Social Policy in Greece

I. In constant crisis
II. Crisis social policy: the ‘theory’
III. Crisis social policy: the Greek practice
IV. Conclusion
I. Welfare capitalism in Greece

For
- clientelistic, occupational interests
- the more advantaged

Far from
- need, rationality, solidarity
- social policy criteria
- Europeanization/European Social Model

Inequality - Inefficiency
Social Policy before the Crisis

- no concern for solidarity rights and citizenship duties
- unequal distribution of power, resources, opportunities
- no social rights for minorities
- no structures/culture for participation and empowerment
- based on a contested kind of ‘differential anti-citizenship’
- a ‘system’ under an inherent crisis
- need for reform / new social contract
“Social Policy”
during the Crisis

- far from fair or ‘legitimate’ urgent and violent ‘political’ ‘adjustments’
- traditional social inequalities now become unacceptable and source of insecurity and/or, poverty – deprivation
- inevitable ruinous social outcome???
- social costs inherently linked to welfare injustices (access, provision, opportunity)
- past arrangements (individualism / clientelism / unfair benefits) “pay back” by current uneven misfortunes
II. Theoretical considerations

- distributional equality: social policies for a fair reallocation of resources/opportunities
- decent min equalisation of major welfare aspects
- commitment to reduce inequality
- legitimization of redistributive policies
- ‘postmodern’ social policy: state and civil society, distributive justice and basic equality
- focus upon current complexities of social inequality
- a new Greek model (social participation / welfare provisions, commitment for less inequality / more equal opportunity-respect-merit)
Policy choices to face large problems with limited resources

- Social revival by distributive social justice
- Multidimensional welfare reorganisation, sustainable protection for basic material needs (min income, health, education)
  1. Equalising/redistributing non-material resources (power, access, merit, opportunity)
  2. Promoting/safeguarding both citizenship rights and communal duties
- Balancing poor economic resources with viable sociopolitical legitimacy and support
- ‘Differential social justice’, individual trust to community, ‘active citizenship’, common good, empowering institutions
The social policy strategy

A two-level change
1. a redistributive system catering for basic needs
2. cultivating collective patterns, justice, equality and encompassing inter-generational redistribution

A policy agenda for legitimacy in the
1. social dimension (fair/descent measures/provision)
2. political dimension (empowering institutions, inclusive/participative procedures promoting citizenship rights)
3. economic dimension (effective funding / administrative adjustments reconciling social protection with employment incentives)
   - revive conditions for descent employment, job opportunities and social protection
Europeanization or ‘nationalisation’?

- ‘anti-welfare’ Europeanization for the national crisis of vulnerable countries
- crises can be used as an occasion to improve social policy and strengthen social security
- a national social reform should take the lead starting from the restoration in health and education (Greece???)
- austerity policies against fiscal deficits: diminishing resources and increasing demand in welfare
A new Greek welfare allocation mix

1. distribution of non-economic provisions (universal basic services in health and education)
2. redistribution of non-economic resources (access, opportunities, recognition, power, respect)
3. allocation of a minimum income by a sustainable universal scheme

[Unjustified inequality is a major contributor to the imbalances that led to the national crisis]
Other experience? Focus on:

- redistributive basic adjustments in favour of low-income families
- **well-targeted** transfers during both crisis and recovery (OECD 2011) – credible means testing in Greece???
- behaviour or non-income characteristics
- low-income groups descent remuneration against ‘in-work’ poverty/labour inequalities

**BUT:** difficult to cut social spending without increasing inequality / poverty
Social policy reforms (1)

- reshape welfare finance (more taxation, less contributions)
- rebalance welfare benefits (less in cash, more in kind – social wage)
- re-focus on old-age/child care
- reset social spending priorities as % of GDP (more funds for health/education, less for pensions)
- equalise all pensions’ criteria (no privileges, raise minimum levels)
- ‘reinvent’ unemployment protection
Social policy reforms (2)

- establish a social safety net (minimum income-equal access)
- introduce non-contributory targeted benefits for vulnerable groups
- eradicate ‘welfare corruption’
- diminish contributions’ evasion
- reorganise labour market
- re-humanise industrial relations
Social Policy Reform Strategy

- vertical redistribution
- intergenerational justice
- citizenship/communal participation
- improve social provision
- preserve the family institution
- outcomes comparable to the developed social policy systems
- fair allocation of benefits, access, opportunities
- equality of rights
Social Policy Decisions during the Global Crisis

- severe consequences for welfare states
- heavier implications for the most vulnerable (individuals and systems)
- ‘used’ to recast rapidly social policy systems and provisions
- institutional changes/dramatic cuts in social spending in financially vulnerable countries
- specific ideological/conceptual nature of reforms
- ‘used’ to legitimise unacceptable/unfair changes in a period of growing social need
III. Social Policy Decisions during the Greek Crisis

- welfare collapse mainly due to ‘national peculiarities’
- tripartite international emergency plan
- violent intervention enforced painful retrenchment and deregulation policies
- drastic austerity measures in welfare
- heavy and socially ‘blind’ horizontal cuts
- social upheaval / political unrest
- not a timely and effective response
- punitive than solidarity concept
- 25% income loss (to be continued…)
The anti-social policy reform
(or “the prize” for international aid)

- diminishing social spending, labour rights, welfare provisions
- huge impact on cash benefits – mainly pensions level, criteria, etc.
- heavy impact on social services
- health: severe cost-cut -NHS???
- social assistance: extinguish a residual provision – poverty???
- labour: deregulation, shrinking of minimum earnings
Pension reform

- abolition of 25-30% of annual income
- contain annual spending(%GDP) until 2060
- established lower benefits/higher retirement age – contribution period (65 for men and women)
- reduce insurance privileges
- a new universal **basic pension** (360 euros from 2015)
- first wave: unjust/unjustified exceptions
- maximum pension income
- fair taxes and/or reductions depending on pension level and age enforced on top
Pension reform(s) revisited

- next waves: less injustice, deeper shrinking
- new progressive cuts alleviating mosaic
- “revoked” part of the initial exemptions
- revoked State funding in social insurance
- emphasis: individual contr. equivalence
- supplementary contr. pensions 30% down
- social insurance budgets ??? (higher unemployment, lower wages, higher demand)
- reduces spending, provision, redistribution
- reduces privileges, bankruptcy prospects
- **real change:** new basic low pension (redefinition a residual system towards a Beveridgean type of minimal provision)
Health reform

- blocked by vested interests (until 2010)
- a ‘case study’ area (inertia/irrationality/commodification/corruption)
- EU-IMF top priority: an overall cost-cut platform (15% ‘appetizer’ for 2011-12)
- NHS services demand mounting/provision diminishing
- unification of primary care services (EOPPY) without resources
- new public-private welfare mix in hospital services, cuts in pharmaceutics
- **BUT** necessity to improve service quality (OECD 2011)
- financial restoration or demolition of NHS?
Wither Social Assistance?

- provision poor and deplorable
- no national programme of minimum income
- merging of some services
- stricter means-testing conditions
- re-appraisal to abolish welfare fraud
- need criteria for assistance benefits replaced by disgraceful clientelistic criteria for political benefits
Employment

- assault to remuneration and labour / industrial rights
- deregulation / ‘flexibilisation’ / devaluation / ‘under-protection’
- rising gap between labour & capital
- Min wage down to 586e and is to be replaced by a ‘min wage mechanism’…
- competition / productivity aim
- salaries /wages down by 25-30% in both public and private sector
- reorganising/reducing public sector?
- active labour policies?
(Un)Employment

- "equilibrium" between labour legislation and unemployment non-protection???
- rights: shrinking employees’ / expanding employers’ power
- unemployment in the private sector out of control (official more than 26 and real more than 30%)
- flexibility without security recipe ???
- enlarged informal labour market / non standard, pre-carious employment / indescent industrial relations
- low unemployment benefits-stricter eligibility criteria
- benefit reduced from 460 to 360e per month - subject of further cut
- **Unemployment: THE national nightmare**
Corrective proper policies

- imposing progressive taxation for higher pensions (favouring lower benefits and higher ages)
- more sustainable, just, rational pension system in the long run (mostly by default)
- a contribution system reform (simplification-4% decrease)
- curtailing welfare fraud and waste in health
- means tested non-contributory benefit for the long run unemployed (max 12 months)
- pilot programme of min income guarantee (2014-two areas)
The Greek social policy ‘ersatz’

- restraints the residual welfare state
- pension cuts exacerbate poverty-inequality
- health reform diminish the right to health
- social assistance remains inexistent
- deregulation squeezes industrial rights
- leaves aside redistribution / income maintenance / de-commodification
- rationing scarce resources to cut budget deficits dismantles social protection
- social than economic national deficit
- a type of ‘anti-European’ social rights?
IV. The Greek Social Policy way-out

- social welfare / citizenship rights-duties
- interrelate economic and social policies to appreciate social implications
- overthrow individualism/anachronism
- balance meritocracy/equality, individualism/collectivism, State/market choices
- a Greek form of a ‘Rawlsian system’…
- a distributive machinery for social-cultural processes / material-financial outcomes
- remixing welfare economy
- reallocation of non-economic resources
- sustainable universal social provision
Real Social Change

- new national pattern of values/choices
- incorporating citizenship rights (representation, redistribution, recognition) with basic public welfare provisions (minimum income, health, education)
- nurturing a communitarian culture
- commitment for less social inequality and for more distributive justice
- reconciling market individualism with a common good civil concept
Theory versus Practice in the Greek arena – score???

- long run radical political decisions vs emergency economic situation
- social pattern change vs social inertia
- re-distributional equality/citizenship vs inherent individualism/favouritism
- weak institutional/political system vs new social contract
- current sacrifices vs future misfortunes
- redistributing non-material/economic resources (power, access, merit, opportunity) vs embedded inequality
- intergenerational justice vs generic anti-solidarity (even against our children)