Crisis Social Policy and Social Justice: the case for Greece

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ABSTRACT

This paper explores the potential contribution of social justice and social policy for an equitable recovery from the crisis in the case of Greece. The first part discusses some theoretical dimensions of social justice focusing on its interrelation with social policy. Social justice is a contested theoretical concept in social and political theory, and a powerful but elusive term in social policy. The second part identifies the stark injustices in the Greek social policy arena, as well as the discontinuities of this ‘paradigm’ with the theoretical discourse provided in the first part. It is shown that the key elements of social justice do not inform social policy reform in times of crisis, and that the embedded political and economic deficit reinforces the uneven impact on the Greek society. The latter are predetermined by a sociopolitical culture based on clientelism, individualism and favouritism, and prescribed in the anti-social international ‘rescue plan’. The paper argues for a crisis social policy inspired by social justice and proposes a ‘distributive escape’ from the Greek deadlock, which entails a new sustainable social policy system, incorporating citizenship rights with basic welfare provisions; redistribution of resources and nurturing communitarian values.

Keywords: Crisis Social policy, social justice, Greece, redistribution, social change.

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1. Introduction

The task of this paper lies not in finding the holy grail of the ultimate definition of social justice, or in providing a full interpretation for the underdevelopment of a national social policy system. Its purpose is more down to earth. First, the aim is to touch on some of the stark imbalances between social policy and social justice in theory, and to relate those with the case of Greece. Second, it highlights the social consequences of the social policy retrenchment shock enforced during the period 2010-12. Finally, it aspires to offer some insights on the main challenges in constructing a ‘crisis social policy paradigm’ -inspired by a commitment to social justice- both in theory and in Greece.

Currently, Greece experiences a violent transformation, which minimizes social protection and maximizes inequality within a residual welfare system that promotes the interests of the more privileged. This paper argues for an egalitarian social policy reforming the prevailing individualistic culture, patterns and behaviour. The means for changing the politics of social policy and enhancing the dynamics of social justice include two dimensions. First, invigorating legitimacy and efficacy in resource allocation. Second, redistributing both tangible and intangible resources. The argument is that social policy is not only about economic resources and welfare benefits. It is also about values, choices and patterns. The embedded value deficit in socio-political relations
reinforces distortion in the political economy. By contrast, we consider a sustainable and redistributive basic social policy; embracing a culture of solidarity and granting citizenship rights. This should generate and empower an essential social capital, which is vital to escape from the current or future political or economic deadlocks. We argue that this is the only opportunity available today.

In theory, social policy is expected to make societies more just and less unequal. Social policy embodies an ethos of collectivism and a commitment to justice that in practice depends on the way such concepts are accommodated. Justice is by definition social. Social policies seek to modify welfare on the basis of justice and need, to an extent that preserves the support of those paying for it. In Greek practice, social policy has failed to tackle inequalities, because it never aimed at justice or at challenging the outcomes delivered by the market. This is reflected in a highly fragmented social security system applying criteria that guarantee more welfare to those less in need. This concept of social justice represents an individualistic ideal and not a collective/communitarian aim.

The structure of the paper is as follows. The first part discusses some key dimensions of social justice focusing on its interrelation with social policy. Social justice is a contested theoretical concept in political/social theory and a powerful but elusive term in social policy. The second part identifies the crude imbalances of social justice in the Greek social policy paradigm. This ‘unfair deficit’ reproduces a wide range of inequalities today, predetermined by a political system and a social culture which never espoused a commitment to justice. The interlock of social policy
with social justice, becomes a deadlock in the Greek ‘paradigm’. The paper concludes with an argument for a ‘crisis social policy’ paradigm, which should redistribute economic and non-economic resources and reshape behavioural characteristics.

2. Social Policy and Social Justice

2.1 The notion of social justice

Social justice is based on equality of rights for all human beings, and their possibility to benefit from economic and social progress without discrimination (ILO, 2011). But, where does the balance lie between equality and inequality, between individual and collective ends? The sensible answer is that it should lie at a fair point. However, how are we to decide what is fair? This question is appropriate to all policy areas, but is of particular importance to social policy.

The notion of justice can be theorised in many ways, but a useful starting point is with Aristotle (e.g. Bostock 2000, Kraut 2002). Aristotle divided the idea of justice into two main parts; corrective justice and distributive justice. Distributive justice refers to the division of shares in social benefits/burdens, and is thus concerned with tax/spend policy. Corrective justice is concerned with the rectification of injustice and thus entails specific social policy interventions. Following Aristotle, the understanding of social justice appears to be endlessly explored and contested. Even if all agree that ‘justice’ is a rather good thing, some might think that justice refers to equal individual treatment, while others understand justice in terms of granting basic human rights. Even a
minimal consent presupposes a kind of consensus for the meaning of ideas like ‘equality’ or terms like ‘rights’. What is exposed here is the ‘concept/conception distinction’. The ‘concept’ of justice is the general idea, but different political theorists and philosophers have different ‘conceptions’ of justice.

According to the philosopher Gallie (1956), certain moral concepts are “essentially contested”. For example, ‘good’, ‘right’ and ‘just’ are moral concepts, which seem to have a common or shared meaning. Everybody agrees that it seems good to alleviate absolute poverty, but the criteria for the application of the term ‘good’ differs. Not everybody believes that the criteria for ‘good’ should make reference to the conception of a flourishing human life and/or of a prospering social welfare. Along these same lines, some philosophers do not refer to the same but to only synonymous concepts. The meaning of the concept ‘good’ becomes contested since each individual has a different understanding of that concept. In other words, some concepts are ‘essentially contested’ because their nature prevents agreement on the criteria for their application. Is this the case for social justice? Although an ‘essentially contested concept’, social justice can be -even for Gallie (1956)- directly identified by two descriptions. In the first, justice consists of the institution and application of those social arrangements, whereby the meritorious individual receives his commutative due. In the second, justice rests upon the ideas, or ideals, of co-operation, to provide the necessities of a worthwhile human life, and of a distribution of products to assure such a life to all who co-operate.
In the well-known Rawls' “Theory of Justice” (1972), the distinction lies between the concept of justice and particular conceptions of justice. For him, ‘justice as fairness’ is the most appropriate conception of justice, and an agreement on the criteria for a just society is feasible. In other words, for Rawls the concept/conception distinction does not imply that the concept of justice is essentially contested and also, that not all contested concepts are ‘essentially’ contested concepts. The concept/conception distinction is found also in Dworkin's theory (1988). For him, ‘equality’ is not an ‘essentially contested concept’ because the identification and application of stable criteria for its meaning is feasible. Equality is rather an ‘interpretive’ concept; i.e. a concept that is subject to interpretation.

Famously, Hayek (1960) disputed the validity of the very idea of social justice. The principle of social justice is just an ‘anathema’ (Hayek 1976). He agreed for a strong state that promotes not justice but the market and ruled out redistribution of wealth. For Nozick (1974), massive inequalities according to the distribution of the free market are perfectly just. He opposed to the welfare state and to any notion of social justice. In his theory, Rawls (1972) incorporates a strong element of social justice by redistribution of income, wealth and power. Social and economic inequalities are to be arranged so that they are to the advantage of the worst off. Rawls argues that people in the ‘original position’ will opt for safeness through equality, instead of taking the risk of inequality. In a word, Rawls might be thought of as a supporter of state welfare capitalism (Fitzpatrick 2001).
However, the meaning of social justice remains ambivalent and controversial. In near egalitarian terms, justice is conceptualised as utility, as entitlement and as contract (e.g. Drake 2001). It is widely thought that social justice is a notoriously difficult concept to define (e.g. Blakemore & Drake 1996). This might be true, for those interested in the philosophical or the ethical dimensions of justice. This is less true, for those inspired by its aim or convinced for its vital role for well-being irrespective of any kind of ideology other than humanism. For them, social justice is simply a desirable situation, which balances inequality and welfare, and is enforced by redistributive policies embracing egalitarian implications. This presupposes a state intervening to reallocate wealth and market outcomes.

After all, a straightforward definition of social justice prescribes how the good and bad things in life should be distributed among the members of a human society (Miller 1999). In our days, this focuses on the redistribution paradigm of social justice which is broadened to embrace also non material dimensions, ‘stretching’ beyond traditional concerns with the distribution of income and wealth (Lister 2007). This broader understanding of social and power relations argues earnestly that the problem of domination and oppression should be the basis for a conception of social justice (Young 1990). Non-material aspects of social justice go beyond the economic distributional; identifying the need for justice rooted in the struggle for recognition (Fraser 1997). Recognition claims are about how people are represented (e.g. in the media and in the political debate); about the extent to which people’s view count; about decency and dignity –the enormous importance for people of a sense of themselves and their place in the world (Lister 2007). The
recognition paradigm reflects cultural and/or symbolic injustices - misrecognition in everyday life interactions (Fraser 1997). The relationship between cultural recognition and economic redistribution – which is crucial for the nature of redistributive social policies – is one of complementary, rather than competing versions of social justice (Fraser & Honneth 2003; Thomson 2006). Within this relationship, the dimension of representation is enhancing the recognition paradigm in the reframing of contemporary justice analysis (Fraser 2005).

In sum, redistribution and recognition – including representation and the reciprocal nature of respect – reflect the fundamental elements, which should drive justice through postmodern rights and plural policies. Social justice incorporates recognition and redistribution so as to address the economic, political and cultural dimensions of injustice. This translates into policy demands for respectful treatment, for social security and for granting dignity (Lister 2008). Application of the recognition paradigm of social justice illuminates the ways in which poverty politics is also a ‘politics of recognition and respect’ (Lister 2004). Arguably it is a sophisticated form of redistributive justice, which entails representation and recognition. It is a more in-depth redistribution of tangible resources towards less inequality, incorporating enhancement of intangible rights towards more citizenship.

2.2 Social policy and social justice: a strategy for equality?
Social justice is a powerful but elusive term for social policy analysis, and is concerned with the extent to which social arrangements may be regarded as fair (e.g. Alcock et al. 2002, Lister 2007) – i.e. who should get
what, and under what terms- and implies a distributional element. Social policies produce vertical and/or horizontal redistribution (Culyer 1980). The extent to which such redistribution is justified and which form should be given priority, depends on the way of understanding the principle of equality. It particularly reflects the potential belief that certain specific scarce commodities –such as healthcare or education- should be distributed less unequally than the ability to pay for them. Social justice legitimizes a principle of ‘redistributive equality’ (e.g. Tobin 1970) –a fair reallocation of income and wealth. This principle leads to a range of equalising policies, which modify initial distribution by the provision of welfare benefits. In every respect, a socially just distribution is primarily concerned with the provision of adequate material resources to live with dignity, to overcome disadvantage and to flourish. The principle of equality lies at the root of conflict in politics (Brittan 1968).

Different meanings of equality reflect equally different understandings of social policy (e.g. Weale 1993). The ‘thick’ version of equality has been variously called ‘social equality’, ‘equality of status’ or ‘equality of regard’ (Alcock et al 2002: 77). It reflects the recognition of the fundamental equality of each individual in social relationships, and an opposition to social privilege or inequality (e.g. Tawney 1931).

For many of those who laid the foundations of the welfare state –who desired an alternative to laissez-faire capitalism and fought for welfare reform- social equality was regarded as fundamentally important (Fitzpatrick 2001, Offe 1984). In different eras, this was called ‘the strategy of equality’ (Tawney 1931, Le Grand 1982). This required the establishment of social institutions to grant equal access to those goods without which life is impoverished and incomplete (Tawney 1931) –
namely social policy. After the era of the classic welfare state, egalitarian social policy was problematised in a practical sense and criticised for its policy result (Le Grand 1982). What we can see is that the relationship between equality (outcome) and social policy takes breath when hunting for social justice (process) through distributive policy goals.

Nowadays, there is an overwhelming social policy concern for equality of opportunity (e.g. Blakemore & Drake 1996). This paradigm however, eschews the need for a redistribution to combat persisting social inequalities, and leaves little room to move towards the objective of social justice. The equality of opportunities paradigm may be also characterized as an ideological compromise between the Left and the Right. As a policy purpose equality of opportunity embraces adjustments towards equality of liberty and fairness in the distribution of inequalities (Fitzpatrick 2001). However, providing open and fair opportunities or removing direct discrimination today, overlooks the lifelong injustices of yesterday, which prevent substantial equal chances. A fair and identical test for a position is a procedure of relative importance for candidates with unequal lifelong opportunities in health, education or environment (e.g. Frankel 1983, Blakemore & Drake 1996) –not to mention distinctions in physical environment (Tawney 1931). This describes a fair process with an unequal outcome. This so-called ‘fair process’ tends to reproduce disadvantage, and call it meritocracy. This means that the complex current nature of the distributive problem –inequality in distribution, recognition, and representation- has both a static and a dynamic feature. The strategy for equal opportunity may very well fail to adequately face up to the latter. Unequal societies may successfully manage their social problems, but they do not solve them (Donnison
2006-07). Equal opportunity is only part of a competent strategy for equality and has also to embrace more intrinsic forms of injustice.

Concluding, it was the aim of ‘socialist social policies’ to achieve greater social equality (Abel-Smith 1984). Eventually, social policies are mainly concerned with fair equality of opportunity and their effects on distributive social justice appear poor. The non-material aspects of the distributive problem - including recognition and representation - go beyond the equality of opportunity paradigm. The study of social policy strategies reflects that the component of equality gradually becomes an even less fundamental principle of social policy aims (Venieris 2011a). But as Piachaud (2008) has argued, the justice, or injustice, of the distribution of power and resources within communities and nations and across the world will shape the lives of future generations.

2.3 The case for a ‘crisis social policy’

The ideas of postmodernism move the discipline of social policy in new directions (e.g. Hillyard & Watson 1996). Global distributive justice, environmental justice, inter-generational justice and the issue of equality of opportunity, are the distributive issues that gather increasing attention. Insights from postmodernist theory penetrate thoughts on social justice that it is wise to value, especially during crisis.

According to Beck (1992), ‘second’ modernity is a ‘risk society’. Giddens (1994, 1999), has argued that in a globalised and rapidly changing world, communities are open, self reflexive and ‘social-democratic’; not closed, dogmatic and authoritarian. The industrial ‘safety systems’ of social insurance and universal provision became sources of risk and insecurity.
Insurance protection is aimed at predictable and collective events, and not at the individualized contingencies of a risk society (Taylor-Gooby 2000). Briefly put, the aim of social policy for redistribution is replaced by the concern for, and the prevention and management of risk. This means that new ways of securing risk-taking on a collective basis, and of avoiding risk-taking on an individualized basis have to be developed.

However, it is the economic liberalism of the radical Right that has generated the risk society in order to consolidate its own ideological hegemony by defeating the concepts and values of the classic welfare era (e.g. Culpitt 1999). Individualism -in the form of choice, preference, and consumption- has replaced collectivism -in the form of altruism, needs, and public sphere. The emphasis in policy-making is on minimising risks rather than on maximising social justice. This largely supposes that individual welfare depends on success in the free market and those failing –mostly the needy and vulnerable- are excluded and victimized by right-wing economics. In other words, risk theory means turning the debate back on the radical Right discourse that neither Beck nor Giddens deal with adequately (Fitzpatrick 2001).

An influential sociological argument remains that contemporary society consists of social movements rather than classes and/or that a class is one form of social movement (Eder 1993, Tarrow 1994). Social movements influence welfare systems by offering new perspectives and by considering new areas of social interaction that enrich and up-date citizenship rights (Kymlicka 1995b). Social movements are related to egalitarian policies and ‘differential justice’ that embrace complex forms of social provision related to gender, ethnicity, dis/ability, age or
sexuality. Therefore, social policy is now increasingly concerned with a form social redistribution of non-economic resources such as power, access or opportunities towards non-economic rights such as dignity, diversity, respect, plurality or autonomy. This also includes the reallocation of cultural standing from dominant to non-dominant status groups (Fraser 1997) and the protection of the ‘collective rights’ of minority groups (Kymlicka 1995a).

A respective school of thought emerged in the 1980s adopting ‘communitarian’ ideas (Taylor 1989, Dagger 1997). This reopened the classic debate concerning the relationship between the individual and the community (Macintyre 1981, 1987; Sandel 1982, 1996). A debate where the core idea of communitarians is that the ‘individual’ cannot be separated, from the culture, values and practices of his/her community (Sandel 1982). An ideo-typical communitarian welfare state is expected to embody strengthened social systems promoting the ‘common good’ and communal duties. Social control is a legitimate way for cultivating a common good culture. Communitarians call for ‘a politics of the common good’ which involves a public ranking of the value of different ways of life; there is no way to argue for freedom over equality or equality over freedom, both are foundational values (Kymlicka 1990). Further, communitarians argue earnestly that the variety of policy responses must recognize and respect the heterogeneity of social groups (George and Wilding 1985, Young 1990). In a broad sense, the rights and duties of citizenship depend on the achievement of a balance between individual liberty and social responsibility (Drake 2001).
This debate is of particular relevance to European societies today. Understanding the challenges for contemporary social policy presupposes a deep appreciation of the implications of the ongoing worldwide economic crisis, and the role that collective institutions are called to undertake as a response. Indeed, the economic crisis is also a crisis of the paradigm of right-wing economic liberalism. Instead of creating the so-called ‘risk society’ (e.g. Beck 1992), this paradigm has generated an insecure, or even desperate, society which to some extent rediscovers the concepts and values of the classic welfare era. The social implications of the crisis force social policy-making to consider new forms of collectivism and the focus should turn again on minimising injustices rather than risks. Indeed, one of the effects of contemporary crisis is that individual welfare increasingly depends more on collective public institutions such as health or education systems, which now suffer a decrease in resources due to the combined effects of austerity measures and recession.

Against this background, the need for a new type of ‘crisis social policy’ is now evident. What form this new type of policy might take, and, further, what are the prospects of promoting justice through social intervention during recession? As Prasad and Gerecke (2010) have argued, crises can allow countries to reduce ineffective policies in favour of equitable ones that will promote growth and improve their policy processes and institutional frameworks. In this context, crisis social policies should primarily guarantee material basic needs through reinforced redistributive mechanisms, focusing on decent basic income and effective health services. This may deter the re-emergence of inequality levels reminiscent of the early industrial period. In addition,
they have to consider non-material needs and to develop new forms of intangible provision by taking into account the complexity of postmodern societies, and by up-dating citizenship rights and community duties.

Indeed, crisis social policymaking should re-address at least two key issues. First, social needs such as recognition and power within civil society can be addressed by promoting relative forms of intangible resources, and processes towards a communitarian type of empowerment. The latter is a process through which people, and especially ‘disempowered’ groups, gain power and authority over their own affairs (e.g. Alcock et al. 2002). Second, social ills such as poverty and unemployment can be addressed by redistributing increasingly fairly scarce economic resources, and by enhancing basic universal social services based on a new mixed-economy of welfare beyond the market and the state (Baines et al. 2011, Hogg & Baines 2011). This new mixed economy of welfare is about the enrolment of the voluntary/community sector to achieve improved social services and about community empowerment, with profound implications for individuals and social institutions. It is the part of the economy beyond the public and the private sectors variously called ‘social economy’, ‘third sector’, voluntary and community sector’ or even ‘civil society’ (e.g. Evers & Laville 2004). Its expanding responsibilities for welfare services reflect a tension arising in most developed economies in Europe (Hogg & Baines 2011). This tension is expected to grow during the current crisis since it is associated with spending cuts and reduced public services. Moreover, this tension is also an opportunity as it might inspire a communitarian spirit (e.g. Williams 2005), a culture of volunteering (e.g. Williams 2008) and, also,
faith-based voluntary action (Montagne-Vilette et al. 2011). The institutions of civil society and community should be strengthened, not least because this reinvigoration may also support the foundation for a powerful, communitarian social democracy (Sage 2012).

These are not simply normative debates, but they also reflect shifts in policy and practices. In the UK, in particular, it is evident that the relevant debate on welfare mix has shifted. The important role, and potential, of the community sector in delivering public services is increasingly acknowledged in both the political agenda and relevant theoretical debates (e.g. Alcock 2010). Indeed, there are clear signs that a re-articulation of the role of community is taking place in the revival of social policy in the context of the economic crisis and of the austerity policies adopted, placing community at the heart of current welfare provision debates (Hanckock et al 2012). In the era of economic turmoil, a crisis social policy, engaged with these normative debates and new policy practices, but also firmly anchored on a re-articulated notion of social justice, can rise to meet the challenges for social intervention. A crisis social policy paradigm has to amalgamate ambivalent theory with arduous practice. Traditional class theory, contemporary social movement analysis and postmodern readings should be combined with participatory/communitarian activation and in the context of a shrinking economic capacity. This should be added to the weathering postmodern ‘equilibria’ such as the dominance of capital over labour, the disaggregation between economic growth and social development – namely jobless growth- and the retreat of the nation state. These conditions argue for a crisis social policy model that reconciles
complicated social needs with discouraging economic trends, and higher levels of ‘differential social justice’ with a new social spending agenda.

This inclusive form of distributive justice reformulates the principle of justice at an even deeper level, giving more emphasis on its qualitative aspects, which equally require new forms of egalitarian politics and participatory procedures. This implies that social policies develop more socially effective but also economically sustainable practices that nurture social practices that fight all kind of discrimination and ruthless individualisation. In turn, this urges for the provision of basic needs as well as the empowerment and strengthening of citizenship rights: universal, non-discriminatory, inalienable, enforceable rights. This conceptual basis can and should inspire a communitarian welfare reform towards a more just society, and a more active civil society, enhancing socio-democratic rights/duties while refreshing and re-emphasizing communal bonds. In a nutshell, crisis social policy presupposes two modes of policy change. First, change related to immediate redistributive social policies complemented by sustainable universal basic social services; and, second, a long-term programme or reforms to establish social institutions promoting a deeper understanding of social justice and the common good. After all, the pursuit of social justice has been the driving force behind much, perhaps most, social change in modern times (Piachaud 2008).
3. Social Policy and Social Justice in Greece

3.1 The pattern

Social policy comprises a system of political interventions in the functioning of a market economy with a vital impact on social welfare and on economic growth. In Greece, the social policy system reflects a legacy of weak political and solidarity patterns and an absence of social and financial planning (Venieris 1994). Its main characteristics are: the predominance of contributory social transfers –mainly pensions; the dominance of unjustified social insurance privileges; the delayed evolution of universal welfare policies –mainly in health; the underdevelopment of social assistance and social care services; poor unemployment protection; distributional imbalance and administrative inefficiency; inexistent family policy -in a pattern where family remains the essential welfare provider (Venieris and Papatheodorou 2003, Petmesidou and Mossialos 2006). The social security mosaic grants high benefits to favoured groups of public servants; generous insurance benefits to powerful occupational groups rarely justified by contribution record; poor insurance provision to average working people; meagre social assistance benefits to those in great need. Inequality is the predominant feature in all aspects of welfare -the level, the range, the criteria, the financing of provision. Inefficiency is the next one - deficient administrative capacity, wasteful use of resources. Although social spending rose from 19.9 to 26 per cent for the period 1995-2008, and is near the EU-15 average of 27.5 per cent, the risk for poverty after social benefits remains one of the highest in the EU, at a rate from 20 to 21 per cent (Dafermos and Papatheodorou 2011). In short, this is an ineffective
system reinforcing inequality, urging for a radical change towards redistributive justice and egalitarian ends.

Pressures for institutional reform and policy reorientation have been un成功fully exercised since the early 1990s. A late financial restructuring of the social insurance system was postponed due to strenuous trade unions’ reaction and great upheaval (Venieris 1994). Some retrenchment policies were introduced under the vast burden of social insurance deficits in the absence of political will and public support. The long-sought healthcare reform was never steadily supported by any government, which reflects the endless conflict between the forces of change and the dominant interest groups (Abel-Smith et al. 1994, Venieris 1997). A fruitless reorientation has been cultivated by a growing EU enforcement for social security harmonisation/sustainability. The rising trend of social expenditure in Greece after the mid-1990s was mainly due to the EU financial support frameworks (Petmesidou and Mossialos 2006). This was not accompanied by structural reforms to improve social services or to stabilise the financial aspect of the system. Social policy ‘developments’ after the turn of the century reassured the weak support for change and the strength of consolidated rigidities. During a period of welfare reform in Europe, inertia on policy/political level defused modernizing tendencies and preserved the legacy of the past: heavily politicised/centralised decision making; impoverished administrative infrastructure, lack of redistributing and planning, failure in counterbalancing individual cost with collective benefit (Venieris 2006).
The European Union’s (EU) pressure intensified following the convergence criteria for achieving participation in the Economic and Monetary Union (EMU). This produced fiscal limitations to a social policy system in need of further development and reduced prospects of filling the gaps in social protection. A number of coordinated policies instigated by EU funds concerned the labour market, the pension system, healthcare, and social inclusion. Committees, observatories and consultation procedures including national action plans were established. Social care and employment services were also enriched including nurseries, centres for children and the elderly, home-help for elderly and disabled people. But, all these depended on temporary EU resources and personnel providing no guarantees for stable provision.

In sum, the EU influence failed to achieve Europeanisation and to enforce a national social policy performance closer to the standards of European Social Model. Nevertheless, most of this model hardly encompasses a straightforward strategy for equality. Briefly put, the national failure of the ‘Greek Social Model’ aggravates the ‘systemic equalizing failure’ that deplores the European Social Model. From a clear point of view, the performance criteria for a national social model can be based on efficiency -in terms of achieving the highest possible employment rates- and on equity -in terms of achieving the lowest possible poverty risk (Sapir 2005). The Greek welfare model performs far than splendid in both terms.
3.2 The crisis

The global economic crisis -from 2008 onwards- had severe consequences for modern welfare states affecting remarkably the most vulnerable individuals and systems unprepared for such an eventuality. It appears that the crisis is being used to recast rapidly social policy systems by means of fundamental institutional changes and drastic cuts in social spending, severely diminishing it in some countries. This implies that there is a specific ideological and conceptual nature to these reforms and the crisis is used to legitimise changes otherwise totally unacceptable and unfair. Sinfield (2011) has demonstrated a tendency by recent governments of advanced welfare states to adopt a downbeat discourse of austerity, appearing eager to use the crisis to evade their responsibilities to their publics at a time of crisis. However, in the case of the recent collapse of Greek welfare state arrangements, the system was a victim of its own unilateral suicidal tradition rather than a symptom of this tendency.

Not surprisingly, Greece entered a deep economic and political crisis by the end of the first decade of the 21st century. This came after a period of constant, but not structurally sustainable, economic growth, political aphasia and social affluence. The socialist government elected in autumn 2009 was faced with an enormous financial pressure. The public deficit was higher than 15 per cent of GDP, while the public debt reached 128 per cent. Speculative attacks of the markets did not allow the government to borrow at reasonable interest rates to redress the balance. A major part of this deadlock reflects the social, political and economic deficits of the Greek welfare state. For instance, pension
spending was significantly above the OECD average; it has increased from 4.5 in 2005 to 6.6 per cent of GDP in 2009, and in this percentage is expected to exceed 24 per cent by 2060 (OECD 2011).

In early 2010 the Greek turmoil facilitated an international emergency plan monitored by the European Union, the European Central Bank and the International Monetary Fund. This violent intervention enforced painful retrenchment and deregulation policies (Petmesidou 2011, Venieris 2011b). Endless drastic austerity measures were taken by the controversial combination of a national administration disoriented by the magnitude of the crisis and wavering international decision-making. The emergency policies adopted included heavy and socially ‘blind’ horizontal cuts in income and spending, matched with significant rises in direct and indirect taxation. Social upheaval and political unrest were the immediate outcome. Notwithstanding, once the market crisis erupted, both the European Union and the European Central Bank failed to provide a timely and effective response (Featherstone 2011). Moreover, when it came, this late response was characterised by a punitive rather than a solidarity approach.

In social policy terms, the eagerness of international intervention at diminishing social spending, labour rights and welfare provisions is astonishing. The most immediate impact is on cash benefits. Even minimum and minimal pensions were severely cut in all ways - level, retirement and replacement rates. The secondary impact in social services is also tremendous. In health, where the deficits are one main reason for the high public deficit, the severe cost-cut policies threaten the viability of public health services. In social assistance, the austerity
measures diminish provision. In industrial relations, a strategy of deregulation and the shrinking of even minimum earnings was the prize for international aid. A more detailed examination of the changes imposed follows below.

In pensions, severe cuts were made by the abolition of an average of at least 25 per cent of annual pension income (e.g. Venieris 2011b). The significant pension retrenchment reform during 2010/11, aimed primarily to contain annual spending for pensions until 2060. It established lower pension benefits and higher retirement age (65 years of age for men and women); reduced insurance privileges of some groups and the number of pension funds; almost abolished early retirement; and prolonged minimum contribution periods. Most importantly, a new system was announced introducing a kind of universal basic pension -360 euros from 2015 onwards. This was subject to an increase by a contribution-related proportional pension, providing incentives for longer working careers but also creating uncertainties for low-paid workers-pensioners. The reform allowed a number of unjust exceptions. It left untouched: a number of powerful pension schemes such as the liberal professions and specific groups of bank employees; the privileges of public utility workers and uniformed workers; and the semi-contributory pension scheme for farmers. Much of these exemptions however, remain in the list of further intervention. A maximum pension income has been introduced and is periodically shrinking. The two additional monthly pensions received per annum was cut for all apart from very low income pensioners for whom it was replaced by a low flat ‘vacation allowance’. Painful but comparatively fair taxes and/or reductions depending on pension level and pensioner’s
age were imposed on top of the cuts. Notably, State participation in funding social insurance is to be revoked, ‘counterbalanced’ by the new basic pension, which will be funded through general taxation and is subjected to economic growth rates. The policy emphasis is now on individual contribution pension equivalence. In supplementary contributory pensions the abolition of an average of 30 per cent of pension is enforced, depending on the financial situation of each fund and on pension level. The puzzle for social insurance budgeting now is to cope with the dramatic fall in contributions – product of the combination of higher unemployment and lower wages- and a rise in benefit demand. In short, on the one hand, pension reform diminishes spending, provision and collective redistribution. On the other, it reduces privileges and prospects for bankruptcy.

In the health sector, the system was far from ideal. Reform has been traditionally blocked by vested interests of powerful socio-professional groups (Abel-Smith et al. 1994) and the prospect for a fully functioning Greek National Health System (NHS) remained a dead letter for decades. Wasteful use of resources, vast deficits and unethical practices were associated with low patients’ satisfaction (e.g. Venieris 1997, 2006) while embedded commodification, with huge private and absurd pharmaceutical spending, created a picture of a very problematic health system. Under the pressure of the EU-IMF, a cost-cut platform became a top governmental priority. However, any measures to address the serious structural inadequacies of the system are simplistically conforming to the quest for lower costs. While demand for public health services is mounting during the crisis (Venieris 2011b) merging and closures of public hospitals and a 15 per cent spending cut for 2011-12 is
underway while higher patients’ participation fees are increasingly introduced. In primary care, the fragmented health insurance services were after all unified in one National Organisation (EOPPY) towards reorganisation and rationalisation, a development that is also innovating a new public-private welfare mix in hospital services. In pharmaceutical spending, there is a visible effort to reduce the embarrassing waste. But, contrary to pensions, public spending in health remains beyond the OECD average, and new measures have to be associated with improving the quality of services (OECD 2010, 2011). Deficits in funding, medical personnel and behavioural patterns keep NHS services at an embarrassing low level of response and access to services is hardly universal. It is also predicted that in 2013, 20 per cent of NHS hospitals will close due to EOPPY’s inability to cover hospital fees and by the end of 2012, EOPPY appears financially disabled. In a nutshell, there is a clear risk that the financial restoration in the health sector might come at the price of the demolition of public healthcare.

There is little disagreement on the fact that social assistance provision in Greece is poor and deplorable. The National Social Cohesion Fund, a scheme providing social assistance to low income and vulnerable social groups has been abolished in mid-2009 (Petmesidou 2011). A benefit targeting vulnerable beneficiaries was introduced but was soon interrupted in early 2010 under the EU-IMF pressure. Notably, Greece remains one of the very few EU countries where a national programme of minimum income guarantee is not available even at a local level. Current changes announce the merging of some social assistance services as well as stricter means-testing conditions. There is an ongoing re-appraisal procedure aiming at the abolition of the perceived high
levels of fraud by welfare incapacity beneficiaries, mainly in the rural areas. This is the outcome of disgraceful clientelistic/illegitimate practices which replace welfare benefits according to need with disability benefits according to political favouritism. Overall, cost cutting measures aside, the only real systemic change remains the announcement of the basic universal pension scheme from 2015 onwards. Although the level of the basic pension is far form adequate-less than two thirds of the Greek poverty line (Venieris 2011b) - this reform marks the redefinition of the residual Bismarckian Greek welfare system towards a Beveridgean type of minimal provision. But still, it is social insurance—which is publicly funded by around 50 per cent- that remains the essential social policy instrument in Greece.

In the field of employment, policy is dominated by an assault to adequate remuneration and to long-established rights in terms of industrial relations. A policy of rapid and extremely harsh deregulation/‘flexibilisation’ combined with deep recession had ruinous effects upon the labour market. Real unemployment appears out of control, according to Eurostat the unemployment rate was 25.4 per cent in August 2012 (Eurostat 2012). The minimum wage was reduced to 560 euros, supposedly in order to improve competition and productivity rates. National collective bargaining agreements have been practically abolished and the new labour law favours negotiations at the firm level. This was met with fierce trade union opposition and its implementation is cumbersome. Moreover, following the IMF hail of recommendations, the total decrease in salaries and wages in public and private sectors is estimated to around 25 per cent (Venieris 2011b). Reorganising/reducing the public sector is under slow way. The poor
administrative capacity of tax collection is not a clear priority. The equilibrium between protective labour legislation and non-protective unemployment provision has been overthrown. Shrinking rights of employees are matched with an almost scandalously expanding rights of employers. Indeed, in terms of rights, the gap between labour and capital in Greece is wider than has ever been in recent times. However, the recipe of flexibility without security is unlikely to improve things that much, while employers appear determined to resort to non-standard work to cope with the crisis (Matsaganis 2011). On top, the size of the informal labour market, already unacceptably large, appears now to be out of control (INEE-GSEE/ADEDY 2011).

Greece invested superficially in active labour market policies and effective modernisation before the crisis and now pays it back. Unemployment exceeded 26 per cent by the end of 2012 and keeps going, exacerbating the need for protection. But, unemployment benefits are comparatively very low and well below the poverty line, eligibility criteria are strictly linked to contribution record, thus excluding first entrants and young unemployed or those with poor employment records (Papadopoulos 2006). Notably, in early 2012 the benefit has been reduced from 460 to 360 euros per month. Also, it appears that the new unemployment wave generates an astonishing number of households in which no member ‘enjoys’ participation in the labour market and all members are at mounting poverty risk. There is little doubt that unemployment is now the national nightmare in Greece.

In terms of social justice, the enforced, ‘socially-blind’, measures have ‘hacked to pieces’ lower incomes, job opportunities, social and labour
rights. Horizontal reforms have made pensions lower and more unequal, favouring the survivors in the labour market arena and the privileged professional groups. The framework imposed intensifies dependency in labour market participation and pressures against full and/or descent employment. However, the severe extent of tax and contribution evasion remains largely untouched and, still, even under these emergency conditions, ‘opting-out’ remained the pattern of securing favourable treatment for powerful groups at the expense of less powerful ones (Matsaganis 2012). Nevertheless, some corrective just policies have been enacted: curtailing extensive fraud in social benefits; imposing progressive taxation for higher pensions, favouring lower benefits and higher ages. Still, income, employment and redistribution are shrinking, exacerbating the vast economic/justice deficit. Income in the country fell by more than 25 per cent in 2011 and, following the fourth austerity Memorandum of November 2012, will suffer a further huge fall in 2013-16.

A social policy ersatz is implemented in Greece; it restrains the welfare state while the impoverished society seeks after a social shelter. Pension cuts exacerbate inequality and encourage individual solutions for the more advantaged. Health restoration reinforces dangerous limitations to the right to health. Social assistance remains inexistent. Deregulation squeezes industrial rights. Austerity policies leave aside any kind of redistribution or de-commodification concerns. In the interests of social justice, rationing scarce resources to cut budget deficits and not to improve social protection evidently has to change in Greece (Matsaganis 2012). People in Greece experience a dramatic fall in living standards, in available income, in social security and provision. The agony is that there
is a certainty of further wage and pension reductions and loss of socio-economic rights (Papadopoulos & Roumpakis 2012). It is the abolishment of European social rights, which outline the ethos of the international ‘rescue plan’ supposedly qualified to deal with the Greek fiscal crisis. However, austerity measures are currently producing too many deprived and much more insecure social strata while other strata become better insulated from contributing to the resources needed to serve the ‘common good’. This situation underlines the need for a crisis social policy approach that takes into account not only of individual needs and of the social benefits that promote social welfare but also engages with the sort of community in which we aspire to live; what T H Marshall (1950) referred to as the ongoing war between citizenship and social class (Sinfield 2011).

3.3 The social change vision (crisis social policy and social justice)

For many decades representative institutions in Greece - political parties and trade unions - promoted clientelistic/occupational interests and party-union dependency; allocated benefits and granted offices using criteria far removed from notions of justice or meritocracy; and shared different and differing values far from a genuine notion of the ‘common good’. Civil society was fragmented, collective values were feeble, and individualization flourished. In short, Greek welfare capitalism developed according to organized interests irrespective of need and any sense of equality, distributing provisions in favour of the more advantaged.

Still, the extent to which the above social and institutional arrangements are regarded as fair or remain acceptable is clearly shrinking during the
crisis. The material and social inequalities of the ‘affluent’ last decades have now become unjustified, with income reductions provoking insecurity to all social classes, poverty to the middle and severe deprivation to the lower ones. This was not inevitable: a crisis does not necessarily translate into lower family incomes or to greater inequality and poverty (Matsaganis 2012). The current social costs are inherently linked to the traditional welfare injustices including unequal access, provision and opportunity. They are products of social policy arrangements that have adopted individualism/clientelism, focusing on unevenly publicly financed and unfairly granted, namely contributory, benefits. Further, they are products of societal values that traditionally tolerated and promoted a welfare system lacking solidarity/justice concerns and, of course, ignoring citizenship duties. A system where the distribution of power, resources, or opportunities was traditionally far from equal, the rights of minorities (especially immigrants) were absent, and structures of participation or a culture of empowerment were unknown. Based on a contested kind of ‘differential anti-citizenship’ granting rights according to dubious criteria, this system is now also under a serious crisis. Still, this national ‘social deficit’ can be readdressed - a new social contract can be instigated in Greece.

As noticed in the first theoretical part, distributonal equality favours a range of social policies that are concerned with a fair reallocation of resources and opportunities. A decent minimum equalisation of the major aspects of welfare cultivates a commitment to reduce inequality and a legitimization of redistributive policies. ‘Postmodern’ social policy is to be co-organised by the state and civil society and is to be motivated by distributive justice and the fundamental component of equality. It is a
policy that has to develop a much more sophisticated analytical paradigm and to focus upon the current complexities of social inequality. In this framework, the new Greek model should incorporate social participation with welfare provisions and cultivate a social culture inspired by a commitment for less inequality and more equal opportunity.

Today, given the national race to the bottom, there is an imperative need for a social revival, which fundamentally demands a new distributive social justice pattern. Limited resources and large problems urge for a multidimensional reorganisation of social protection. First, by covering at a sustainable level, basic material needs in terms of minimum income, health and educational services. Second, by equalising/redistributing non-material resources in terms of power, access, merit and opportunity. Third, by promoting/safeguarding both citizenship rights and communal duties. It is an antipoverty strategy balancing poor economic resources with viable sociopolitical legitimacy; aiming at an inclusive ‘differential social justice’; building a relationship of trust between the individual and the community; encouraging the concept of ‘active citizenship’; reinventing the concept of common good through empowered social groups and institutions.

In policy means, the strategy towards communitarian ideas and social solidarity should include a two-level change. Immediately, by a fairly redistributive social policy system catering for basic needs. In the long run, by cultivating collective patterns in families and education –a concern for justice and equality encompassing also inter-generational
redistribution. Launching a social justice agenda should embrace the power of legitimacy in the three essential dimensions:

- The social, by implementing fair and decent social policy measures.
- The political, by introducing an empowering institutional framework and inclusive/participative procedures promoting citizenship rights.
- The economic, by pursuing effective funding/administrative adjustments reconciling social protection with employment incentives.

Against this background, and to achieve higher levels of social justice, the necessity to reverse the diminishing conditions for decent employment, job opportunities and social protection is essential.

At another level, as long as a deeper politico-economic unification in Europe remains doubtful, the reinvigoration of the project of a comprehensive European Social Model remains wishful thinking. This leaves no space for optimism for welfare Europeanization in countries such as Greece while current EU/IMF intervention is enforcing austerity generating enormous public antipathy towards EU. But, crises can be used as an occasion to improve social policy and strengthen social security (Prasad and Gerecke 2010). This means that at the moment, a national social reform can and should take the lead starting from the restoration/strengthening in the areas of health and education by reinvigorating public hospitals, health centres, schools and universities. The redistributive impact of public education and health services in Greece is significant and reduces inequality at a considerable extent
(Koutsabelas & Tsakloglou 2010) while the need for social protection is now much greater than ever before (e.g. Matsaganis 2012). The austerity policies against fiscal deficits are diminishing welfare resources and outcomes while increasing welfare demand and recession.

Traditional social policy alone cannot eliminate inequality in Greece. To recognise inequality involves the need for structural change, acceptance for sacrifices by the majority and acknowledging the limits of conventional welfare (Titmuss 1965). The Greek structural/institutional reform must inaugurate a degree of quality in socioeconomic relations. This includes reasonable control of market mechanisms; modernization/rationalization of public administration; a fair taxation system eradicating tax-evasion. And further, it calls for the reallocation of opportunities by the new welfare mix that should combine at least three elements: the distribution of non-economic provisions (such as universal basic services in health and education); the redistribution of non-economic resources (such as equal access, opportunities, recognition and power); the allocation of a minimum income by a sustainable universal scheme.

Unjustified inequality is the major contributor to the imbalances that led to the financial and political crisis. Experience reveals that it is very difficult to cut social spending without increasing inequality by reducing benefits. In this respect, welfare provision has to be focused upon redistributive basic adjustments in favour of low-income families. OECD data underline also the importance of well-targeted government transfers during economic slumps, as well as during the recovery (Immervoll & Richardson 2011). Still, although some kinds of
redistribution policies through social transfers might be ineffective and/or unsustainable targeting on behaviour or non-income characteristics can produce cost savings while leaving job-search incentives intact (Immervoll and Llena-Nozal 2011). The support of low-income groups presupposes employment and earnings growth to achieve descent remuneration and to contain increasing rates of ‘in-work’ poverty. Policy action to confront inequalities within the labour market, mainly those between standard and non-standard forms of employment, is another urgent task.

In a strongly individualistic Greek society, welfare reform should accommodate the equilibrium between meritocracy/equality and individualism/collectivism. A kind of a Rawlsian system of fair inequalities defining a situation where the opportunities available to individuals to benefit from privileges are fair, and surplus inequalities are so adjusted that greatest benefit is accumulated to those least advantaged. This requires a distributive machinery able to influence both social-cultural processes and material-financial outcomes.

During the 2010-12 upheaval, real social policy considerations had little chance for attention in the Greek political agenda. However, given that economic and social policies are parts of an integrated and interdependent whole, agreement cannot be reached on economic policies unless their social implications are taken into account (Atkinson 2012). To safeguard social cohesion and to prevent from social unrest, the rising numbers of poor and unemployed people have to be protected. Social service cuts can be particularly harsh when a large number of people cannot afford commodified services. Crisis social
policy in Europe, seem rather concentrated on individual job losses than risks facing households and families (Immervoll and Llena-Nozal 2011). Policies for non-working partners are also needed to enhance women’s participation in the labour market and chances to escape from poverty in the household.

It goes beyond the ambitions of this paper to provide a social policy reform framework in concrete terms. This is the task of a forthcoming work, which investigates the relationship of the current legislative interventions in Greece with the ideas/considerations of this paper. Briefly put, without a radical change in the political economy of welfare, the depressing features and the discouraging outcomes of the Greek welfare system will remain untouched. Our broad –perhaps rhetorically forceful but pragmatically trivial- policy proposals towards egalitarian ends embrace directions to

- reshape the mix of welfare finance increasing the part of general taxation and reducing the role of insurance contributions
- rebalance benefits in cash and in kind in favour of the latter (social services/ ‘social wage’) with greater emphasis to old-age and child care
- reset social spending priorities by increasing funds for health (NHS) and education and by cost-containing the pension system
- equalise pensions’ criteria eliminating privileges and improving instead minimum pension levels against the increasing old-age poverty risk
• introduce a comprehensive unemployment protection scheme to deal seriously with the prevailing national hazard

• establish a social safety net including both a sustainable minimum income and an equalisation of access in social services

• introduce means testing for non-contributory targeted benefits for vulnerable groups

• eradicate both ‘welfare corruption’ (‘dead pensioners’, healthy disability beneficiaries, etc.) and insurance contributions’ evasion

• reorganise the labour market and the social dialogue mechanisms aiming at re-humanising industrial relations

This list of sustainable reforms begs the question of a vertical redistributive element placing special emphasis to intergenerational justice. It has to embrace incentives for citizenship/communal participation, for better and more just social provision, for a fair allocation of tax burdens. It also has to preserve the family as the major welfare –and also communal - institution to prevent child poverty and further demographic shrinking. The aim at reconciling the recovery of both the Greek families’ and the Greek state’s budgets is complex. The average social spending of one quarter of GNP should be reoriented in a way producing outcomes comparative to the developed EU countries. These reforms have to guarantee a fair allocation of benefits to the older ones and of opportunities to the younger ones motivated by equality of rights safeguarding participation in socio-economic restoration.
4. Conclusion

We live in a world characterised by commodification and increasingly precarious employment, weak politics but strong markets, weak distributive concerns but strong individual interests. By the end of the 20th century, societies relied less upon traditional welfare intervention, considering post-war policies as unable to secure postmodern risk-prevention. In the crisis era of the early 21st century, it is rather the old-type inequalities associated with the industrial era that now increase poverty and injustice. Postmodern conceptualisations distinguished three tendencies. First, that insecurity and hazards become increasingly universal. Second, that societies become more and more individualised. Third, that the new risks increase inequalities and injustices against the poor. Crisis conceptualisations underpin today the third one –‘old wine in new bottles’.

Social justice advances equality, embraces liberty and enhances welfare. Promoting justice is about more than increasing income and creating jobs. It is also about rights, dignity and voice for all as well as an economic, social and political empowerment (ILO 2011). This draws upon a social policy paradigm embracing a remixing of the economy of welfare and an additional reallocation of non-economic resources that should pursue communal active citizenship. The crisis of today requires redistribution machineries funding universal social provision. The society of tomorrow needs reshaping of patterns and institutions.

In contemporary Greece, individualism, clientelism and privilege are key-elements in understanding the negative impact of social policy to social justice. The 2010-12 international austerity plan brings about severe
rapid change. This is a blind and unconscious reform that reinforces unjust social implications. It promotes the embedded inequality; it diminishes income and social expenditure; it extents insecurity and commodification; it curtails inefficient welfare provision and hardly won labour rights. Pension and health reorganisation is based to cuts and is related to insurance contributions, in the ‘era of unemployment’. The storm hits more the less privileged/protected, the young and those in precarious employment. Social redistribution is negative and a safety net is absent.

Crisis social policy in Greece is defined by market imperatives and EU/IMF directives, which neglect or appear to have little understanding of reality. This threatens key aspects of social cohesion and reproduction. Reforms fail to restore the endemic welfare inefficiencies/imbalances and to provide basic protection for the more vulnerable. The need for a coherent welfare policy is now as high as the risk of poverty. The enforced social policy ersatz draws upon a creeping austerity policy aiming at macroeconomic restoration at the expense of ‘micro-social’ welfare and of European social rights. The national turmoil and the international misfortune reinforce inequality and inequity. Ten years after Greece’s inclusion in the Eurozone, the future of the country is heart-breaking and the vision for a comprehensive/inclusive Social Europe for all European citizens is fading.

But, at the end of the day, the theorisation of social justice and the choices of social policy are about the kind of society in which people want to live. This paper considered the case for a crisis social policy, which in Greece should be based on a new national pattern of
values/choices and not on international intervention. It identified a social change incorporating citizenship rights (representation, redistribution, recognition) with basic welfare provisions (minimum income, health, education) while nurturing a communitarian culture. A new culture inspired by a commitment for less social inequality and for more distributive justice. This vision should be founded on a new political economy of welfare reconciling market individualism with a common good civil concept. Is this a too good to be true scenario? Perhaps it is. But, if a real social change reshaping values and patterns cannot be somehow initiated and defended in Greece, institutional, political and economic underdevelopment will force the country back to a Balkan misery. In a nutshell, given the current policy trajectory, the deep economic upheaval can transform into a far deeper social crisis.
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