes in labour market policies since an important percentage of the workforce (22%) receives low salaries and 4 out of 10 workers receive less than 1100 Euros, before tax and contributions. In comparison with the European mean, the wages of Greek workers remain lower (at 83%) and real wages are not catching (1,9% increase) with their European colleagues. This increase was overflowed by the increase of productivity (9%), securing thus employers a profitable margin from the labour process (see also Karamesini 2008). Despite these profit margins, the remarkable finding of this research is that this was accompanied with a reduction of exports. The study of INE-GSEE demonstrates the diachronic weakness and the lack of strategy on behalf of the employers to consolidate economic and productive structures that could, inter alia, boost or diversify the exports of Greek products. On the contrary, it becomes obvious that this short-term strategy aims in securing profit not from capitalized investments but from the reduction of labour costs and the intensification of the labour process.

Diagram 1
Diachronic development of most minimum real acceptances (1984=100)



Source: INE-GSEE (2008) Annual report, p. 189

These findings entertain the arguments regarding the 'sibling corporatist' welfare systems as well as the argumentation of `incomplete developed corporatist models'. It is obvious that the lack of substantial investments in skills and training as well as the level of real wages demonstrate the lack of long-term strategic collaboration and coordination that the corporatist welfare capitalism requires (Hall and Soskice 2001). A characteristic of the developments in labour relations and particularly in the capacity of workers to maintain their purchasing power is exemplified in Diagram 1 where the real wage of workers has actually been nailed in the past few years to lower levels than 1984! Even according to the most favourable forecasts for the economy (before the rupture of the financial crisis), the real wages would not exceed the levels of 1984 neither in 2009.

3.3.4 *Unemployment benefits*

In contrary to real wages, unemployment benefits have increased from 311 Euros in 2006 to 430 Euros in 2008. This increase was due to the collective agreement that was signed between GSEE and SEB (Greek Employers' Association) and it is calculated as 55% of minimal wage (Karantinos 2006). The largest duration of the benefit is 12 months and its length depends from the participation of applicants within the official labour market during the preceding two years (OAED 2008). Despite this increase of unemployment benefit, the eligibility criteria remain interlinked with the participation in the labour market, excluding therefore young unemployed with a poor contribution record in the official labour market. Instead, the Ministry of Employment provides income support for the 20-29 year old that equals to 73,4 Euros for five (5) months (OAED 2008[b]).

The changes that we observe in labour relations show that the insecurity and the intensification of labour and productivity of Greek workers were increased without however any respective increase of real wages. The trend towards the re-commodification of labour is identified in the increase of precarious jobs, the lack of sufficient social protection for workers in and out of the labour market, the eligibility criteria for the young unemployed and most importantly that labour markets participation retains its institutional role for establishing social rights. These labour conditions constrain the ability of workers to protected in and out of the labour and maintain their living standards, unless their families continue to internalise the cost of social reproduction and provide support to its members (e.g. home, income). For once more, families are asked to play their double role and protect their members during an era that the basic components of the familistic welfare model are undermined by the trends towards re-commodification of pension and labour rights.

4. Repercussions of the re-commodification for the consolidation and mobilisation of resources

In the third part of the paper, we empirically examine the possibilities of Greek households to cope with their double reproductive and productive role and therefore we focus initially on their consumption levels and subsequently on their investments. The period of re-commodification that was signalled by the rise of the 'modernisation' era changed radically the framework in which families practised their traditional strategies, and therefore the properties of the familistic model. The liberalisation of financial markets, the low interest-rates as well as the vision for social evolution through 'free-market' competition shaped a new framework where traditional strategies of low risk and `patient accumulation' were replaced by strategies of short-term investments and practices of 'here and now' consumption. We argue that the ability of a large share of Greek families to internalise the socio-economic cost of these changes, which we described previously, was limited dramatically, since the new strategies undermine the ability of families to consolidate and mobilise their resources.

4.1 The over-indebtedness of Greek households

Initially we focus our empirical analysis on the increase of households' debt. According to recent research findings for the consuming debt in the EU the debit of the Greek households including consumer loans and cards was estimated in 2006 at 13,1% of the Greek GNP topping the table among EU countries, while the EU average was roughly 3% (Rothemund, 2008). This was the highest percentage among the 'Euro'-zone countries while already by 2005 the increase of debt was estimated at 22.3%, in 2006 was a further 22,8% and finally in 2007, 7.6%. Despite the fact that the increase in 2007 was significantly lower, it remained comparatively higher among other EU countries (e.g. Germany, Netherlands).

Table 1:
Percentage increase of consuming faith per resident Greece (consumer credit per capita), 1994-2006

Annual Increase 2000-2006	Germany	Belgium	Spain	France	Greece	Italy
2006/05	-2.2	9.4	17.5	4.6	**22.3**	17.1
2005/04	-1.2	4.1	21.8	7.2	**21.8**	18.6
2004/03	2,6	2,6	10,4	3,9	**37,0**	17,2
2003/02	2,8	1,2	1,6	4,2	**27,0**	12,7
2002/01	0,6	1,6	9,0	2,1	**23,6**	11,5
2001/00	-0,2	8,2	-5,6	4,8	**42,1**	10,6
Decade Increase 2004-1994 (1994=100)	**25,5**	**52,6**	**112,5**	**84,4**	**2105,6**	**229,5**
Mean Decade Increase 1994 - 2004	2,3	4,3	7,8	6,3	**36,3**	12,7

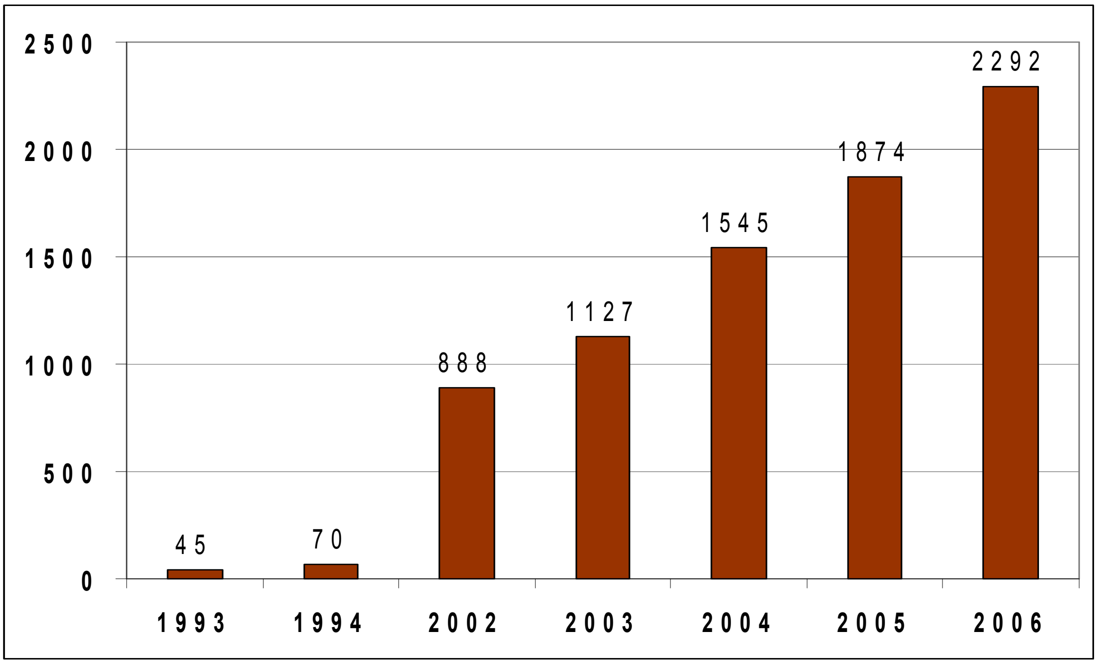
Source: Cofidis (2006,2007)

The trends for the disproportionate growth of Greek households' debt is revealed by the figures presented in Table 1 that compare the annual percentage increases of credit consuming faith per resident between countries of Eurozone during 1994-2006. Since 2000, Greece recorded permanently higher rates of annual increase of credit consuming faith between these specific countries. Only for 2000-1 the increase reached 42,1%! The medium increase for period 1994-2004 was 36.3% per year, more than double of Italy that was second in the rate of annual increases. Since 1994, the total increase of consuming debt touched upon the astronomic figure of 2.106%.

The skyrocketing figures of Greek households is represented in Diagram 2 that presents the height of credit consuming faith per capita in Euros for period 1993-2006. The `conservative' familial strategy of low debt (45 Euros per capita in 1993) has been replaced within 12 years by an persistent increase of borrowing that touched upon 2,300 Euros per capita in 2006. These findings exemplify the significant changes in the consuming behaviour of Greek households during 1994-2004 but also the simultaneous weakness to meet their consumer needs via the mobilisation of traditional resources, since wages stagnated. This is illustrated in the diachronic development of consuming debt as percentage the Gross and Available Familial Income (Diagram 3). From almost 2% in 1996 the percentage rocketed to 14% by 2004. Recent studies (Rothemund, 2008) identified that the percentage of consuming expenses that was covered via loans and credit cards reached 20% of annual expenditure of Greek households in 2006. In a few words, by 2006 one out five Euros spent by Greek households was borrowed.

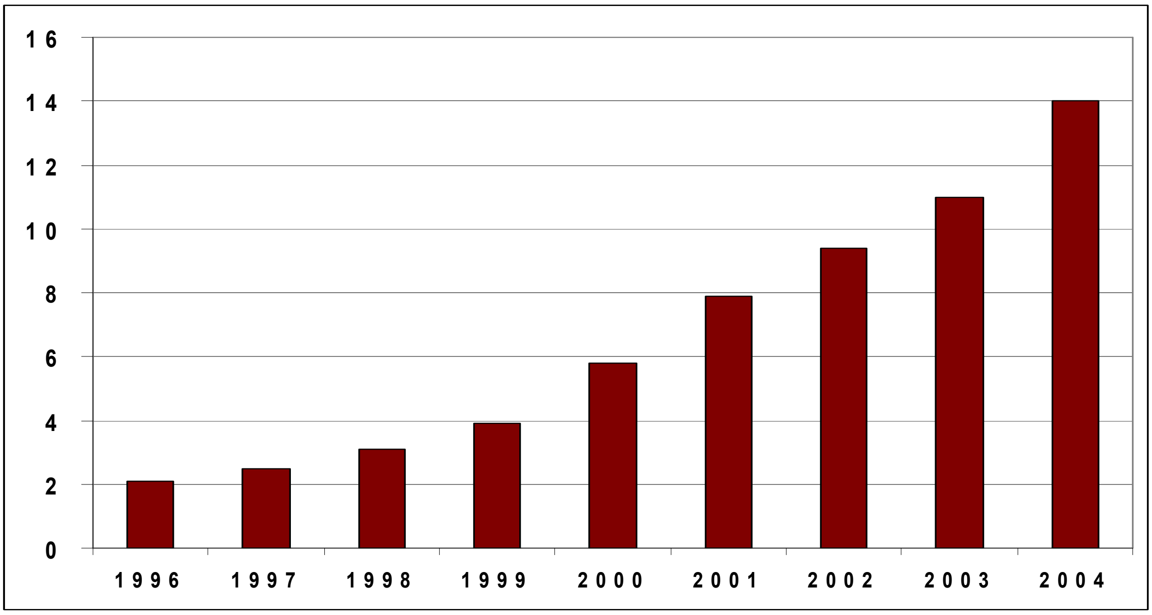
We should point here that a key role for the increase of households indebtedness records was the dramatic increase of housing loans that were favoured by the liberalisation of financial market and the low interest-rates during 2000-2004. From 3% of GNP in 1995, the housing loans reached 20.7% of GNP in 2004. In 2007 Greek households owed in housing loans 69,4 billion Euros and for 2008 and 2009 it was estimated to reach 81 and 93 billion Euros respectively.

Diagram 2:
Consumer credit per capita in Euros, 1993-2006



Sources: Consumer Credit in Europe in 2004, Le Cadran de Cofidis, Briefing Memo No 22, March 2006. Consumer Credit in Europe in 2006, Le Cadran de Cofidis, Briefing Memo No 26, November 2007

Diagram 3:
Outstanding consumer credit as a percentage of the Greek households' gross disposable income (GDI), 1996-2004



Source: Consumer Credit in Europe in 2006, Le Cadran de Cofidis, Briefing Memo No 26, November 2007

Table 2:
Distribution of indebted household per income group

a) All loan

Income levels (in Euros)	Distribution of households that have received loans (%households)			Contribution to the total loan balance of the sample (% households)			Mean of the loan balance as percentage of income (%)		
	2007	2005	2002	2007	2005	2002	2007	2005	2002
Up to 7.500	2,9	5,4	8,3	1,9	3,4	3,5	101,6	61,2	25,7
7.501-15.000	22,1	28,2	27,8	14,1	22,5	19,0	59,3	37,7	29,2
15.001-25.000	30,4	34,5	33,5	24,5	26,9	32,8	45,1	29,4	22,8
25.001-35.000	21,7	19,0	16,3	28,1	27,1	19,6	69,6	34,2	15,4
35.001+	22,8	12,9	14,1	31,5	20,1	25,1	33,9	28,1	11,0
Total*	1.418	1.215	1.063	100,0	100,0	100,0	50,4	33,5	22,8

b) Housing loans

Income levels (in Euros)	Distribution of households that have received loans (%households)			Contribution to the total loan balance of the sample (% households)			Mean of the loan balance as percentage of income (%)		
	2007	2005	2002	2007	2005	2002	2007	2005	2002
Up to 7.500	2,2	4,8	5,9	1,8	3,4	3,0	446,5	262,0	252,7
7.501-15.000	17,1	24,1	23,5	13,2	22,9	17,0	260,6	272,7	103,6
15.001-25.000	25,7	31,1	32,7	22,2	24,3	32,7	140,0	123,1	86,1
25.001-35.000	27,2	23,1	17,1	29,3	29,0	20,8	142,2	106,2	74,1
35.001+	27,9	16,9	20,8	33,6	20,4	26,6	80,1	61,2	38,3
Total*	637	422	409	100,0	100,0	100,0	135,1	127,8	79,6

Source: National Bank of Greece (2008) Loans and financial pressure on households: Results from the sample research of 2007, Statistical Office

Note: * These amount refer to the total number of households that have borrowed and in cases refer to the number of households, the mean of the ratio of loan balances divided to their income.

The distribution of the debt differs among income groups, since for the low-income households the exposure to indebtedness was and remains low (Table 2) while the increase is higher for middle and higher income groups. As the recent of the National Bank of Greece (2008: 10) suggested based on a sample of 6.000 households:

> `the competition of banks to attract customers is focused more and more in the households that belong in the two higher income levels, so that they increase

considerably their shares of the total [indebted] households (2007: 44,5%, 2005:31,9%) and the rest of loans (2007: 59,6%, 2005:47,2%) '.

In the same research it was showed that

> `the median of borrowing burden for the total amount of households increased by 50,4% in 2007, from 33,5% in 2005 and 22,8% in 2002, reflecting mainly the development of borrowing burden from housing loans. That is to say, the borrowing obligations of half of the households' sample corresponded almost at half of their annual income in 2007, from the 1/3 and the 1/4 of their income in 2005 and in 2002 respectively'.

The same research examined the difficulty in which households experience to meet their financial needs ([TtE], 2008: Table 2). In total, the overwhelming majority of households admitted that they experience difficulty in their payments of: housing loans and mortgages (57,3%), other banking loans (68,4%), monthly payments in shops (51,4%), rent charges (66,7%) and utility bills (57,9%). These findings add to the results of the Research of Family Budgets of 2004/2005 that was carried out by the Greek National Statistical Organisation where 77,3% of questioned households declared that they faced difficulty to met their financial obligations.

4.2 Increase of foreclosures of real estates and the crisis in the housing market

The over indebtedness of households undermined the most important source of resources and investment for the Greek households: real estate and particularly housing (Allen et 2006; Poggio 2008; Kohli and Albertini 2008). The weakness of households to cover their loan liabilities was captured by the figures of the National Federation of Protection of Consumers - Borrowers which estimated that within 2008 the applications of seizures and auctions for mobiles (e.g. cars) and real estate reached 150.000, a number that represents an increase of 50% for this year alone (Imerisia, 2008). It is estimated that the applications for auctions of commercial and housing properties will reach 25.000 in 2008, an increase of 25% in relation to 2004. As the problems of households to meet their financial obligations increase, the "rushed sales" of real estates, that is to say sales in which families sell their houses before they end up in auction, have increased. During the three-year period of 2006-8 approximately 100.000 houses were sold for this reason alone.

While until recently, the housing market was an investment and central lever of economic growth, the recent figures signal that the purchase of housing through loans is transforming into an unbearable financial burden for households (Athanasiou, 2006). The value of real estates remains 20-30 % overpriced with a significant amount of households paying off loans with negative equity, i.e. the initial price of the housing loan is much higher than the current price in the property market. The expected burst of the housing market bubble that would be accompanied with an increasing amount of houses and commercial properties on offer, would undermine the ability of the family to use real estate as mean towards the consolidation and mobilisation of financial resources.

5. Conclusion

The paper argues the existence of a distinct familistic model of welfare capitalism. Ideal-typically, in this model the families plays a double role as both institutions for the social protection and care of their members and simultaneously as institutions for the reproduction of a peculiar political economy where state and employers externalise the cost of social reproduction to households. These roles are interlinked with the capacity of the families to consolidate and mobilise resources as householders, employers, members of the clientelistic system and finally as claimants of social insurance rights (through its members that were able to secure them within the labour market).

We distinguished two periods in the development of familistic welfare capitalism in Greece. Until the mid 1990s, the family played an important role in the reproduction of the familistic welfare capitalism that was consolidated within (but also reproduced) the segmentation of welfare regimes and a residual social policy. In this period the strategies of "maximisation of resources" that the Greek families followed were of low economic risk and aimed mainly to the state for accessing resources. Families utilised their clientelistic networks in order to acquire access in further resources and were supported by their members that were employed in the official labour market and were able to channel their resources to the non-insured members that were employed in family enterprises.

Since the mid 1990s, the familistic welfare capitalism in Greece went through the era of 'modernisation'. This period is characterised from an intense marketisation and recommodification of Labour which radically changed the framework within families practised their strategies. In this period the strategies of "maximisation of resources" that the Greek families followed were of high economic risk and utilised market means for their investment and consumption (with state and banks backing up these strategies). The recent pension reform intensified the re-commodification of labour while an important percentage of younger workers will save up with comparatively unfavourable terms than the previous generations. What regards the recent development in labour relations, the protection in the labour market is undermined due to the promotion of flexible arrangements, rented workers and increase of precarious jobs. At the same time the over-indebtedness of the Greek households in combination with the undermining of their most important source for resources – real estate and housing- was undermined due to the failure of the new strategies and along with it the 'vision' for social evolution through the 'free market' competition.

During these dramatic changes in the economy, the labour markets and the pension system, the capacity of a large share of Greek households to internalise the socio-economic cost of these changes is constrained. The 'holy' Greek family is being asked to play even a more central role in support of its members within a context where its capacity to consolidate and mobilise resources is reduced drastically. The crisis for the reproduction of the familistic welfare system in Greece climaxes.

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Preface and Acknowledgements

> 'For, in the first place, you have a geographical position pre-eminently adapted for naval supremacy; most of the states to whom the sea is important are massed round your own, and all of these are inferior to you in strength. Besides, you have harbours and roadsteads, without which it is not possible to turn a naval power to account. Again, you have many ships of war. To extend your naval empire is a traditional policy; all the arts and sciences connected with these matters you possess as home products, and, what is more, in skill and experience of nautical affairs you are far ahead of the rest of the world. The majority of you derive your livelihood from the sea, or things connected with it; so that in the very act of minding your own affairs you are training yourselves to enter the lists of naval combat.'

(Xenophon, *Hellenica*, 7.1.3).

The life of Greek people is linked to the sea and the afore-presented excerpt from Xenophon' *Hellenica* outlines this relationship from the 4th century BC. The sea can be considered as a crucial factor for the development of several activities from their part in the economic, cultural and military field. Hellenic Navy, which constitutes a guardian of the Greek naval tradition, deserves particular attention. Although its history does not have a concrete point of beginning, the official Hellenic Navy was only created in 1827. This was the year when the National Fleet was established on the basis of act I' of the 3d Greek National Convention in Troizina on 5 April 1827 (Paizis - Paradelis, 1999: 8; Rouskas, 1989: 14). The analysis of the role of the Hellenic Navy in Modern Greek history certainly requires a reference to the National Fleet Fund. This Fund is not particularly known in the discipline of Hellenic Studies - in spite of its increased significance. The following paper will attempt to fill this gap and deal with the National Fleet Fund in order not only to stress its importance but also to outline the contribution of Greek people under difficult circumstances to its support.

The paper will analyse the history of the National Fleet Fund from its creation in 1900 until nowadays and focus on its mission. In so doing, it has three main goals. Firstly, it will endeavour to demonstrate how the National Fleet Fund was established paying particular attention to the endowments of significant personalities such as Ioannis Varikas, Georgios Averof and Theodoros Petoussis. Special attention will be also given to the donations of Greek people after the Turkish invasion of Cyprus in 1974. Secondly, the project will attempt to outline the way this Fund is governed and subsequently concentrate on its contribution to the support of the Hellenic Navy, in particular, to the construction of specific battle-ships and the reinforcement of the military forces of the country. And thirdly, the project will aim at looking at the future by including a discussion on problems and difficulties the National Fleet Fund has faced in the last decade. This discussion can be perhaps the springboard for the improvement of the performance of the Fund in the next years.

The idea of the research belongs to the current Director of the National Fleet Fund, Rear Admiral, Christos Lygouris. Rear Admiral Lygouris gave me the chance to access the original archives of the Fund. I was assigned to study these documents and link them together in order to produce a brief but comprehensive history. The originality of this project can be confirmed by the fact that no systematic attempt was made in the past for the importance of the National Fleet Fund to be brought to the forefront and to incorporate it in the rich literature of Modern Greek Studies. Therefore, I should thank Rear Admiral Lygouris not only for having this ambition during my ongoing military service in the Hellenic Navy but also for agreeing with the perspective of presenting this paper at the Hellenic Studies Symposium of London School of Economics in the summer of 2009. I also want to thank the Hellenic Navy General Staff for approving and supporting this project.

Before the National Fleet Fund

The National Fleet Fund was founded in 1900. The initiative for the creation of such a Fund, however, was not a new one at the beginning of the 20^{th} century. Its roots can be found 34 years earlier. In particular, Admiral Konstantinos Nikodimos, from the island of Psara, undertook in 1866 the initiative to form the 'Association for the Creation of a National Fund'. This 'Association' can be considered as a precursor of the National Fleet Fund. The main objective of the 'Association' was to collect financial resources for the construction of war-ships. As Konstantinos Nikodimos wrote in 1876: 'Yes, indeed, Hellenism has realised that Greece - as a sea-based country - should have appropriate naval forces' (Nikodimos, 02/03/1876)

For the administration of the 'Association for the Creation of a National Fund' a committee of 15 members was responsible. President of this committee was elected Theodoros Kolokotronis, grandson of the General Commanding Officer of the Greek Armed Forces during the Revolution of 1821. Other members included English Phellelinist Richardos George, who was then army chief and Admirals Konstantinos Kanaris and Konstantinos Nikodimos. Spyridon Trikoupis, Georgios Stavrou of the National Bank of Greece, Georgios Psyllas, Thrassyboulos Zaimis, Andreas Kountouriotis, Eyfstathios Iliopoulos, Ioannis Soutsos, Emmanouil Tompazis, Konstantinos Frearitis, first mayor of Piraeus Loukas Rallis and Dimitrios Mavrokordatos also joined the committee of the 'Association for the Creation of a National Fund'. As for its presidents Theodoros Kolokotronis was succeeded by Konstantinos Nikodimos, Dimitrios Kalifronas and Prince of Greece Georgios (Manakos, 1987: 1).

The 'Association's' resources came from the donations made by various well-known and wealthy Greeks, living both in Greece and abroad. The role of President of the Athens Lawyers Association, Anagnostis Monarchidis, was of great significance in the attempt to collect financial resources for the 'Association' (Manakos, 1987). That is because he called and encouraged Greek people to contribute to strengthen the fleet of the country. As a whole the attempt of the 'Association' to collect economic resources was successful. By the year of 1892, the amount of donations and endowments was worth of 963.235,86 Drachmas. In addition, Company 'Forges et Chantiers de la Mediterranée' offered the amount of 1.000.000 Drachmas to the 'Association'.

From 1871 onwards, the incomes of the ‘Association for the Creation of a National Fund’ were increased with the circulation of the ‘Lottery of the National Fleet’. This lottery brought satisfactory financial resources to the Hellenic Navy until it was definitely cancelled in 1962 (Report on the National Fleet Fund, May 1996). It is worth-mentioning that the draw for the ‘Lottery of the Fleet’ did not take place on the day of 28 October 1940 when Italian troops invaded Greece (*Kathimerini*, 28/10/1940: 3). Further to this, a few days before the German invasion in April of 1941, the Hellenic Navy called on Greek people to buy the ‘Lottery of the National Fleet’ in the place of ‘unforgettable Elli’ in order for a new one to be constructed (*Proia*, 30/03/1941: 3).

The Creation of the National Fleet Fund

The ‘Association for the Creation of the National Fleet Fund’ was dissolved in 1900. In its place, the National Fleet Fund was founded. The main reason for its establishment can be attributed to the war of 1897 and the subsequent need of the Hellenic Navy to be strengthened and better organised (Lazaropoulos, 1926). The Hellenic Navy, although it had the battleships ‘Ydra’, ‘Spetses’ and ‘Psara’ at its disposal, showed a weakness in implementing a successful military plan during the Greek-Turkish War of 1897 (Pikros, 1977: 156, 157). As Ioannis Pikros also explains, the lack of communication between the General Staff of the Army and that of the Navy resulted in a failure in commanding coordinated military actions (Ibid: 156).

Following the unsuccessful War of 1897, the Greek Government embarked on an attempt to reinforce the fleet of the country. Specifically, while George Theotokis was Prime Minister and V. Voudouris the Navy Minister, it decided indeed for the creation of the National Fleet Fund under the Act ΒΨΟΔ/1900. Act ΒΨΟΔ states in its first sentence: ‘A special Fund with the title National Fleet Fund is established. Its objective is to complement the naval forces of the state (*Classification of Laws of the National Fleet Fund*, 1953:1). Spyridon Markezinis would comment many years later in his account on the initiative undertaken by the Greek government in 1900: ‘The decision for the creation of the National Fleet Fund was successful. This Fund - as it developed and flourished - contributed to the creation of a battle-worthy fleet…’ (Markezinis,1966: 364).

The National Fleet Fund has constituted a legal entity of public law. The Act ΒΨΟΔ of 1900 was codified by the 4944 of 1931, which along with latter amendments consist up until today its founding law (Tzertos, 07/01/1952).[1] Under a judgment of the Legal State Committee (2515/1979), the National Fleet Fund is also defined as a decentralised civil service department that functions in the form of a special fund and exempts itself from tax payment and stamped papers (Report on the National Fleet Fund, 1996). It should be also mentioned that although under the Act 2469 of 1997 public services such as the National Fleet Fund had to be transformed into an incorporated company, this Fund preserved its preceding legal attribute. Another significant point to be made refers to the acceptance and management of donations and heritages made to the National Fleet Fund. These are defined by the Act 2039/1939 and its later amendments, especially the Act 2386/1994 (A'43).

The National Fleet Fund took over all the assets that formerly belonged to the 'Association'. Among others it also took those under George Averof's legacy for the shipbuilding of a cruise ship according to his will of 30-3-1898, published at the Greek Consular Court of Alexandria (Stathakis, 1999: 31). The assets of the National Fleet Fund are considered as national property and are protected by the laws that govern public accounting (Report on the National Fleet Fund, 1994). The Fund's assets include real estate property, cash, bonds and shares. Its capital reserves and bonds are deposited at the Bank of Greece. Shares of the National Fleet Fund are stored at the National Bank of Greece. The National Fleet Fund's principal aim has been to complement the national naval forces and dispose its assets for shipbuilding, constructing of naval basis and supplying the on the shore country's defense. From 1974 until 1993, another mission of the Fund was that of issuing loans (Legislative Decree 478, 02/071974) in order to better meet its objectives and under the Monetary Commission.[2] From 31 March 1994, onwards, the Ministry of Economics undertook this responsibility of paying the remaining debts of the loans.

[1] In particular, see: Act 5796 of 22/29 September 1933, the Presidential Decree of 2 March/16 April 1934, the Act of 24/25 January 1936, the Act 127 of 16/17 February 1945 and the Legislative Decree 478 of 27 June/2 July 1974 (Report on the National Fleet Fund, 1996).
[2] See, also, the note of former Greek Minister of Economics Ioannis Palaiokrassas on 1 July 1992.

The National Fleet Fund is commanded by the Ministry of Defense through the Hellenic Navy General Staff and is supervised by the Chief of the Hellenic Navy General Staff. The main body for its administration is the Higher Administrative Committee. The Prime Minister was the president of this Committee until 1996. The Ministers of Defence and Economics as well as the Chief of the Hellenic Navy General Staff were members of the Committee before 1996 and are the main responsible from this year onwards (ACT 2448/31-12-1996). The Higher Administrative Committee has the responsibility to rule, on matters concerning the Fund's assets. These include buying, selling and rebuilding and checking the availability of capital for the buying of securities and credit for the materialisation of the Fund's aims.

The National Fleet Fund is also governed by the Consultative Council. Chairman of this Council is the Chief of Hellenic Navy General Staff (currently Vice-Admiral, George Karamalikis). Other members include the Legal Advisor of the Ministry of Defense, the Director/Chief of the C branch of Hellenic Navy General Staff, the Director of the National Fleet Fund, the Director of the Hellenic Navy General Staff D1, and the Director of Hellenic Navy General Staff E1. The Consultative Council is responsible to rule at first degree for the drawing up and materialization of its budget as well as any other action concerning the sale or change of the Fund’s property, lease of estate, settlements, expropriation and in general any other obligations on matters regarding the Fund or those that need not be taken up by the Fund.

The National Fleet Fund is directed by a High Ranking Economics Officer of the Hellenic Navy. He directly reports to the administrative organs of the Fund, namely the Higher Administrative Committee and the Consultative Council. The Director of the National Fleet Fund recommends to the Chief of the Hellenic Navy General Staff the calling of a Consultative Council meeting, which normally takes place once per month (Manakos, 1987: 4). The Director of the National Fleet Fund also controls its main departments along with the assistant Director. These departments deal with heritage issues, rebuilding, accounting, hire estate, financial management and allotments.

As for the incomes of the National Fleet Fund, a plethora of sources can be acknowledged. Donations towards the Fund, for example, are of increased significance. The utilisation of property located within naval bases, the liquidation of useless material belonging to the Hellenic Navy and money earned from the non-returned clothing of seamen following the completion of their military service can also increase the Fund's revenue. In addition, interests received due to delay of payments towards the National Fleet Fund, mooring fees and commercial ships' demagnitisation rates also constitute a significant economic source (Manakos, 1987: 7). Incomes can finally come from the management of real estate property and from the liquidation of it by the National Fleet Fund. And this is the point where its directory can play a catalytic role.

Benefactors

It was mentioned before that donations constitute a significant source of income for the National Fleet Fund. This said it should be mentioned that the response from Greeks all over the world was impressive. At critical times, as for example in the Balkan Wars, they responded and offered everything they could and showed thus practically their appreciation for the Hellenic Navy. In particular, there is a list of 10 Benefactors of the National Fleet Fund. Their names are the following: Georgios Averof, Konstantinos Nikodimos, Gavriil Athanasoulis, Ioannis Varykas, Eleni Kekessi, Antonios Kildanis, Marinos Korgialenios, Theodoros Petoussis, Dimitrios Platikas and Spyridon Sideridis.[3] A honorary plaque is hanging in the building of the National Fleet Fund as a tribute to offers of its benefactors.

In an attempt to summarise the donations of the 10 Benefactors to the National Fleet Fund an indicative list can be given. In particular, Georgios Averof donated in 1899 the amount of 2.500.000 Drachmas. Konstantinos Nikodimos offered in 1879 his double-decked house in Nea Psara as well as various fields in Eretria. Gavriil Athanassoulis gave in 1934 to the National Fleet Fund a significant number of his shares and deposits in Greek and British Banks as well as two steamboats and numerous extents of ground in both Greece and Romania. For his part, Ioannis Varykas contributed to the reinforcement of the Hellenic Navy in 1871 with an amount worth of 340.000 Drachmas and ½ of his landed property.[4] Eleni Kekessi and her mother Kyratso Papageorgaki donated in 1932

[3] There is a list with the donations of the 10 Benefactors in the National Fleet Fund Archive. Specifically, see the Table of 10 Benefactors and 109 Donators of the National Fleet Fund, Athens (14/04/1992).
[4] See the Testament of Ioannis Varykas in the National Fleet Fund Archive (Testament, no 13888, 15/08/1875).

five houses and three building-plots in Athens as well as various large fields in the area of Attica.

Furthemore, Antonios Kildanis offered in 1909 the amount of 4.300.000 Drachmas and 2.500 Gold Francs. Marinos Korgialenios gave to the National Fleet Fund in 1924 the amount of 2.070.000 Drachmas (Papachristopoulos, 1914: 219). Theodoros Petoussis donated in 1907 bonds worth of 20.000 Drachmas as well as numerous houses and fields in Athens and Thiva (Ibid: 292). In addition, Dimitrios Platykas offered in 1928 not only bonds worth of 100.000 Drachmas, a house and a farmstead in Mesologgi but also the building where the National Fleet Fund is nowadays based, in Feidiou Street in the centre of Athens. Finally, Spyridon Sideridis gave in 1906 a large extent of his property in Istanbul, including 19.000 GB Pounds and 300 approximately houses and building-plots.

It becomes obvious that the donations from the part of the 10 Benefactors of the National Fleet Fund were of increased significance. However, this does not mean that contributions made be other Greek people were less important.[5] The National Fleet Fund, for instance, was offered the amount of 500.000 Drachmas by V. Kanellas, A. Kalergis, V. Paraskevas, Z. Michalinos, P. Tzitzelis, German factory Vulcan, Ch. Piris, K. Konstantinidis, P. Tsipouras, Aleksandra Gennadiou, K. Varkas, A. Kapsimalis, M. Venetopoulos, Marigo Christaki, G. Rodopoulos and A. Mpourtzos (Lazaropoulos, 1926). The Orthodox Church also played an important role. In 1901, for instance, ‘Moni Galataki’, Saint Dionysios in Zakynthos and ‘Osios Loukas, contributed with 1220 Drachmas (Zervos, 1925: 853). Table 1 demonstrates the amount offered to the National Fleet Fund by sources not mentioned above from 1901 until 1926:

Table 1: Incomes of the National Fleet Fund from 1901 until 1926 in Drachmas
(Source: I. Lazaropoulos, 1926)

Year	Amount
1901	1.062.500
1902	88.000
1903	90.000

[5] For all the donations from 1900 until 1925 see: Zervos, 1925: 849-1036

1904	167.000
1905	336.000
1906	114.000
1907	180.000
1908	110.000
1909	86.000
1910	40.000
1911	78.000
1912	560.000
1913	100.000
1914	231.000
1915	100.500
1916	40.000
1917	142.000
1918	80.000
1919	10.000
1920	45.000
1921	75.000
1922	63.500
1923	40.000
1924	5.000
1925	35.000
1926	25.000
Total:	**135.603.500 Drachmas**

We saw that after 1926 the donations of Gavriil Athanassoulis, Eleni Kekessi and Dimitrios Platykas were of utmost importance. Beyond their contributions, the National

Fleet Fund was benefited by many other donations. In 1930, for example, Platon Martinegos offered 327 shares worth of 330.000 Drachmas. In 1937 Ekos Spontis gave to the National Fleet Fund 80% of his property worth of 250.000 Drachmas. In 1958, Konstantinos-Kuriakos Mitropoulos left to the Fund a 7.250 square metres building-plot in the county of Veroia Stefanos Chourmouziadis donated in 1971 the amount of 5.980.000 Drachmas (Table of 10 Benefactors and 109 Donators of the National Fleet Fund, Athens, 14/04/1992). The donations made to the National Fleet Fund obviously vary year per year. Therefore its yearly incomes cannot be easily calculated or predicted. However, Rear Admiral P. Manakos observed in 1987 that the revenues of the Fund had been approximately 100.000.000 Drachmas per year (Manakos, 1987: 7).

The Invasion of Cyprus and its Aftermath

The Turkish invasion of Cyprus constitutes a turning point for Greek foreign policy demanding a new vision for the future. Following the events that took place in 1974, the National Fleet Fund embarked on an attempt to strengthen the Hellenic Forces. Greek ship-owners spontaneously donated the amount of 44 million dollars as a financial aid all in the framework of a program to construct and equip 6 missile ships. The N.J.Vardinoyannis Group, for instance, expressed its practical interest in financially helping the Greek government for the Hellenic Navy (Greek Embassy in London to the Hellenic Navy General Staff, 800/67/81/N/1758, 14/10/1981). Specifically, in October 1980 it offered the amount of 1.000.000 US dollars to cover the requirements for equipment and/or spares for the frigate 'Elli' (National Bank of Greece to the Greek Naval Attache, 14/10/1980).

The donations from the part of Greek ship-owners are certainly significant. In parallel with them, however, attention should be also paid to the role of Greeks of the Diaspora. In particular, Greeks living abroad offered in total the amount of 10 million US dollars via their associations (Mpaos, 1994). The Greek National Community of Brussels, for example, gave the amount of 100.000 Belgian Francs (Hellenic Military Representative to the Ministry of Defense, 3/2/96). In addition, the financial offer of Greek schools in Germany was worth of 190 German Marks (Directory of the National Fleet Fund to the National Bank of Greece, 875/72/77, 17/061977).

Many Greeks living in the United States also contributed. Their financial offer was worth of 20,269.92 US dollars (Consulate of Greece to the Hellenic Navy General Staff, 1015/AS 1071, 19 September 1978). Organisations called 'Apostolos Pavlos, 'Thugateres Olumpiados' and 'Stefanos Noukas' organised various events and raised the amount of 4560 US dollars (Consulate of Greece in Boston to the Ministry of Defense, 1015/AS/50, 31/12/1976). In addition, 'Pontiaki Estia' of Boston sent the amount of 1700 US dollars (Letter of Pontiaki Estia, Minister of Defense Evagelos Averof, 01/05/1979). The Greek Orthodox Archdiocese of North and South America also offered the amount of 500 US dollars (Letter of the Greek Orthodoxs Archdiocese of North and South America to Vice Minister of Defense Alexandros Avramidis, 06/021979).

The contributions of various organisations of the Greek living abroad played a crucial role. This does not mean that no sporadic donations were made. Dimitrios Anastasios from Australia gave 40 Australian dollars (National Fleet Fund to the National Bank of Greece, L25/2148/86, 15/12/1986). Moreover, Mrs. Marie-Francoise Lelong gave the amount 1000 French Francs (Naval Attache in Paris to the Hellenic Navy General Staff, 900/14/84, 05/06/1984). In addition, Christos Michail from Clevelant sent a check worth of 1000 US Dollars. His letter to the National Fleet started as such: I am a Greek living in the US. I am not a rich one but thanks to my savings I enclose a check worth of 1000 US Dollars…'(Letter of Christos Michail, 14/08/1977). It is, finally, worth-mentioning that student Ioannis Veleris offered one month of his student exchange for studying at the University of Illinois to the Hellenic Navy. An excerpt from his letter was the following one:

> 'Noting that I have now the opportunity to work and I am able to cover part of expenses, I would like to offer an amount equal with that of a month of my student exchange to the glorious Hellenic Navy. Please accept this as my lowest contribution in the name of our army's equipment, for which I feel proud'

(Letter of Ioannis Veleris to the Minister of Defense E. Averof, 18/05/1978).

As for the period after the Turkish invasion of Cyprus, donations towards the National Fleet Fund showed a relative decline. Exceptions, however, can be acknowledged. In

1986, for instance, Tilemachos Efsthathiadis, left an amount worth of 5.137.555 Drachmas to the Fund. Furthermore, Terpischori Vatopoulou offered in 1991 the amount of 20.000.000 Drachmas.[6] In her testament on 6 September 1996 Sapfo Kuriakidou also decided to leave part of her property for the reinforcement of the military forces of the country.[7]

In the discussion on the donations towards the National Fleet Fund a reference should be, additionally, made to the last three testaments which can be found in its archive. Specifically, in 1997, Evaggelos Tsompanopoulos defined the Hellenic Navy as one of its inheritors by donating his shares at the Bank of Greece and the 'Ioniki' and 'Emporiki' Banks (Testament of Evaggelos Tsompanopoulos, 22/02/1997). Moreover, Stamatina Skarmoutsou left - with the exception of a small flat - her property to the Hellenic Navy. She wrote in her testament on 29 July 2004:

> 'With my testament I want to honour the Hellenic Navy in memory of my partner for my whole life, Ioannis Perrakis, Reserve Officer of the Submarine 'Papanikolis' during the Greek-Italian War and captive of Italians and Germans from March 1943 until April 1945'

(Testament of Stamatina Skarmoutsou, 29/07/2004).

Finally, on 17 September 2008, Sofoklis Krassadakis expressed his willingness in his testament that - after the death of his inheritor Andiani Krassadaki - his property (various fields and a house) to be donated to the military forces of Greece. The reason, as he explained was that he 'he had no son to serve in the Greek military' (Public Testament of Sofoklis Krassadakis, 17/09/2008).

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[6] See the: Table of 10 Benefactors and 109 Donators of the National Fleet Fund, Athens, 14/04/1992. According to this table, other donations to the National Fleet Fund include that of Ksanthipi Pavlidou in 1985 (9.430.681 Drachmas), that of people from the county of Messinia in 1988 (1.912.171 Drachmas), that of I. Gavala in 1991 (1.500.000 Drachmas), that of I.Iliopoulos in 1991 (1.000.000 Drachmas) and that of D. Papadopoulou also in 1991 (2.000.000 Drachmas).

[7] See the testament of Sapfo Kuriakidi in the National Fleet Fund Archive (Testament, no. 19687, 06/09/1996).

Assisting the Hellenic Navy

The resources of the National Fleet Fund were crucial for its activities. On their basis this Fund aimed at spending money and strengthening the Greek fleet. In particular, part of the Fund's fortune was used in order to buy the battle ship ‘Averof’ (1909), the destroyer ships ‘Nea Genia’ (1912) and ‘Keraunos’ (1912), 4 type ‘Panther’ surveillance ships (1912) and 3 type ‘Balkan’ destroyer ships. It was also used for the old training ship ‘Aris’ (1912), two ‘Ydra’ type destroyer ships, the auxiliary ‘Korgialenos’ (1916), motor-torpedo boats, destroyers ‘Queen Olga’ (1938) and ‘King George’ (1938) and warfare material of high value. With the complementary economical state assistance, the Fund contributed towards the acquisition of various other naval warfare units such as for example the ship ‘Elli’ (1914) and the battleship ‘Kilkis’ (1914) (Roussopoulos, 23/04/1966).

In the period before World War II, the National Fleet Fund also attempted to respond to the needs of the Hellenic Navy. In particular, from 1936 until 1939, it embarked on abalienating various large fields in order to increase its revenues and offer part of them to boost the military defence of the country. As a result of this economic policy of the National Fleet Fund, the North and South fortresses on the island of Aigina started to be used - from onwards 1939 - by the Hellenic Navy. Other examples include the islets ‘Fleves’ and ‘Flevopoula’ and the naval fortress in Araksos.

As for the loans the National Fleet Fund has issued in its interest in reinforcing the naval forces, there is a plethora of examples that can be given. On 12 February 1987, for instance, it raised a loan in cooperation with ETBA Bank for the modernization of 5 destroyers (Report on the National Fleet Fund, 1996). From December 1987 until September 1993 it issued six loans in cooperation with banks ETBA and Emporiki for the boat-building of 5 landing-ships.[8] Further to this, on 1 March 1990 it issued another one worth of 10.000.000.000 Drachmas for the boat-building of 4 frigates of type MEKO-200 again in co-operation with ETBA Bank (Ibid).[9] As a whole from the beginning of 1987

[8] The first was worth of 2.025.874.500 Drachmas, the second of 4.100.000.000 Drachmas, the third of 3.500.000.000 Drachmas, the fourth of 7.000.000.000 Drachmas, the fifth of 5.000.000.000 Drachmas and the sixth of 7.000.000.000 Drachmas (Report on the National Fleet Fund, 1996).

[9] This loan was followed by three additional ones raised on 13 November 1991 (100.000.000 German Marks), 8 June 1992 (10.000.000.000 Drachmas) and 10 November 1992 (17.252.000 German Marks).

until December 1993 the amount of loans issued by the National Fleet Fund were worth of 281.314.297.101 Drachmas.

Some of the National Fleet Fund's financial resources were, additionally, used to build and repair naval training schools and naval buildings. From 1946 until 1956, for instance, this Fund sponsored - inter alia - the construction of the School of Engineering, Electricity and that of the Technicians in Skaramagkas and the Hellenic Naval Academy. (Table of Buildings of the Hellenic Navy Built with Expenses of the National Fleet Fund, 1946-1956). In parallel, it contributed to the construction of administration buildings at the Navy Command of South Aegean and that of North Aegean, at the Kanellopoulos Training Center, at the Naval Dock of Corfu and Crete. It also sponsored the erection of the 4th, 5th and 6th floor of the Hellenic Navy General Staff (Ibid). As for the period from 1983 until 1998, the National Fleet Fund paid, among others, 233.660.000 Drachmas for numerous works in Kyriamadi of Crete (List of Main Works Sponsored by the National Fleet Fund, 1983 – 1997). It also offered 123.835.000 Drachmas for the construction of various building in the Naval Base on the island of Syros, 82.000.000 Drachmas on the island of Lemnos and 4.500.000 Drachmas on that of Samothrace (Ibid and Report on the National Fleet Fund, 1996).

A special role of the National Fleet Fund should be also acknowledged in its support of the Naval Hospital in Athens. From 1983 until 1995, for example, the Fund offered 76.000.000 Drachmas for complimentary building and electrical engineering works in the hospital (Report on the National Fleet Fund, 1996). It also bought an axonic tomography machine worth of 227.000.000 Drachmas.[10] It should be mentioned, however, that the National Fleet Fund has not only contributed to the improvement of the Naval Hospital in Athens but also of the naval hospitals in Salamina, Piraeus and Crete. The Fund, for instance, has financed with 31.500.000 Drachmas the placement of air-conditioning in the operation theatre of the Naval Hospital of Crete. Table 2 on the next page attempts to quantify the financial contribution of the National Fleet Fund. It demonstrates, specifically, the amount given by the National Fleet Fund to the above-mentioned Naval Hospitals in the period from 2000 until 2008.

[10] The National Fleet Fund recently bought a magnetic tomography for Athens Naval Hospital.

Table 2: Contributions from the National Fleet Fund to Naval Hospitals (2000-2008 in Euros)

Year	Athens Naval Hospital	Salamina Naval Hospital	Piraeus Naval Hospital	Crete Naval Hospital
2000	1.146.265,30		480.496,70	
2001	1.280.919,34		292.266,13	
2002	843.450,28	118.394,53		
2003	1.514.244,01	395.101,34		
2004	1.063.432,76	19.650,59		
2005	2.686.367,36			
2006	255.943,61			
2007	7.877,57	157.645,30		
2008	407.631,79	107.964,55		110.360.60
Total:	9.206.132,02	798.756,31	907.581,38	110.360.60

As for the budget of 2009, the National Fleet Fund intends - inter alia - to spend 8.255.000 Euros on various investments, 5.100.000 Euros on the erection of numerous buildings and 2.450.000 Euros on the supply of floating instruments (Expenses of the National Fleet Fund, 2009).

Looking at the Future

The afore-presented analysis outlines the importance of the National Fleet Fund in Modern Greek history and specifically its contribution to the Hellenic Navy until nowadays. In spite of its significance, however, the National Fleet Fund does not nowadays constitute an organisation without problems and difficulties. These problems and difficulties mainly derive from its economic condition. While in the past a plethora of donations were made, their amount from the 1990s onwards is - to a large extent - lower. An explanation for can be attributed to the fact that Greece is no longer involved in a war environment as it had happened in the past. It is thus not a coincidence that most of the donations towards the National Fleet Fund were made in the years of the Balkan Wars and the Turkish invasion of Cyprus. As opposed to the conflicts of those years, Greece - as a peace-loving country - wants Balkans to be a European area of stability. In parallel with the lack of donations, we should remember that the National Fleet Fund has no longer incomes from the 'Lottery of the National Fleet' (Interview of the National Fleet Fund Director Christos Lygouris to the author, 2009).

Furthermore, the National Fleet Fund is not completely benefited by its significant landed property. There is one main reason that can maybe explain this observation (Report on the National Fleet Fund: 1996). Specifically, the time-consuming and the bureaucratic procedures required by the Greek state - with reference to its property - deprive the Fund of the ability to make early decisions and meet its policy deadlines. In addition, a high percentage of its landed property is considered as a forestal field allowing thus no further use (Ibid). Finally, an obstacle for the management of the National Fleet Fund's property has its roots in the legislation which does not leave a margin for investments without a certain and firm performance (Ibid). The main reason is that donators have to be assured that their properties will be used for the purposes they state in their testaments.[11]

Conclusion

This paper attempted to analyse the mission of the National Fleet Fund and highlight its contribution to the reinforcement of the Hellenic Navy. It also endeavoured to bring to the forefront problems it faces nowadays in order to call for its economic support and outline the need for appropriate personnel to work at its premises. Beyond these points, however, the most significant finding of this project was maybe the confirmation of the willingness of various Greek people to assist financially - at critical junctures - the National Fleet Fund and subsequently the Hellenic Navy. It was impressive that donations towards the Fund came not only from rich businessmen or companies but also from simple people who - irrespective of their incomes - had decided to support the military forces of the country. The least this paper could do would be to acknowledge their contribution.

[11] It should be mentioned that from 2002 onwards various locations were declassified from naval fortresses. As a result the National Fleet Fund can use them in order to increase its revenues (Christos Lygouris interview to the author, 2009).

Seeing this project from another perspective it can perhaps contribute to the incorporation of the history of the Hellenic Navy in the literature of Modern Greek Studies at the international level. It will be positive if other studies will follow, which will focus on various aspects of the Hellenic Navy in order to sketch out its importance in the development of the Greek History. This said it is interesting to conclude by quoting from former Minister of Defense Ioannis Varvitsiotis. He - inter alia - wrote in 1991:

> 'From the very first beginning historians started to deal with our presence in the Helladic area, the sea constituted a dominant factor, and therefore, the role of the Hellenic Navy has been of utmost importance in the formation of our nation's fate. Everyone tends to believe that our naval tradition belong to the factors, which influences the evolution of Greece and one the development of our country today and in the future will be based on. The Greek Republic has not largely brought this factor to the forefront. We believe that time is right for something equal with the tradition and the glorious history of the Hellenic Navy to be brought to the forefront'

(Ioannis Varvitsiotis' Note, 18/03/1991).

Obviously, following Ioannis Varvitsiotis's call, more attention should be given by academics but especially by current and future students to the naval history of Greece not only within the country but also internationally.

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Appendix

Table 3: List of Directors of the National Fleet Fund

N. Theocharis	26-12-1900	15-05-1910
K. Adraktas	16-05-1910	11-12-1919
D. Tagalakis	12-12-1919	11-12-1920
A. Paizis	12-12-1920	30-01-1926
I. Lazaropoulos	31-01-1926	03-11-1928
S. Pettas	04-11-1928	14-01-1938
D. Tagalakis	16-01-1938	12-07-1943
G. Dravilas	13-07-1943	31-03-1944
E. Eleftheriadis	01-04-1944	28-11-1944
E. Charalampis	29-11-1944	29-02-1948
E. Malatestas	01-03-1948	07-08-1949
G. Tsertos	08-08-1949	16-02-1952
Th. Sinaniotis	17-02-1952	21-01-1954
D. Papaoikonomou	22-01-1954	12-04-1956
I. Ypsilantis	13-04-1956	28-09-1956
N. Tsimikalis	29-09-1956	29-10-1956
A. Vlavianos	30-10-1956	10-04-1959
S. Stamatiogiannis	11-04-1959	28-03-1960
K. Alevras	29-03-1960	23-08-1960

K. Stamatiogiannis	24-08-1960	14-02-1961
A. Pastras	15-02-1961	31-01-1963
L. Giokaris	01-12-1963	26-03-1965
K. Roussopoulos	27-03-1965	03-02-1967
M. Simsas	04-02-1967	23-06-1971
N. Sideromenos	24-06-1971	26-11-1972
H. Hliadis	27-11-1972	08-04-1974
Ch. Charalampopoulos	09-04-1974	18-04-1975
A. Georgiou	19-04-1975	19-06-1976
D. Kotsiris	22-07-1976	04-01-1978
A. Lazarou	04-01-1978	19-07-1978
A. Karydis	04-07-1978	19-07-1978
K. Pitsikas	19-07-1978	14-09-1979
S. Palaskas	15-09-1979	19-07-1980
P. Manakos	20-07-1980	20-11-1990
Th. Tzeferakos	03-11-1990	28-02-1994
M. Mpaos	01-03-1994	03-07-1997
A. Valassoglou	04-07-1997	02-04-2001
S. Leftheriotis	02-04-2001	15-05-2002
N. Liountris	16-05-2002	30-05-2003
N. Katsimitsis	01-06-2003	07-03-2005

I.Vassileiadis	07-03-2005	20-08-2006
Ch. Papagiannis	20-03-2006	12-07-2006
G. Morantzis	12-07-2006	08-04-2008
` S. Panaretos	08-04-2008	07-09-2008
Ch. Lygouris	08-09-2008	-