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 from 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 reformsations 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 occupationalists 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 in 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 occupationalists 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)

![Graph: Investments of Professional Pension Funds in million Euros](image)

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\textsuperscript{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.

\textsuperscript{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 its 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)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NAME OF THE FUND</th>
<th>INSURED INDIVIDUALS’ TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>OCCUPATIONAL INSURANCE FUND OF THE MINISTRY OF</td>
<td>35,398</td>
</tr>
</tbody>
</table>

1 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.
### Table 3.4.b: Percentage (%) of Participants in Occupational Pension Funds (2008).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TEAGE</th>
<th>ETAO</th>
<th>TAE-ELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>-</td>
<td>-</td>
<td>10876</td>
</tr>
<tr>
<td>2005</td>
<td>-</td>
<td>-</td>
<td>10841</td>
</tr>
<tr>
<td>2006</td>
<td>-</td>
<td>1065</td>
<td>10445</td>
</tr>
<tr>
<td>2007</td>
<td>473</td>
<td>1228</td>
<td>10088</td>
</tr>
<tr>
<td>2008</td>
<td>577</td>
<td>1319</td>
<td>9808</td>
</tr>
</tbody>
</table>

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 provisions⁴, the percentage of

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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\textsuperscript{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\textsuperscript{6} and 0.0150% for 2008, is shown indicatively below.

**Graph 3.4.a: Occupational Pension Funds’ Property.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Property (% GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0.0002%</td>
</tr>
<tr>
<td>2006</td>
<td>0.0004%</td>
</tr>
<tr>
<td>2007</td>
<td>0.0008%</td>
</tr>
<tr>
<td>2008</td>
<td>0.0016%</td>
</tr>
</tbody>
</table>


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

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

\textsuperscript{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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