



ΠΑΡΑΤΗΡΗΤΗΡΙΟ
CRISIS ΓΙΑ ΤΗΝ ΚΡΙΣΗ
OBSERVATORY

Πρωτοβουλία: Initiated by:



Υποστήριξη: Supported by:



No 27_February 2015

Policy Paper

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

Dimitri A. Sotiropoulos
Associate Professor, Faculty of Political Science and
Public Administration, University of Athens,
ELIAMEP Senior Research Fellow

Copyright © 2015

Hellenic Foundation for European and Foreign Policy (ELIAMEP)

49, Vas. Sofias Avenue, 106 76 Athens Greece

Tel.: +30 210 7257 110 | Fax: +30 210 7257 114 | www.eliamep.gr | eliamep@eliamep.gr

CRISIS OBSERVATORY | www.crisisobs.eu | info@crisisobs.gr

All Rights Reserved

The Double Mismatch:

Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

Dimitri A. Sotiropoulos

Sotiropoulos A. Dimitri, Associate Professor at the Department of Political Science and Public Administration of the University of Athens. He has also taught at the University of Crete and at the Institute Juan March, Madrid, Spain. In January-August 2003, he was Senior Research Fellow of the Hellenic Observatory, at the London School of Economics and Political Science (LSE) and in 2009-2010 he was Visiting Fellow, Southeast European Studies (SEESOX), European Studies Center, St. Antony's College, Oxford. He has studied Law at the University of Athens (LLB, 1984) and Sociology at the LSE (M. Sc.) and at Yale University (M.A. 1987, M. Phil. 1988, Ph.D. with Distinction, 1991). He has published articles in West European Politics, Southeast European and Black Sea Studies, South European Society and Politics, Journal of European Social Policy, Social Policy and Administration. He has been coordinating editor of the Greek Review of Political Science. His latest books in English are the following: *Is Southern Europe Doomed to Instability?*, co-edited with Thanos Veremis, London: Frank Cass, 2002; and *The State and Democracy in the New Southern Europe*, co-edited with Richard Gunther and P. Nikiforos Diamandouros, Oxford: Oxford University Press, 2006.

ELIAMEP offers a forum for debate on international and European issues. Its non-partisan character supports the right to free and well-documented discourse. ELIAMEP publications aim to contribute to scholarly knowledge and to provide policy relevant analyses. As such, they solely represent the views of the author(s) and not necessarily those of the Foundation.

Table of Contents

Abstract.....	4
Introduction	5
Poverty and social exclusion as overlapping but distinct concepts	6
Anti-poverty policies and fighting social exclusion in Greece before the onset of the economic crisis.....	7
The bias of the Greek welfare state against the really poor	8
Historical legacies of social policy and anti-poverty policy in Greece	9
The economic crisis and its aftermath	10
The reaction of policy-makers to the eruption of the economic crisis	12
Anti-poverty policies in Greece in the wake of the economic crisis.....	14
The discourse on and perceptions of poverty and social exclusion	17
Conclusions	31
ANNEX: Quotes From Personal Interviews with Politicians and Journalists on the Economic Crisis, Poverty and Social Exclusion in Greece	34

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

Dimitri A. Sotiropoulos

**Associate Professor, Faculty of Political Science and Public Administration, University of
Athens, ELIAMEP Senior Research Fellow**

Abstract

Based on recent statistics on the social impact of the financial crisis, on an overview of social policy measures to tackle poverty and social exclusion in Greece during the crisis, as well as on interviews with politicians, reporters, trade unionists, technocrats and NGO members that took place in 2014, this paper brings out a problem of double inconsistency or mismatch. The first inconsistency lies in the extent and complexity of poverty and social exclusion in contemporary Greece, on the one hand, and in the public policy measures adopted between 2010 and 2014 to tackle these phenomena, on the other. The second inconsistency is the result of both these phenomena and the vague and inaccurate perceptions of poverty and social exclusion held by those involved in policy making and shaping public opinion. Overall, there has been a gap between the severity of social problems caused by the crisis and the response at the level of understanding these problems and formulating appropriate policy measures.

Introduction

As it is well known, there are many difficulties in defining and measuring poverty¹. There has been academic and policy-oriented research on absolute and relative poverty for a long time (over two decades in the EU). However, research on social exclusion, which is *not* synonymous to poverty, has not reached a corresponding level of consensus over its precise meaning and measurement. At first sight social exclusion may be understood as long-term or even permanent exclusion from the labour market. Indeed, this is what some of our participants in the empirical research, discussed in this paper, have noted. Yet, it is a concept which has been introduced to understand the multi-dimensional character and effects of poverty as well as non-economic aspects of poverty.

Poverty is understood primarily as a economic phenomenon which can be measured in its objective and subjective dimensions and in various absolute and relative terms. Following Amartya Sen, one can also understand poverty as a socio-economic phenomenon, namely the lack of capability to lead a minimally decent life.² (For details on Amartya Sen's approach see section 3.2.2 of the Social Profile report of WP1 of the FRAGMEX research project)

Similarly, there are more than one, non-economic ways to understand social exclusion.

Very briefly, in cultural and social terms, social exclusion may occur when the bonds between an individual and society may become loosened. An individual may find himself or herself outside the cultural boundaries constructed by a society to which he or she may have once belonged or may aspire to belong.

A different way to approach social exclusion is to understand it as discrimination against an individual or a racial, ethnic, religious, linguistic or gender group/category of individuals. Discrimination may not be limited to discourse which excludes, i.e., marginalizes such people, but may assume more material forms. Examples are social and state-led practices against the excluded or even laws and regulations explicitly excluding them from access to otherwise available rights, freedoms or services.

Another way to understand social exclusion would be to focus not at the individual but at the group level of analysis, when a group is powerful enough to create boundaries that set itself 'off limits' for other groups.

¹ See sections 3.1 and 3.2 of the Social Profile compiled by ELIAMEP's Crisis Observatory

² See SILVER, Hilary (1994), "Social Exclusion and Social Solidarity: Three Paradigms," *International Labour Review*, vol., 133, nos. 5-6, pp. 531-578 ; and SEN Amartya (2000), "Social Exclusion: Concept, Application, and Security", Asian Development Bank, June 2000, available at http://housingforall.org/Social_exclusion.pdf, last accessed on 16.09.2014.

Poverty and social exclusion as overlapping but distinct concepts

Naturally, in the context of economic crisis, it is more difficult to tell the difference between on the one hand victims of the crisis who experience downward social mobility and become poor and on other hand other victims of the crisis who become socially excluded. New, suddenly occurring poverty may be conflated with social exclusion. How can we distinguish between the two (poverty, social exclusion)?

Very briefly, one could argue that essentially a person can be poor, but perhaps not socially excluded, if he or she has access to basic welfare usually provided by the state. A person may be poor but not socially excluded if he or she has access to housing, health, education and social services and is not discriminated by state authorities or the local community in which this poor person lives.

Conversely, a person may belong to the non-poor income groups, for instance may be a member of a minority having decent work, but may suffer from social exclusion. This would be the case of a non-poor person who is effectively barred from access to welfare allowances and services, owing to lack of information and skills to seek and use state-provided welfare services. A second case would be that of a non-poor person lacking information and skills to achieve his or her integration in a community. And a third case of social exclusion of a non-poor person would be the result of racial, ethnic, linguistic, gender, religious or other discrimination to which the non-poor person is subjected.

An aspect of the research presented in this paper, which has been carried out by researchers of ELIAMEP's Crisis Observatory and the Hellenic Open University (Educational Content, Methodology and Technology Laboratory of the EAP), is to map and interpret the discourse on and perceptions of poverty and social exclusion (see chapter 2 and particularly sections 2 and 3 of this chapter written by Aspasia Theodosiou and chapter 3 written by Maria Zafeiropoulou in the deliverable of the EAP team) However, in order to interpret such discourse and perceptions, one has to place them in a historical and socio-political context. For this reason, in what follows, we first give basic statistical data about poverty and social exclusion, as well as other social indicators, offering a glimpse at the economic crisis in Greece. Then we delineate legacies of anti-poverty policies in Greece before the economic crisis erupted and we discuss policy measures taken by the Greek government to alleviate the problem of poverty and social exclusion in the wake of the crisis. Finally we report and comment on discourse on poverty and social exclusion in the context of the crisis, as registered in a series of personal structured interviews with Members of the Greek Parliament (MPs), journalists, representatives of trade unions, technocrats and NGO staff members, conducted in the spring and summer of 2014 in Athens and Patras.

Anti-poverty policies and fighting social exclusion in Greece before the onset of the economic crisis

Poverty and social exclusion were widespread in Greece before the onset of the economic crisis (in 2010) as were the problems of fiscal sustainability of the Greek state. In 1990-2010 the poverty rate hovered around 20 per cent, while the unemployment rate fluctuated between 8 and 12 per cent. There was also social exclusion of numerous groups, such as the Roma, the inhabitants of poor mountainous areas and isolated island communities, the Muslims residing in the poorer rural areas of Northeastern Greece and in run-down areas in the center of Athens, the drug addicts roaming the streets of large urban centers, ex-convicts, and people with disabilities.³

As shown in chapter 6 of the Social Profile report of WP1 (see Figure 53), the Greek state in the 2000s devoted an increasing share of social spending on pensions, while there was no minimum income guarantee (MIG; Greece was the only country in EU-15 with no minimum income guarantee scheme).

Anti-poverty policies in Greece never acquired priority over other welfare policies, either before or after the beginning of the crisis.⁴ Whenever new anti-policy measures, such as the introduction of a MIG scheme, were publicly debated, as was indeed the case in the late 1990s, there was no progress. Governing politicians, regardless of whether they belonged to a center-left or a center-right government, argued that the fiscal burden of such policies was excessive. Even when, in the context of the Open Method of Coordination (OMC), policies to fight social exclusion were adopted, they served as nothing more than window dressing, namely a cosmetic effort to adapt to pressures stemming from the European Commission.⁵

³ On social exclusion in Greece see KASIMATI, Koula, ed., (1998), *Social Exclusion: the Greek Experience*, Athens, Gutenberg (in Greek). PETMESIDOU, Maria and Christos PAPANATHANASSIOU, *Poverty and Social Exclusion*, eds., (2004) Athens: Exantas (in Greek). KATSIOULIS, Elias, KARANTINOS, Dimitris, MARATOU-ALIPRANTI, Laura and Emmy FRONIMOU, (2005), *Dimensions of Social Exclusion in Greece*, Athens: EKKE (in Greek).

⁴ On poverty in Greece before the onset of the crisis, see section 4.1 of the Social Profile report, submitted as deliverable of WP1 of the FRAGMEX project, and the references cited in sections 4.1 and 4.2 of that report. In addition, see KARAGIORGAS, Sakis (1990), *Dimensions of poverty in Greece*, vols. A and B, Athens: EKKE (in Greek). TSAKLOGLOU, Panos (2000), «Poverty and Anti-poverty Policies in Greece and Comparisons with Other Mediterranean EU Member-States» Achilleas Mitsos and Elias Mossialos, eds., *Contemporary Greece and Europe*, Aldershot: Ashgate, pp. 331-355. MATSAGANIS, Manos, FERRERA, Maurizio, CAPUCHA Luis and Luis MORENO (2003), «Mending Nets in the South: Anti-poverty Policies in Greece, Italy, Portugal and Spain, *Social Policy and Administration*, 37 (6), pp. 639-655. PAPANATHANASSIOU, Christos and Maria PETMESIDOU (2004), «Inequality, Poverty and Redistribution through Social Transfers: Greece in Comparative Perspective» in Maria Petmesidou and Christos Papanathassiou, eds., *Poverty and Social Exclusion*, Athens: Exantas, pp. 307-366 (in Greek). IFANTOPOULOS, John, BALOURDOS, Dionyssis and Constantinos NIKOLOPOULOS, eds. (2009), *Economic and Social Dimensions of the Welfare State*, Athens: Dardanos (in Greek).

⁵ See LYBERAKI, Antigone and Platon TINIOS, (2002), *Work and Cohesion: The National Action Plans for Employment and Social Inclusion*, Athens: Papazisis (in Greek) and SOTIROPOULOS, Dimitri A. (2004), «The EU's impact on the Greek Welfare State», *Journal of European Social Policy*, 2004, 14, pp. 267-284.

The bias of the Greek welfare state against the really poor

A primary reason for this reluctance of the Greek state to fight poverty and social exclusion, even before the on-going crisis had started, lies in a fundamental distinction of welfare recipients, the distinction between insiders and outsiders of the labour market.

The distinction between insiders, such as members of the liberal professions (lawyers, doctors, engineers) and public sector employees, on the one hand, and outsiders, such as private sector workers, part-time workers, the young and the unemployed, on the other hand, has characterized the welfare state at least since Greece's transition from authoritarian rule to democracy (1974).

For instance, compared to private sector workers, the Greek state has typically awarded far more generous pensions to public sector employees, based on variable contribution periods and replacement rates. Before the pension reforms of 2010, i.e. reforms imposed by Greece's creditors in the context of fiscal consolidation, the state used to offer rather generous pensions for well-protected insiders.

The same held with other welfare benefits, such as family benefits and social assistance benefits, distributed by occupational schemes in very unequal terms. For example, generous benefits were handed out by the occupational social security funds of workers of state-owned enterprises, bank employees, and journalists in contrast to the major social security fund, IKA, which covers the rest of private sector wage-earners.

The rift between insiders and outsiders of the welfare system was the result of numerous long-term patterns such as a proliferation of insurance funds; occupational group-based pension contributions, benefit levels, and requirements for pension awards; and state subsidies to selected pension schemes, such as the pension schemes of state-owned enterprises.

In effect, Greek governments distributed welfare rights in an indiscriminate, patronage-ridden manner, in order to exchange favours for votes. Government employees consistently enjoyed higher average salaries and welfare benefits than private sector employees. Greece was a primary example of the 'The South European welfare regime'.⁶

For example, about 40% of Greek private sector workers were classified as working under arduous and unhealthy employment conditions. Winning such a classification was sometimes the result of really hard-working conditions (e.g., as far as workers working in mines were concerned), but in other times it was the result of small favours granted to narrow interest groups (such as hair dressers). There was also a strong patronage-based tradition in awarding invalidity allowances and life-long pensions, on the grounds of invalidity, in some regions. Such awards were often made on less-than-transparent criteria

6 FERRERA, Maurizio (1996), "The 'Southern Model' of Welfare in Social Europe", *Journal of European Social Policy*, 6, pp. 17-37.

(e.g., in the prefecture of Chania in Western Crete and in other islands such as Kalymnos, Zakynthos and Chios).⁷

Moreover, the social protection offered to people in need was almost exclusively based on cash transfers. Social services and transfers in kind were grossly underdeveloped. Finally, there was a problem with implementation and efficiency of the relevant policy measures, as shown by the fact that, after social transfers, poverty in Greece fell only by two percentage points, i.e., from 22 per cent to 20 per cent. As has been shown by recent research, there are glaring gaps and overlaps in the way Greek social protection has been organized and efficiency leaves a lot to be desired.⁸

One wonders why there were no extensive phenomena of abject poverty even before 2010. The most plausible answer is that before the crisis erupted, but also later on, after the economic crisis had broken out, it was the extended family which often provided the poor and the socially excluded with access to shelter, food, health care and pocket money. It was the family that substituted for state-run social services.

Historical legacies of social policy and anti-poverty policy in Greece

In view of the above, several patterns of social policy and more specifically anti-poverty policy emerge. These patterns, which were reproduced even after 2010, reflected long-term historical legacies in policy-making.

A first legacy was the propensity of successive governments to protect the rights and income of their political clienteles, which constituted of tenured civil servants and non-tenured employees of the public sector. Many such employees had been recruited on political patronage criteria throughout the four decades which have passed since Greece's transition from authoritarian rule (1974).

A second legacy, reflecting the relative power of trade unions of public sector employees and the employees of just a few hundred large private business firms, was the uneven and pension-heavy structure of welfare spending.⁹ In that respect Greece does not differ from the rest of European welfare states in which a disproportionate share of welfare spending is channelled to pensions. What makes the Greek case special, as shown in Tables 1 and 3 of this paper, is a pattern of over-spending on pensions and under-funding of social assistance and social integration policies, even when the dramatic social effects of economic crisis call for a different approach to poverty and social exclusion.

Since the onset of the economic crisis in Greece, in May 2010, diametrically opposed policies have started pulling the Greek welfare state apart. Social policy changes left very large

⁷ <http://www.kathimerini.gr/470118/article/epikairothta/ellada/xiostyfla-na-xei-h-zakyn8os>, last accessed on 22.09.2014.

⁸ OECD, *Greece: Reform of Social Welfare Programmes*, OECD's Public Governance Reviews, Paris, July 2013.

⁹ MATSAGANIS, Manos (2007), "Union Structures and Pension Outcomes in Greece", *British Journal of Industrial Relations*, 45 (3), pp. 537-555.

loopholes in social protection, but also simultaneously attempted to rationalize policy sectors, such as pensions and child benefits, in which necessary reforms had been postponed until the country reached the brink of economic collapse (see the following section of this paper). In a nutshell, social protection in Greece was fundamentally flawed before the crisis broke out.

The economic crisis and its aftermath

The problem with Greece's unsustainable public debt was known to Greek decision-makers, EU officials and international observers already before 2010. After a sharp rise in the 1980s, the public debt reached 100 per cent of the GDP in 1990s. From then on, with the exception of a short period in 2003 and 2004 when the Greek debt fell below the threshold of 100 per cent of the GDP and was temporarily stabilized, it never fell below the 100 per cent mark. In 2002 the debt already stood at 102 per cent of the GDP and by 2006 it had shot up to 106 per cent, giving a forewarning of what would follow.¹⁰

In May 2010, after it had been revealed that in 2009 the budget deficit had reached almost 16 per cent of the GDP and the public debt had soared to 129 per cent,¹¹ Greece and representatives of the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF), i.e. the so-called 'troika', signed a Memorandum of Understanding (MoU) and a loan agreement. A second MoU followed in February 2012. The MoUs were accompanied by a set of austerity measures in return for the loans. In other words, the MoUs were adjustment programmes calling for immediate fiscal consolidation.

In 2010-2014 the Greek government increased taxes on income and property in an unprecedented fashion and drastically cut social expenditure. It froze pensions and imposed reductions in unemployment, maternity, and sickness benefits. It abolished many benefits, including the 13th and 14th pensions which Greek pensioners used to receive on a 12 month basis; the life time pensions awarded to mothers with four or more children; the main housing benefit and the birth grant.¹² Some of these measures may have led to some streamlining of social spending but, above all, have resulted in the retreat of the state from the social protection of the salaried strata, the unemployed, the poor and the socially excluded.¹³

Austerity brought about unexpectedly high depression in the economy and a tremendous cost to the aforementioned vulnerable strata. Between 2008 and 2013 the Greek economy

¹⁰ Eurostat data on the evolution of the Greek public debt, available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teina225>, last accessed on 6 October 2014.

¹¹ Eurostat data available at <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>, last accessed on 25 June 2014.

¹² Manos Matsaganis and Chrysa Leventi, "Distributive effects of the crisis and austerity in seven EU countries", Working Paper 14/04, 2004, Research Programme IMPROVE, pp. 42-43, available at http://www.centrumvoorsociaalbeleid.be/ImPRovE/Working%20Papers/ImPRovE%20WP%201404_1.pdf, last accessed on 23 June 2014.

¹³ MATSAGANIS, Manos (2012), "Social policy in hard times: the case of Greece", *Critical Social Policy* 32 (3), 2012, pp. 406-421.

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

was in recession for six consecutive years and by the end of 2013 GDP had shrunk by 25 per cent. The social impact of these economic developments is documented in sections 5.1, 5.2, and 5.3 of the Social Profile report of WP1 where successive figures testify to the worsening of poverty, social exclusion and inequality over time. Moreover, as Table 1 below shows, by 2012 in Greece all social indicators and above all poverty, unemployment and youth unemployment had worsened dramatically. In 2013, unemployment rose to 27 per cent, while youth unemployment (15-24 age group) stood at 61 per cent.¹⁴

Table 1. The social effects of the economic crisis. Greece in the comparative perspective of the European Union (EU)

	Greece 2009	EU 2009	Greece 2013	EU 2013
0-17 aged living in jobless households	4.8%	10.2%	12.9% (2012)	11.1% (2012)
Youth not in employment, education, or training	16%	14.8%	28.9%	15.9%
GINI coefficient	33.1%	30.5%	34.3% (2012)	30.6% (2012)
Unemployment	9.5%	8.6%	27%	11.1%
People at risk of poverty or social exclusion	27.6%	23.2%	34.6% (2012)	24.8% (2012)
Materially deprived	11%	8.2%	19.5%	9.9%
Youth unemployment rate (15-24)	25.8%	19.9%	55.3% (2012)	22.8% (2012)
Labour force participation	67.8%	70.9%	67.9% (2012)	71.8% (2012)
Index S80/S20	5.8	4.9	6.6	5.1
Life expectancy	79.7	76.7	80.3	80.02

Sources: Eurostat, various years; and the data base of the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP)

14 Press Release, *Hellenic Statistical Authority*. Available at: http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0101/PressReleases/A0101_SJ00_2_DT_MM_11_2013_01_F_GR.pdf accessed on April 10, 2014.

The reaction of policy-makers to the eruption of the economic crisis

In view of such negative effects of the economic crisis, what, if any, were steps taken to address poverty and social exclusion after 2010?

While total public employment was trimmed and redundant state agencies and public entities were merged or altogether abolished, policy makers protected more the public sector, namely the structure and size of the ministries and state-owned enterprises, than the small and medium enterprises which used to form the back bone of the Greek private sector.

Such business enterprises went bankrupt by the tens of thousands, while those enterprises which survived proceeded to lay off workers or to lower the wages and salaries of their personnel or to create arrears of several months in the compensating of their employees. In other words, private sector employees were more prone to slip into poverty than public sector employees even though the latter did suffer heavy losses in their income.

As sections 5.2 and 5.3 of the Social Profile show, in Greece there was sharp increase in material deprivation after the economic crisis started. In comparative terms, in 2012 in EU-27, the share of people suffering on average from material deprivation was 9.9 per cent (less than 10 per cent in Germany, 20 per cent in Greece, i.e., less than Latvia, Hungary and Romania where material deprivation exceeded 25 per cent and Bulgaria where it exceeded 40 per cent).¹⁵

As far as low work intensity is concerned, in 2011 and 2012 on the average in EU-27 10 per cent of all people lived in low intensity households (about 10 per cent in Germany, over 12 per cent in Greece).¹⁶

As Table 2 shows, the percentage share of funds channelled to public health care, to protect families and children and people encountering housing problems decreased in 2008-2011. As many employees who were approaching old age opted out to retire, the share of government spending on pensions increased, as did as a matter of fact government spending on unemployment protection.

¹⁵ See also http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion, last accessed on 13.09.2014

¹⁶ See Figure 3 in http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion, last accessed on 13.09.2014

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

Table 2. Percentage share distribution of total expenditure on various welfare functions, % of total expenditure

	Greece 2008	Greece 2009	Greece 2010	Greece 2011
Government expenditure on old-age survivors	49.2%	48.6%	48.4%	49.8%
Government expenditure on public health care	28.1%	28.4%	28.3 %	24.7 %
Government expenditure on unemployment	4.9%	5.8%	5.9%	7.1%
Government expenditure on family and children	6.1%	6.5%	6.2%	5.9%
Government expenditure on disability	4.5%	4.6 %	4.5%	4.7 %
Government expenditure on housing	2.0%	1.8%	1.3%	1.2% ¹⁷
Government expenditure on social exclusion	2.1%	2.1%	2.1%	2.2%

Sources: Eurostat, various years; and the data base of the Crisis Observatory of the Hellenic Foundation for European and Foreign Policy (ELIAMEP). The percentage figures shown in the columns above do not add up to 100 per cent because other expenses and welfare administration costs have not been included in the table.

To sum up our argument up to this point, the effort of Greece to achieve fiscal consolidation took place through cutting salaries and wages as well as social benefits. The social situation worsened over time. As welfare rights had never been distributed evenly across the boards, but only on a fragmented, occupational basis, there was no coalition of social interests able to protect welfare rights, as the welfare state was rapidly retreating.

¹⁷ <http://www.imerisia.gr/article.asp?catid=27686&subid=2&pubid=113282158>, last accessed on 22.09.2014.

Anti-poverty policies in Greece in the wake of the economic crisis

Overall, the torrent of social spending cuts was not counter-balanced by any social protection measures. Very small steps were taken to protect the lower-income groups which could not afford to access health care, education or social services in the private market and depended on welfare state services. Spending cuts were universal, while anti-poverty measures were targeted (or categorical).¹⁸ They were sparse and adopted in-between large waves of austerity measures.

In 2011 a «social solidarity contribution» was added to the total tax paid by all middle- and higher-income earners. This contribution, effectively a tax paid by anyone who has an annual income above 12,000 Euros per year, is still being withheld, but the government has indicated that it will be reduced by 30 per cent abolished in 2015. It is anyway a tax used primarily as government revenue necessary to close the budget, i.e. to contribute to fiscal consolidation rather than for redistribution among affected social strata of the costs of the economic adjustment programme Greece has followed since 2010.

Otherwise, to the limited extent that they were attempted, anti-poverty and social inclusion policies were erratic. For example, in 2010 a «compensation» for the abolition of the 13th and the 14th monthly pensions, which pensioners used to enjoy before the pension reform of 2010, was introduced, but this compensation was abolished in 2013.

New social assistance measures were targeted to population groups deserving social support, such as the unemployed, as it will be explained below. Other times the policy beneficiaries were occupational groups which were not necessarily either socially excluded or poor but had sufficient political power to preserve or re-gain lost income. For example, even though all public sector employees have suffered income losses since 2010, the government, after a court decision ordering the restitution of income losses of judges, announced plans to compensate judges accordingly. In 2014, following a similar court decision, the government announced that it would offer compensation also to military officers and policemen.

Further on, in the winter of 2013, under a programme of Greece's Manpower Employment Organization (OAED), unemployed people started working and being trained on the job at various municipalities around the country. They did community work on fixed-term, five month-long contracts and earned approximately 500 euros net per month. The same programme will be repeated in the winter of 2014 and its target is to offer five-month long jobs to 50,000 unemployed people. This measure was obviously inadequate and incommensurate to the scale and the grave nature of the problem of unemployment in Greece.

18 For a discussion and a full list of such measures, taken after 2010, see MATSAGANIS Manos and Chryssa LEVENTI (2014), "Distributive effects of the crisis and austerity in seven EU countries", Working Paper 14/04, Research Programme IMPROVE, pp. 42-43, available at http://www.centrumvoorsociaalbeleid.be/ImPRovE/Working%20Papers/ImPRovE%20WP%201404_1.pdf, last accessed on 21 September 2014.

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

Moreover, there were two new, non-categorical, almost universalistic measures. These were, first, the minimum income guarantee (MIG), scheduled to be implemented in a pilot programme towards the end of 2014 only in 13 municipalities; and, second, a new unified child benefit.

The MIG, which was included in the policy package signed between Greece and its creditors (the 'Memorandum'), with the blessing, if not the insistence of the 'troika',¹⁹ is directed to individuals earning as little as 2400 Euros per year (4800 Euros for a family of four). Individuals claiming the guarantee must prove that they earn less than that amount per year. There is also an activation prerequisite in this policy, as applicants for the MIG must be ready to accept work offered to them by prospective employers. MIG beneficiaries are also entitled to an additional subsidy to pay their rent and also to free health care by public health care services. The MIG is expected to cover 7 per cent of the population living in the selected 13 municipalities. It is envisioned that in 2015 the MIG will eventually cover 700,000 citizens and will cost close to 1 billion Euros. . If this ceiling is reached, the future of the programme will become uncertain.

On the other hand, the new policy of unified child benefit replaced a traditional family policy. In what was another example of a 'South European welfare regime', Greece's family policy was fragmented, uneven and depended on the occupation scheme of the beneficiary (e.g., there were different child benefits for civil servants and private sector employees but no child benefits for farmers). Family policy was conceived in a context of religious and nationalist discourse, replete with statements about saving the traditional family and the nation. Under the influence of the Greek Orthodox Church and well-organized associations of large families, family policy served the interests of large families at the expense of smaller families.

As shown by Manos Matsaganis and Chryssa Leventi, after the crisis erupted, there was a policy shift in family policy.²⁰ The government realized the large-scale social costs of austerity for most families, not only families with many children (3+ children). Before the crisis the government used to provide benefits to all large families, regardless of their income and a lifetime pension to all mothers bearing four or more children.

After the crisis started, a means-tested child benefit for all families with children was introduced, regardless of the occupation of the beneficiaries; the large-family benefit became means-tested; and the life time pension for mothers with four or more children was abolished. In other words, with this policy shift, family policy started shedding its hitherto traditionalist and particularistic characteristics.

¹⁹ The introduction of the MIG, first for elderly people, was part of the first Memorandum of Understanding (MoU) of May 2010. See «GREECE: Memorandum of Understanding on SPECIFIC ECONOMIC POLICY CONDITIONALITY», May 3, 2010, page 6, available at http://crisisobs.gr/wp-content/uploads/2013/03/Mou_03_05_20101.pdf, last accessed on 16.10.2014. Originally the MIG was to be tested in a pilot manner in two regions of Greece; See Manos Matsaganis, «The Greek Crisis: Social Impact and Policy Responses» Friedrich Ebert Stiftung, Athens, November 2013, p. 27, available at <http://library.fes.de/pdf-files/id/10314.pdf>, last accessed on 15.10.2014

²⁰ Ibid.

Unemployment insurance policy is another example of policy shift. The shift was towards a larger in scope and simultaneously means-tested scheme. Before the crisis, civil servants and public sector workers, including the well-paid employees of state-owned enterprises, enjoyed life-long job tenure. Self-employed workers, including artisans and craftsmen, had no unemployment coverage at all. Private sector workers, if dismissed, could obtain a meagre unemployment benefit for a period of up to 12 months. After that period ended, they were left on their own.

After the crisis, the government relaxed eligibility conditions for unemployment assistance offered to long-term unemployed older workers. Before the crisis, such assistance was offered to unemployed people who were 45 years old or over and earned an annual income of up to 5000 Euros. Now the benefit is offered to people who are between 20 and 66 years old, have an annual income which is lower than 10,000 Euros and have received a total of 12 months of unemployment benefit (i.e., unemployed people entitled to fewer months of unemployment benefit are not eligible). However, as in the case of other new welfare programmes, the government's commitment to assist the unemployed may be incommensurate to the depth of the problem (the unemployment rate stood at 27 per cent in 2013).²¹

Clearly this was a policy measure showing reluctance to address the corresponding social problems, namely the tendency towards downward social mobility faced by the middle strata and the sudden decline in living conditions experienced by many old-age Greeks and above all by the unemployed.

Another policy shift aiming to cover a flagrant loophole of social protection during the crisis, was the introduction of unemployment insurance for self-employed or autonomous workers. These are artisans, craftsmen, technicians or small shopkeepers. Before the crisis they enjoyed social protection provided by their own occupational insurance funds, but if they went out of business there were not eligible for unemployment benefits. Economic depression rapidly increased the numbers of jobless self-autonomous workers. Since 2013, the government has implemented a new programme of unemployment insurance for the self-employed. Entitled to this new allowance were only those self-employed who had ceased their economic activity by the end of 2011, had regularly paid insurance contribution for a least 12 months prior to the time they went out of business and were living on an income of up to 10,000 Euros per year. Given all these thresholds and criteria set by law, in order to distribute this new allowance, it is uncertain whether all self-employed people will be covered by this otherwise welcome, new measure.

This measure was overdue, given that one-third of Greece's labour force was and still is self-employed. Such autonomous employees were never fully insured (either before or after the start of the economic crisis) against losing their jobs and had to count on their own savings and pocket money, goods and services offered by their family members.

²¹ For a summary review of the social effects of the economic crisis in Greece, see Dimitri A. Sotiropoulos, "The Social Situation in Greece 2013", Athens Office of the Friedrich Ebert Stiftung, June 2014, available at <http://www.fes-athens.org/pages/ellinikos/dimosieyisis.php?lang=EN>, last accessed on 6 October 2014.

The discourse on and perceptions of poverty and social exclusion

As some of the aforementioned examples of new policy measures indicated, in Greece, as in other EU Member-States, there has been a policy shift from mere income support to activation. Changes have been the result of external pressure from the EU and the 'troika' rather than the result of domestic pressures or government change, after a different party has been elected to power. However, shifts in discourse did not really correspond to actually implemented changes in anti-poverty and social integration policies, which privileged cash transfers over services in kind and targeted or categorical, often haphazard measures over universalistic measures. It is telling that the MIG scheme is not yet implemented, not even in a pilot/experimental manner.

Anti-poverty and social integration measures have been sparse and erratic. Most of the measures have not been able to stem the tide of increasing poverty and social exclusion. It is no surprise then that, in the wake of a severe economic crisis, perceptions about what is poverty and what is social exclusion are unclear and unfocused. People, including members of the political and mass media elites, who discuss poverty and social exclusion enter uncharted waters.

Moreover, as it is well known from sociological research, perceptions do not necessarily correspond to actual behavior. Yet, both perceptions and the beliefs underlying perceptions constitute a frame of mind, a lens through which people, understand, construct and re-construct social reality. In the case of decision-makers and opinion-makers, then, perceptions matter in more than one ways, as these groups think and act in ways which have wider impact, for example an impact on the formulation, reception and implementation of anti-poverty policies and policies to fight social exclusion.

Research on the perceptions of the general public shows that in 2014 a much higher share of Greeks (56 per cent) than any other European nation feel that they run a risk to fall into poverty (EU-28 average: 32 per cent, Latvia 48 per cent, Lithuania 48 per cent, Spain 43 per cent, Portugal 38 per cent, Italy 33 per cent, Ireland 30 per cent).²²

In this context, how do Greek decision-makers, such as, for example, politicians of the government and the opposition, and opinion-makers, such as journalists of the printed and the electronic media, understand poverty and social exclusion, today, five years into the economic crisis in Greece? How do NGO staff members perceive these issues?

For the purposes of this section of the paper I will use preliminary results from part of the survey research carried out in the context of FRAGMEX. In the spring and the summer of 2014 researchers of the Crisis Observatory of ELIAMEP and the Educational Content, Methodology and Technology Laboratory of the Hellenic Open University (EAP) conducted personal interviews, based on a standardized questionnaire, in two Greek cities, Athens and

²² Standard Eurobarometer 81, "First Results", based on field research conducted in June 2014 and published in July 2014. See http://ec.europa.eu/public_opinion/archives/eb/eb81/eb81_en.htm, last accessed on 06 October 2014.

Patras. Interviews conducted by the EAP team focused on the structure and functions of the NGOs while interviews conducted by the ELIAMEP team focused on perceptions of as well as attitudes on poverty and social exclusion.

The EAP researchers studied closely NGOs active in the provision of health care and social assistance. They conducted personal interviews focusing the structure, functions, perceptions of and reactions to the economic crisis (see deliverable of the EAP research team as part of the WP1 of this research project).

The ELIAMEP researchers also read closely and analyzed parliamentary debates which took place at crucial points of deciding on the state budget or on major economic policy shifts in 2004-2013. ELIAMEP researchers also collected systematically and analysed articles and op-eds on poverty and social exclusion of the Greek press (two major Greek dailies, *Ta Nea* and *I Kathimerini*) as well as official announcements of the Greek government, relevant documents of political parties of the opposition, relevant reports of think-tanks and selected books on the same topics (see the content analysis written by Anastasia Papaconstantinou as part of ELIAMEP's deliverables for WP1 of the FRAGMES research project).

In what follows, I focus on 71 interviews which contained questions on poverty and social exclusion. Out of these 71 interviews, 14 were conducted with journalists, 20 with NGO staff members (interviews conducted by the EAP team and presented in their deliverable of WP1 on perceptions of poverty and social exclusion), 5 with technocrats or policy advisors, 13 with representatives of trade unions and professional associations. The remaining 19 interviews were conducted with Members of Parliament and political party cadres. These were parliamentarians and cadres of parties of the coalition government (New Democracy – ND and the Panhellenic Socialist Movement-PASOK) and of the opposition (primarily the main opposition party, the Coalition of Radical Left-Syriza).

This was not a typical sample survey, where a representative sample would have to be drawn and inferential statistical analysis of data would be performed on collected data. The difficulties through which many Greeks go have also meant, among other things, that people, including Members of Parliament, technocrats, union representatives and journalists, may have not enough free time to respond to questionnaire surveys. The topic of this research is also too sensitive and there is a lack of good and reliable information about poverty and social exclusion in the general public as well as among decision-makers and opinion-makers. For these reasons, despite the fact that the research teams managed to obtain 71 interviews, after the end of the summer of 2014 difficulties in field research mounted and it has proven impossible to increase the sample size.

In other words, this is a study helpful in the construction of research hypotheses. We have taken care to include as many different 'voices' as possible in order to map, if possible, the different ways persons playing key roles in society understand poverty and social exclusion.

Thus, the analysis in our deliverables focuses on description and interpretation of results without proceeding with statistical tests. It is nonetheless very informative. It is very rare to have a glimpse at how people at key posts think about poverty and social exclusion, two subjects very frequently discussed in Greece since 2010. Moreover, in the next pages of this

section, we present the distribution of perceptions of poverty among all our respondents, cut down by the self-placement of the respondents on the Left-Right scale (0-10).

Several of our questions referred to a) illustrative examples of poverty, b) the linkages between the on-going economic crisis and poverty and causes of poverty in today's Greece and c) illustrative examples of social exclusion. In what follows, we present a summary and an interpretation of responses to these questions.

This is not a full list of responses, but only a first attempt at establishing an inventory of understandings of and the discourse on poverty and social exclusion.

a) How is poverty perceived? Examples of poverty (see also the deliverable of WP "Framing Poverty" which is a content analysis of perceptions found in the public statements of political parties, unions, NGOs and the Church as well as the Greek press and books by Greek analysts of the on-going crisis).

Among our respondents there is a variation of responses on what is poverty.

According to politicians of ND, typical examples of poverty are being homeless, having little or no food to eat or begging for money on the street.

According to politicians of PASOK, except for the lack of access to food and shelter, typical examples of poverty are related to income levels: being unemployed, being in debt, being in a household without any income sources, being employed but obtaining income which is below the poverty level.

According to politicians of Syriza, poverty is widespread. Discussing poverty, one MP talked about 300,000 households without access to electricity, while another said that «two-thirds of the Greek population have become impoverished» (author's note: the population of Greece is close to 11 million). Examples of poor people, mentioned by Syriza politicians, are the following: «the average person who is not a beggar», a beggar, a young person who is unemployed, a person who cannot meet his or her basic needs «with regard to food, transportation, leisure and work».

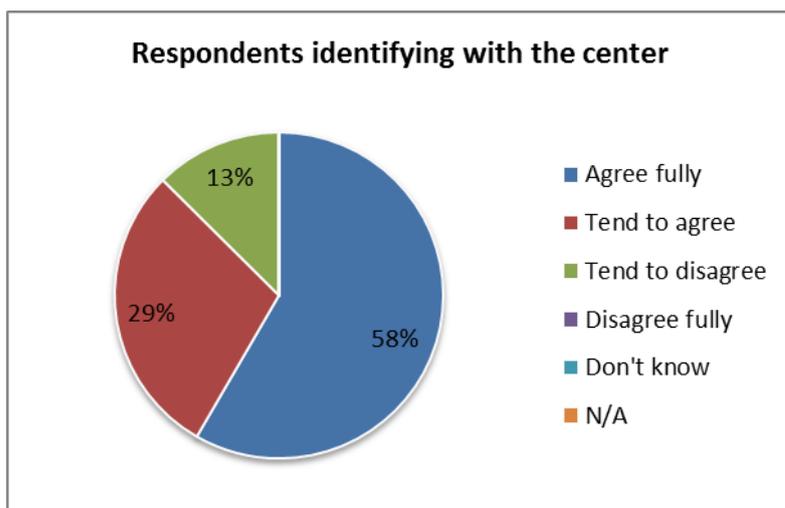
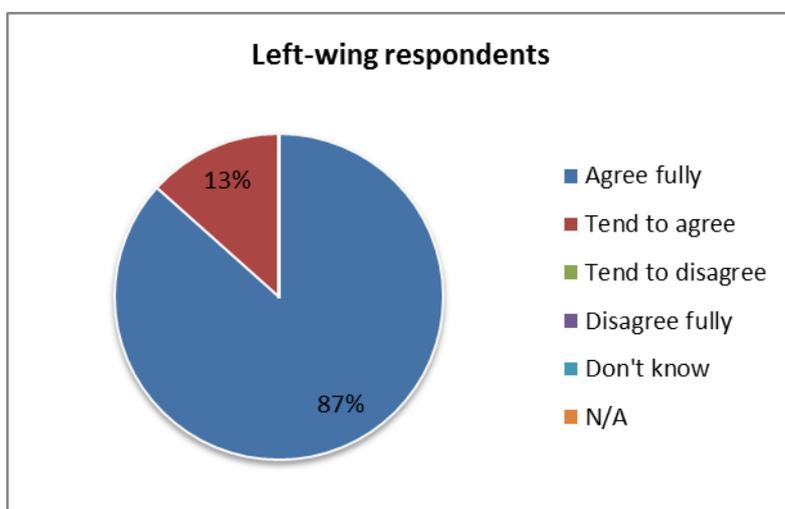
The differences of perceptions among all our respondents, regardless of whether they belong to one party or another and irrespectively of their professional identity (politician, journalist, representative of trade union or professional association, technocrat) are starker if one places them along the Left-Right scale (where 0 stands for self-placement on the far left and 10 stands for self-placement on the far right). We have asked our respondents to place themselves on that scale from 0 to 10, which is a typical scale used in political sociology research. We have then divided their responses to three groups, i.e. left-wing respondents (if they had chosen positions from 0 to 3 on the 0-1-0 scale), respondents identifying with the center (positions 4, 5 or 6) and right-wing respondents (positions from 7 to 10).

As the following 8 pie charts show, being on the left or being on the right makes a big difference for the response you are going to give in the 8 questions listed below. In brief, those placing themselves on the left, understand the social impact of the crisis to be more grave than the rest who place themselves on the centre or on the right. The latter perceive

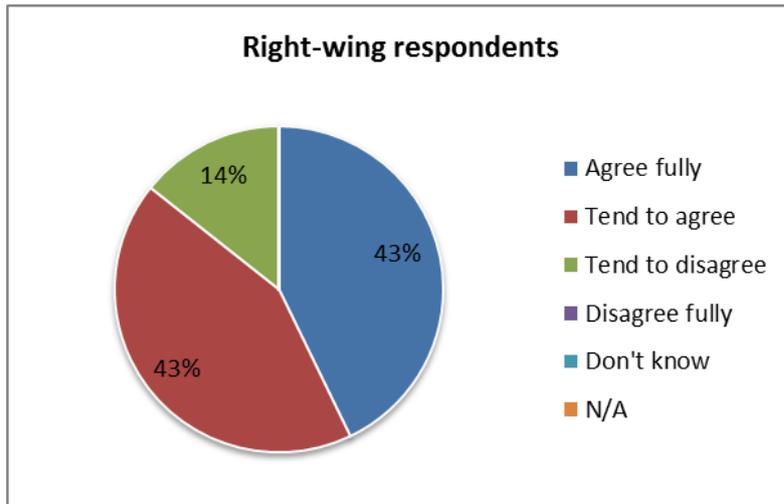
the negative effects of the crisis as having being less negative or less strong than the respondents on the left. Moreover, left-wing respondents perceive the existence of poverty in Greece as a more long-term phenomenon, preceding the onset of the crisis. Left-wing respondents believe that the crisis has exacerbated pre-existing poverty. Non-left-wing respondents limit the time scale in which poverty has arisen and basically link it to the economic crisis.

All respondents, however, agree that there are in Greek society some groups who really did not suffer as much from the crisis (question no. 3 – they agree on this regardless of their ideological self-placement).

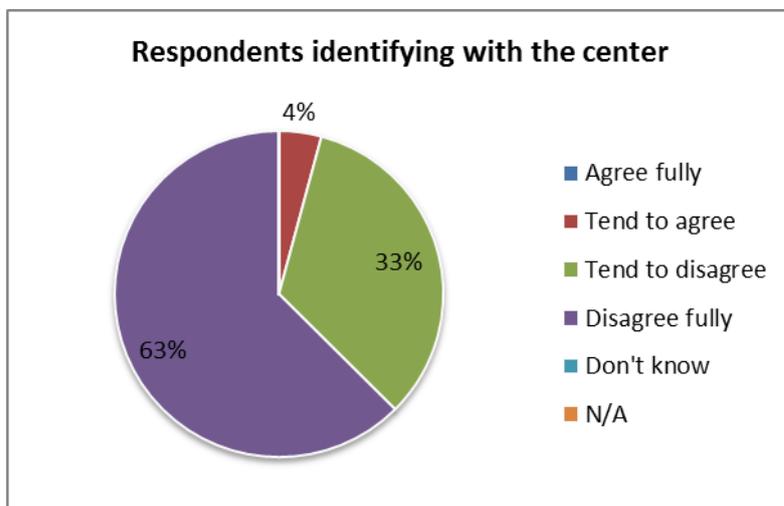
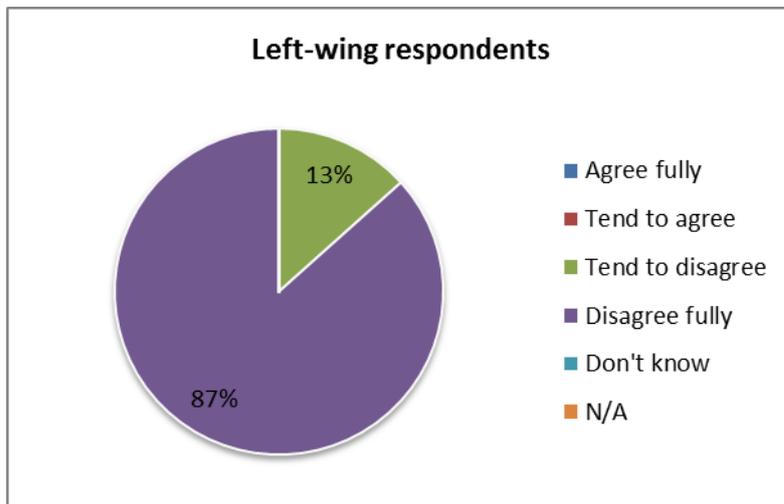
Q. 1: The crisis has caused a considerable downgrade in the living standards for the majority of the country's population

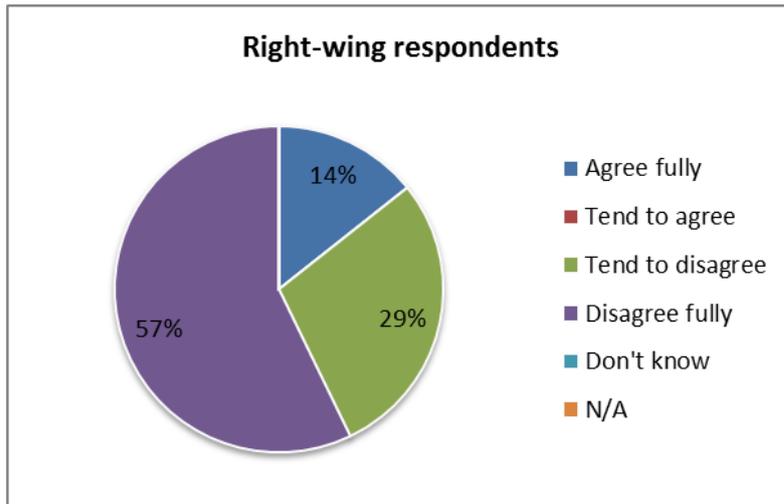


The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

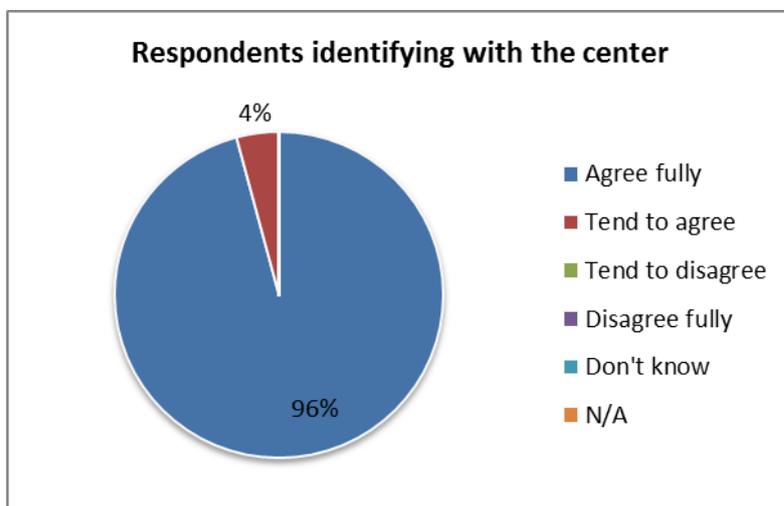
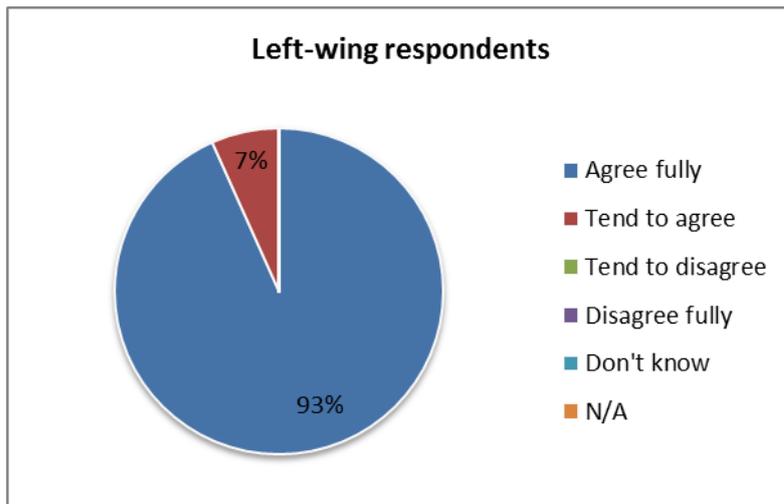


Q.2: The number of poor people has remained the same

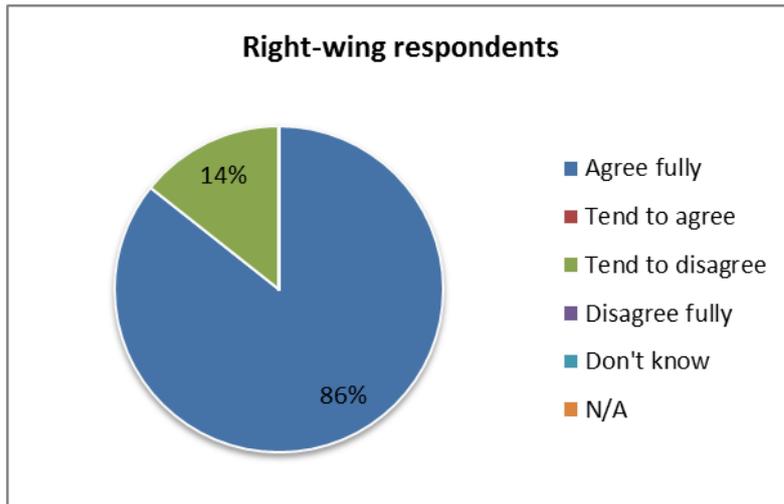




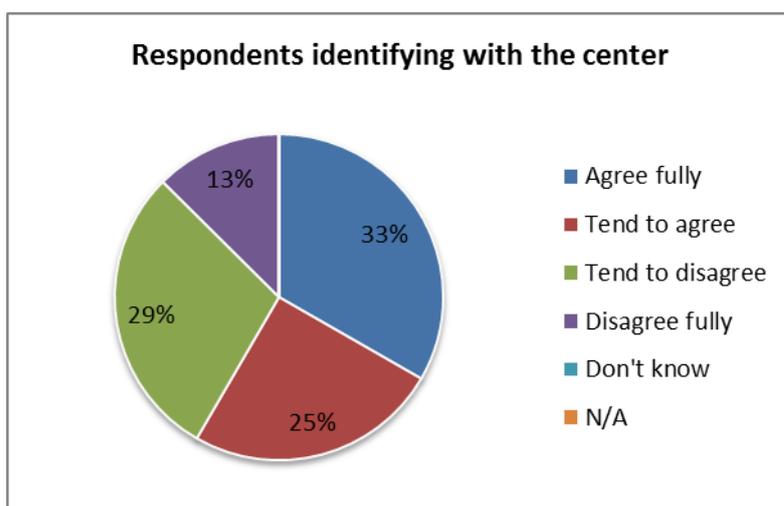
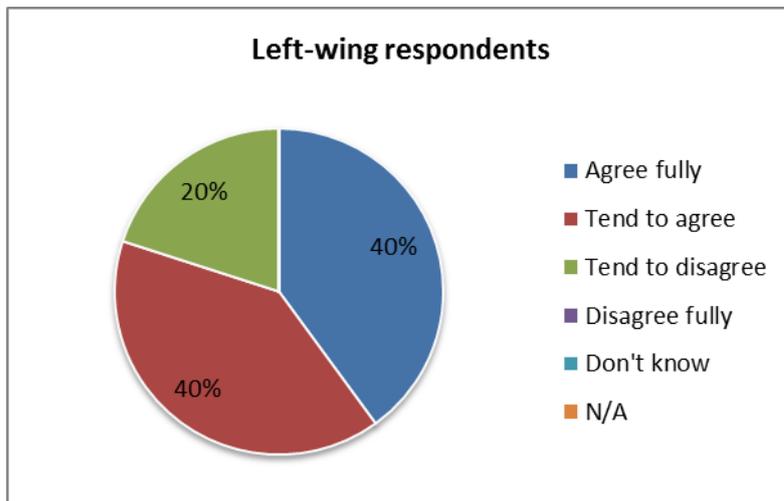
Q.3: Certain groups of the population were affected more by the crisis

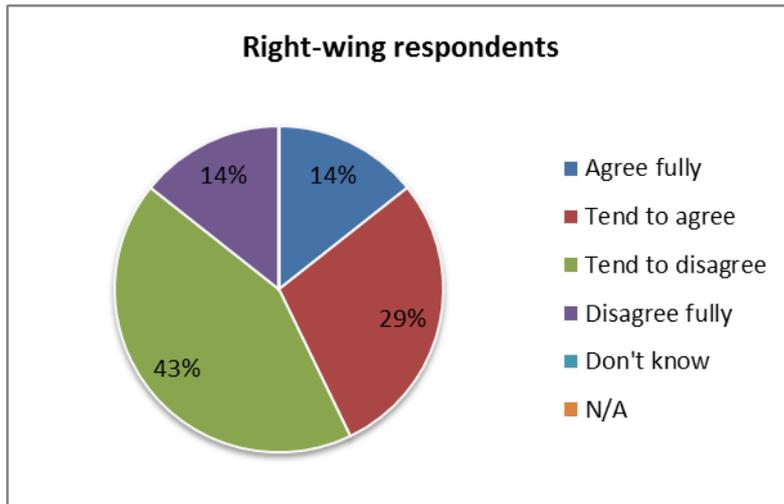


The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

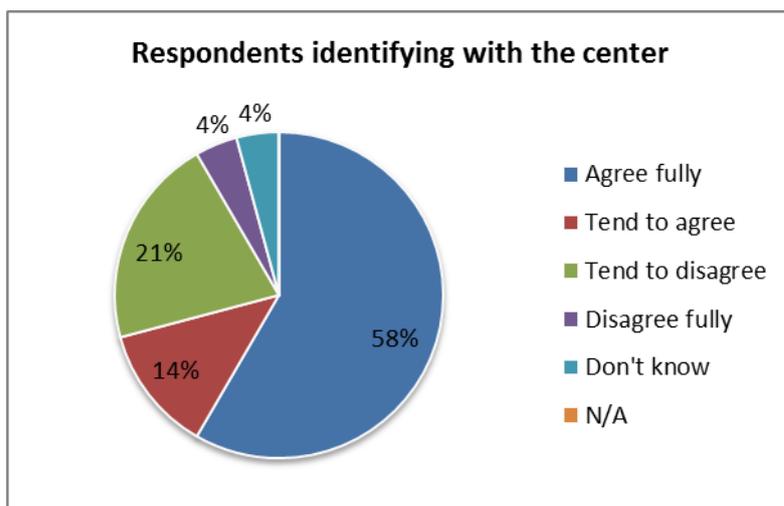
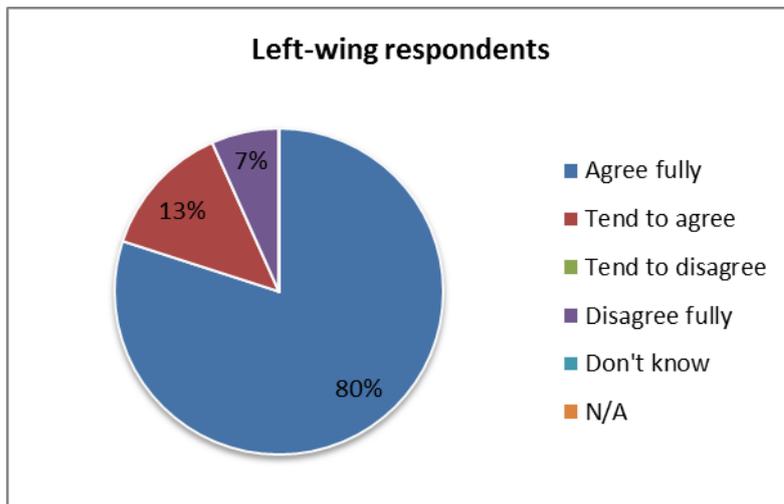


Q.4: The rich people were not affected significantly by the crisis

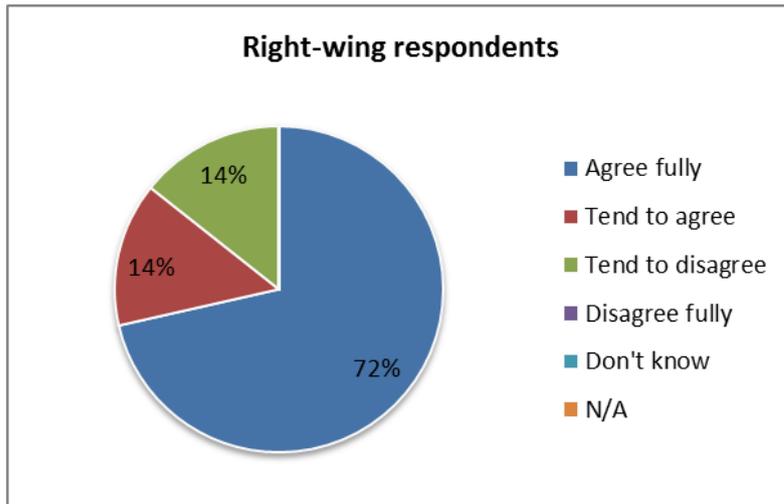




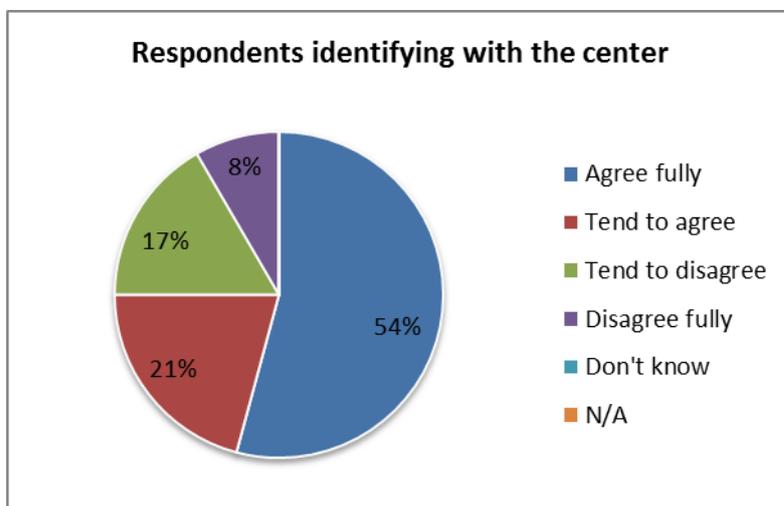
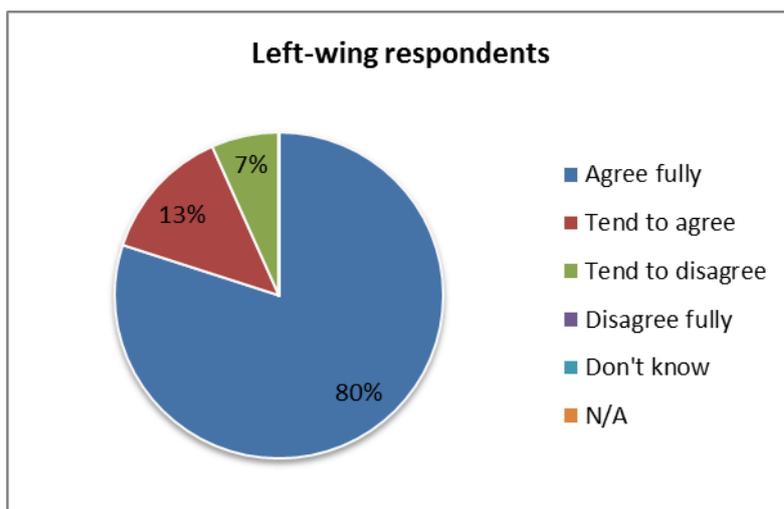
Q.5: The number of homeless people has increased significantly

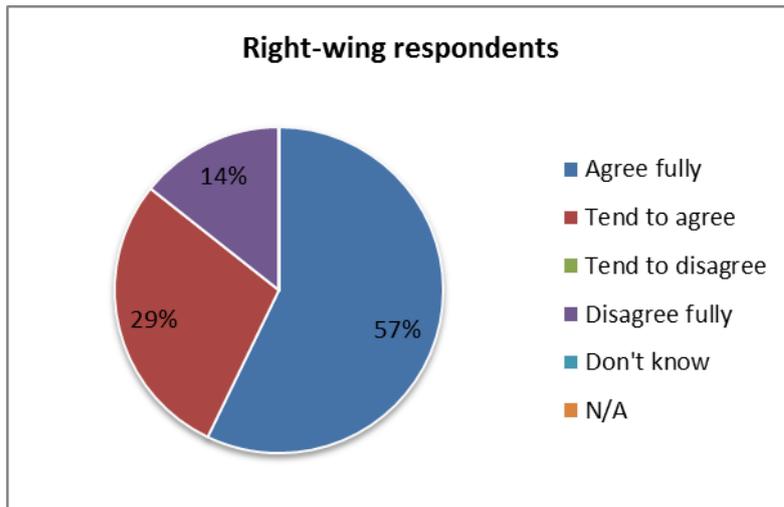


The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

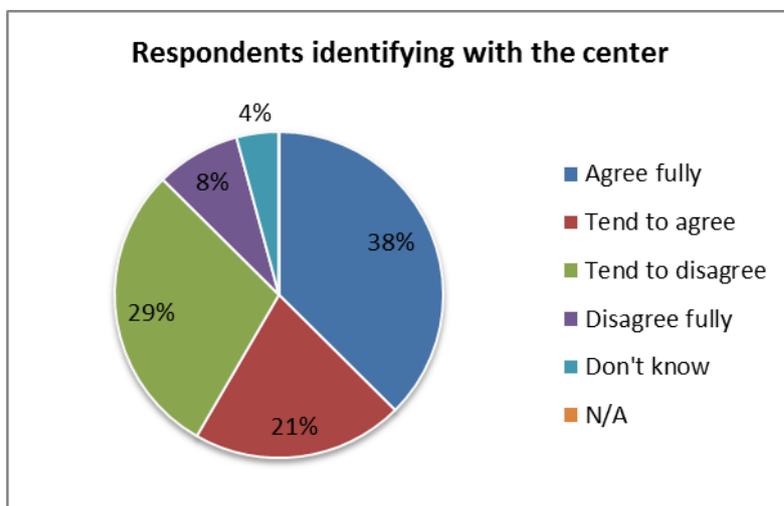
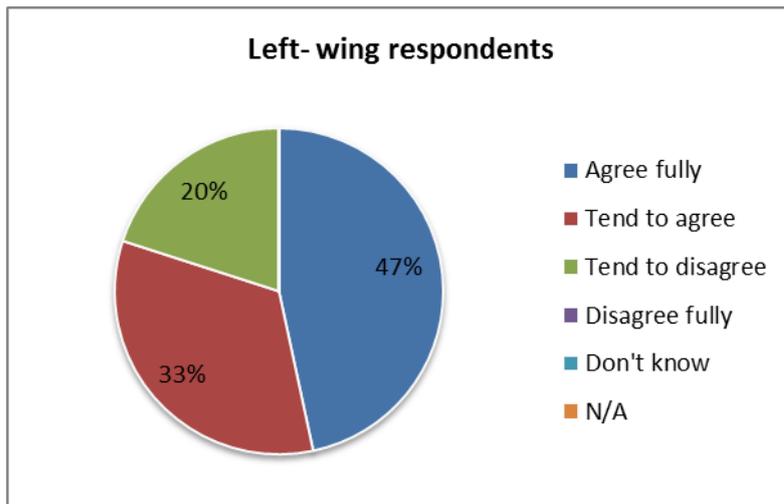


Q.6: Many population groups have been excluded from access to public goods

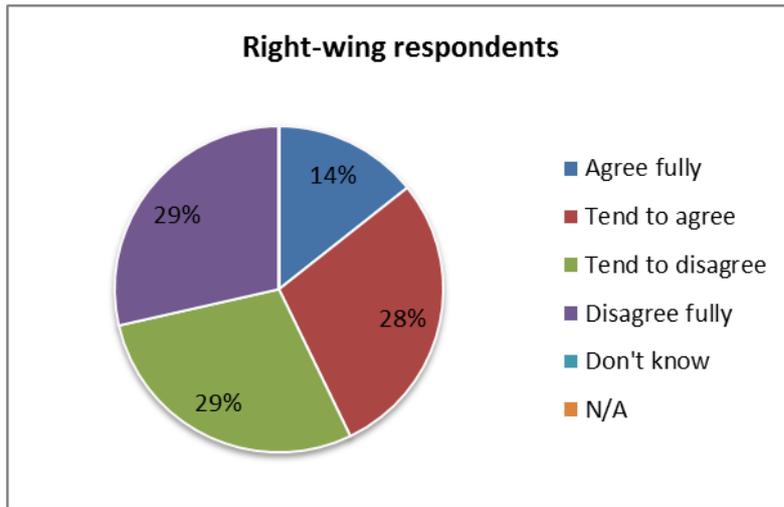




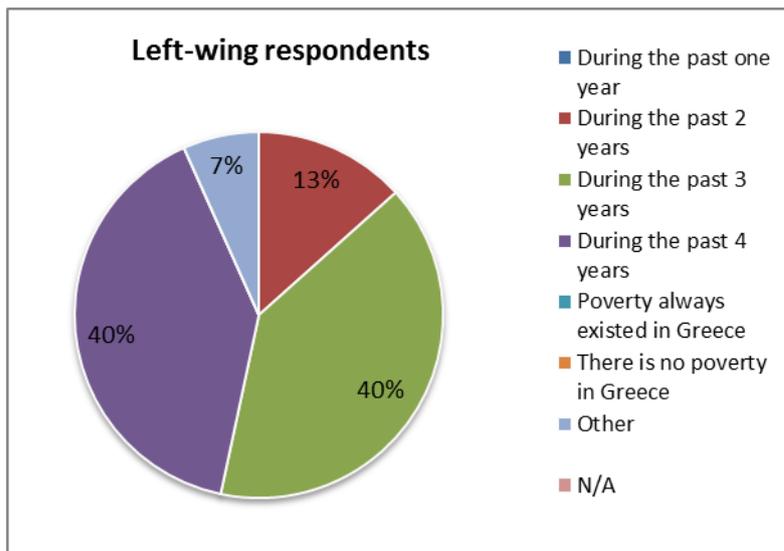
Q.7: Social cohesion was dissolved due to the crisis

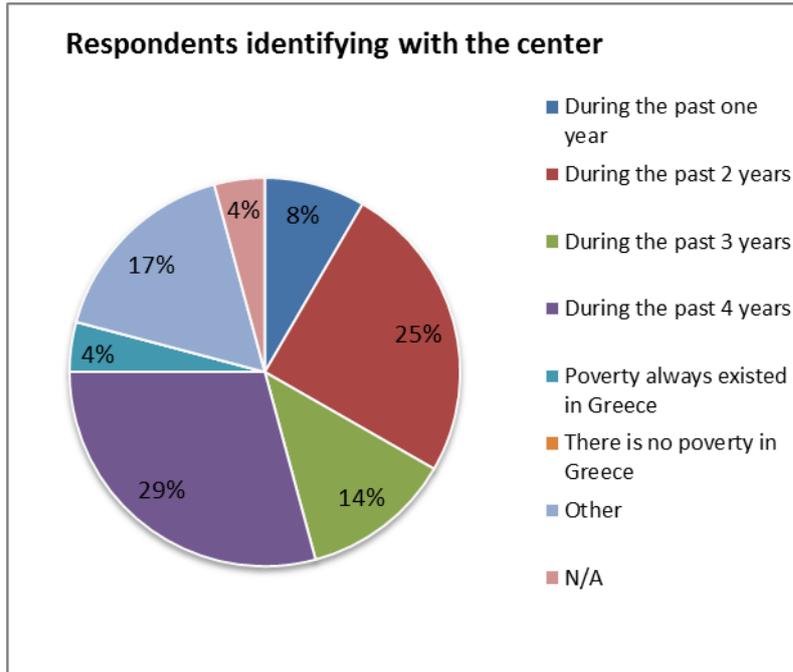


The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis



Q.8: When did you begin to realize the increase of poverty in Greece?





In view of the above and regardless of their ideological differences respondents agree that today in certain areas of downtown Athens and other large cities one can observe some situations indicative of a very deep social crisis affecting Greeks. Examples are people living on the street or begging for money. Such situations were not unknown in the past, when atypical/illegal foreign migrants, but not Greek citizens, roamed the centre of Athens, Thessaloniki or Patras looking for food and shelter. Today, as some Greeks are seen doing the same, such phenomena have become more visible.

In our interviews, neither government nor Syriza politicians used the term ‘humanitarian crisis’, even though it constitutes a major theme of the Syriza discourse on the crisis. A reason for the absence of the theme of ‘humanitarian crisis’ from the responses we have collected through the aforementioned interviews may be that it is debatable what this theme consists of.

For instance, in today’s Greece there is soaring unemployment among the young and there are large pockets of poverty in Greek cities, but one does not see situations of massive and abject poverty, observable in Third World societies.

Another reason may be that ‘humanitarian crisis’ is a term that cannot be lightly attributed to all situations of impoverishment. Such a crisis is not merely related to loss of access to food and shelter, but to deeper and more massive social disasters, such as post-war situations. It is a term usually reserved to post-conflict situations or situations of large-scale natural disasters.

Further on, paradoxically enough and barring the obvious case of the long-term unemployed, our respondents did not include among the poor the unskilled or semi-skilled workers; or high-school graduates with no post-secondary education; or other outsiders of

the labour market such as part-time workers or uninsured workers moonlighting in various insecure jobs.

Some of our respondents and particularly so journalists often talked about the downward social mobility of the middle class. They emphasized either a) the fate of educated strata having credentials but unable to find work compatible with their credentials and skills or b) the fate of the self-employed or medium and small businessmen who have gone out of business. They talked more about the new poor than about the traditional poor.

There may be several alternative interpretations of this tendency to speak of poverty but essentially to refer to the middle class.

First, since the Second World War and the tremendous social effects of Greece's occupation by the Nazis (1941-1944), this is the first time in recent history that Greeks encounter the fall of the middle class.

Second, some of our respondents may not be in touch or may have never been in touch with the poor strata in Greece. So they do not have either academic knowledge or personal experience with poverty.

And, third, the undeniably very painful effects of the poverty in today's Greece may not be as destructive as one would have predicted for a typical Western, atomized, individualistic society. Greece is not such a typical Western society. It does not consist of wage earners, living in one or two-person households, in the context of what sociologists call a 'nuclear family'. Despite the indisputable figures showing that in 2012 about 35 per cent of Greeks were at risk of poverty or social exclusion (Table 2 above), there are buffers and safety valves. First, there is extensive home ownership (76 per cent of Greeks own their homes, in contrast to 67 per cent average in the Eurozone countries)²³. Second, there is life-long support by the wider kin network, including households with three generations of family members. In other words, in crisis-stricken Greece there are buffers or safety valves which have prevented poverty from assuming the dimensions seen in developing societies.

The perceptions of technocrats were differentiated based on the institution with which they were affiliated. Technocrats working for the government or for business-related think tanks mentioned the rise in poverty but also noted that public impressions about poverty in Greece after 2010 were exaggerated; that poverty in Greece should have been larger, given the extent and the duration of economic recession after 2010; and that the Greek family functioned as a safety valve and protected unemployed or poor family members from falling into homelessness or into abject poverty (see the annex of this report). Technocrats working for trade unions and technocrats who had a left-wing political identity expressed opinions according to which poverty is wider and deeper than pro-government technocrats think. Further on, the perceptions of representatives of trade unions and professional associations were compatible with the views of technocrats working for trade unions or having a left-wing profile.

b) Perceptions of linkages between the on-going crisis and poverty and the causes of poverty

²³ Eurostat data, 2012.

Almost all politicians as well as technocrats, representatives of trade unions and professional associations, and journalists claimed that there was a direct linkage between the economic crisis and poverty, namely that the crisis caused poverty. Basically, there was a direct effect, between the crisis and poverty in Greece. Some politicians took the further step to attribute poverty to the particular measures taken by the Greek government, under the monitoring of the 'troika'.

NGO staff members or representatives agreed with the above interpretation. For them, the crisis has caused an increase in poverty because of dismissals of workers and employees, rises in consumer prices, and the fact that many shops and other enterprises have gone out of business.

However, as the research of the EAP team has shown, NGO staff members, as indeed some politicians, also mentioned that poverty existed before the crisis erupted (for details, see sections 2 and 3 of chapter 3 of EAP's deliverable on perceptions of poverty and social exclusion). This was a type of poverty shadowed by consumerism and artificial (i.e., jobless and non-competitive) growth, which was on the rise in the 2000s, but was based on easy credit provided by banks.

The economic crisis revealed that poverty that poverty had existed but had been covered for more than two decades under a superficial layer of prosperity. Greece's political elites had been unable to establish an efficient welfare state before the crisis hit. They never really created a welfare state capable of substantially supporting vulnerable groups or creating a social safety net for society. The middle class and lower middle class led a quite comfortable life for about decades (1990-2010). They relied on bank loans and took advantage of the inequalities of the welfare system, receiving high benefits, such as pensions (for the views of political parties and relevant analyses published in newspapers, see ELIAMEP's deliverable of content analysis of perceptions).

In the words of an NGO staff member: "Poverty is not only the effect of the financial crisis (which has a social and political background too), but it is the effect of the dysfunction of the political and economic institutions established in our society during the last decades" (Project Manager of an NGO).

c) Perceptions of social exclusion

Except for NGO staff members who expectedly, based on their field work, gave typical examples of social exclusion, politicians and journalists merely repeated examples of poverty or extreme poverty when discussing social exclusion. Cases of social exclusion mentioned by NGO staff included people with disabilities, losing one's job, suffering racist discrimination, marginalization, lack of access to social allowances, social isolation, exclusion from the job market, exclusion from social relations, exclusion from access to health services, exclusion from access to education (see Chapter 3 and particularly sections 2,3,4 and 5 of the deliverable of WP1 on perceptions of poverty and social exclusion prepared by the EAP research team).

By contrast, some journalists as well as politicians of all parties rarely referred to such typical examples of social exclusion (see a similar pattern coming out of the content analysis of

political party documents in Part A, section II.2 of the deliverable of WP1 on content analysis). They seldom put social exclusion in the context of social relations and non-integration of some groups into society. For example, they mentioned as cases of social exclusion the problems of middle-class people who have suffered heavy losses of income or have had to adapt lower-level living standards, by cutting expenses on entertainment or on summer vacations and summer camps for their children.

Conclusions

In Greece, fighting poverty and social exclusion has never been a serious policy priority. In the same vein, battling the extensive poverty which ensued from both the long duration and the depth of the fiscal crisis and from the mismanagement of this crisis by the Greek government and the 'troika' was not a high priority of policy makers in 2010-2014. There was a mismatch between the gravity of the social problems caused by the crisis and the policy response of decision-makers.

Except for the new family policy, the Minimum Income Guarantee (still not even at a pilot stage of implementation in autumn 2014), the broader eligibility criteria for the long-term unemployed and the extension of unemployment insurance to the self-employed, there are other less consequential social policy measures to battle unemployment and more specifically youth unemployment. Most of the anti-poverty measures have been announced publicly by government officials, but little progress has been made since then. They are at the stage of preparation or have been legislated but their implementation is delayed.

A second mismatch is evident between on the one hand the complexity and variety of types of poverty and social exclusion and on the other hand the discourse of politicians and journalists on these issues. Respondents included in the survey of perceptions, registered in the context of the FRAGMEX project, seem to conflate the concepts of poverty and social exclusion. They do not have a precise image of the depth of the crisis and they prefer to talk not about the poor who were on the brink of collapse already before 2010, but about the fate of the middle class which has been obliged to lower its living standards after 2010. NGO staff members, by contrast, expectedly have a more hands-on experience of poverty and social exclusion in the context of the on-going crisis.

The Greek government has announced its aim to introduce three pillars of social protection in the future. The first pillar will be measures to subsidize businesses and assist the local government in order to curb unemployment; the second pillar, measures to implement the EC's «Youth Guarantee» programme aimed to integrate young people into training schemes or the job market; and the third pillar, assistance to households in which no household member is employed.

Overall, Greek social policy meant to fight poverty and social exclusion in the wake of the economic crisis has not borne visible fruits. It can be summarised by the phrase "too late, too little". Anti-poverty and social integration were rather haphazard and half-baked.

This unpromising policy record does not preclude that in the future, as long as the Greek economy remains stable and the budget surplus, attained in 2013 (and probably in 2014), is sustained, more effective social policy measures may be adopted.

In addition to economic stability, the preconditions for such a scenario are obvious. They include, first, further financial support by the EU, for instance by the Structural Funds, targeted to the most vulnerable groups of the population; and, second, a sense of measure and fairness on the part of the government which need not and should not reproduce policy patterns of the past according to which any surpluses were distributed on less-than-transparent and patronage-based criteria to selected groups of the population. Already in 2014 the government announced that it will compensate judges, military officers and policemen, but not other occupational groups, for the income losses they suffered in 2010-2014.

There is a risk that, as the performance of the Greek economy improves (it is expected to grow by the end of 2014), decision-makers may not resist temptation to repeat past practices of favouritism in the provision of welfare and fiscal derailment in the state's intervention in the economy. Such a tendency will require higher taxation or higher borrowing requirements, namely loans from foreign creditors which the country will have to service in the future along with the still very high public debt. If decision-makers fall into that trap, they will reproduce the conditions which have led to an exacerbation of poverty and social exclusion in Greece.

To conclude, the social policy measures have created a safety net which is inappropriate and unsuitable for the type and the scope of economic crisis which has hit Greek society. The post-2010 social policy measures do not curb the deep divide in the Greek population between the insiders and the outsiders of the labour market and the recently introduced Minimum Income Guarantee (implemented in October 2014), still in its pilot phase and limited to meagre disbursements, does not go a long way towards fighting poverty. For instance, there is an allowance for unemployed who would take up part-time jobs which however has not been distributed to anyone. On the other hand the Greek government has committed to earmark 600 million Euros per year in 2012-2015 to the pension fund of the employees of the state-owned Public Power Corporation (PPC, in Greek «DEI»). This exclusive treatment of the pensioners of PPC was legislated in 1999 (Law 2773/1999, article 34) and has been implemented by all successive governments, including governments in power during the on-going economic crisis. Clearly, amidst the crisis, there is a twin problem of inefficiency and bias as far as social protection is concerned.

The criticism raised in this report with regard to post-2010 social policy measures to fight poverty and social exclusion does not entail an increase of social spending along the same tracks. A rise in social transfers on the basis of existing legislation and towards the groups of beneficiaries currently entitled to receive a variety of (admittedly slim) benefits will simply not do. This critical evaluation means that under the extreme conditions of hardship to which Greek society is subjected there is an opportunity to restructure social assistance by curtailing measures which have proven ineffective or have grossly benefited comparatively few groups of beneficiaries who have had the political power to carve out special social

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

protection regimes exclusively from themselves and to introduce society-wide measures which will benefit all in a truly universalistic manner.

ANNEX: Quotes From Personal Interviews with Politicians and Journalists on the Economic Crisis, Poverty and Social Exclusion in Greece

All interviews were conducted in Athens in the summer of 2014. Interviews were face-to-face, responses were recorded or written down by hand. Interviews remained anonymous. Interviews with NGO staff members were conducted in 2014 by the EAP team, as shown in the deliverable for WP1, prepared by the EAP team, on perceptions of poverty and social exclusion (see in particular chapters 2 and 3 of that deliverable).

PERCEPTIONS OF WHAT IS POVERTY AND WHO IS POOR

Perceptions of politicians of ND:

“Former employees of the private sector who have been laid off” (former minister of ND)

“People who cannot keep their former living standards and people who cannot obtain adequate food” (serving minister of ND).

“Poverty is exemplified in the cases of people who depend on soup kitchens and are homeless” (prominent MP of ND).

“People looking for food in waste baskets; Greeks begging for money on the street” (back bencher MP of ND).

“Families without access to electricity, school children who are dependent on milk and lunch provided by their school; households with two unemployed adults formerly belonging to the middle class” (former minister of ND and prominent MP).

“In Athens there has been an increase of homeless people, of people going through garbage to find food and of people begging for money to buy food” (back bencher MP of ND).

Perceptions of politicians of PASOK:

“Poverty is the inability of a household to satisfy its basic needs in terms of food and housing and also the inability of household members to develop their personality. Examples are the unemployed and the working poor” (PASOK back bencher).

“An example of poverty is the case of households in which there is no source of income – no household member has an income, household members have difficulty finding food” (former PASOK member of the government).

“Being unemployed in the urban centers because, in contrast to rural areas, in cities one cannot rely on social solidarity” (prominent MP of PASOK).

“Being a member of a highly-indebted household, being a member of a household in which one or more adults are out of work” (serving PASOK member of the government).

Perceptions of politicians of Syriza:

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

“Poor is the average person who is not in rags, who is not tattered; poor is a beggar” (Syriza back bencher).

“The crisis has impoverished large strata of the population who cannot satisfy even their basic needs” (Syriza back bencher).

“Poverty means that people cannot meet their basic needs with regard to food, transportation, leisure, and working tasks. The inability to satisfy these needs leads to economic exclusion, social exclusion, self-exclusion (prominent Syriza MP and public figure)

“There are 300,000 households without access to electricity” (prominent Syriza MP).

“Two-thirds of the Greek population became impoverished; young people who are unemployed became socially excluded” (Syriza back bencher).

Perceptions of journalists:

“Poverty occurs when one's income does not suffice to meet one's needs”.

“Poverty means partially or completely losing one's income sources and suffering the ensuing consequences, including psychological consequences”.

“Impoverishment of the middle class Greeks and also of residents of run-down areas”.

“The new poor who do not have a voice/are not visible and the poor who rely on their kin network to survive”.

“Objective poverty, occurring when one has no access to shelter and/or food, and subjective poverty, when one compares oneself to others who can afford a better life in the midst of the crisis”.

“People going through the garbage to find anything edible or otherwise useful; jobless people without social insurance”.

“Middle class people falling into poverty”.

“A well- dressed man using a torch light in the evening to go through the garbage left in a garbage can near a butcher shop”.

“People who before the crisis could get by, now cannot afford to get by”.

“People going through the garbage to find anything to eat; people who were left without a job overnight”.

“Having no way to fulfil one's basic needs; being a small businessman with no cash and no access to funds”.

“A middle-age person who used to have a job and now is jobless, if not homeless too”.

“It is poverty in general but Western poverty (poverty of an advanced society): people who cannot afford to go on vacation, who exclusively use public transportation (not private cars or taxis) and who used to spend on middle-class consumer goods and services but cannot afford it any more”.

Perceptions of NGO staff members:

“Homeless is not only the individual who lives on the street, but also the individual who owns a house but cannot afford water or electricity. Poor is also an individual who works but cannot pay his expenses. There are aspects of poverty different than what we traditionally considered as poverty” (Project Manager of an NGO).

“The financial crisis vanished a whole social class, the middle class” (NGO founder).

“The distance between poor and rich became bigger” (interviewee, NGO Head).

“People, who were donors of our organisation, have now become recipients” (NGO social worker).

Perceptions of representatives of trade unions and professional associations

“Poverty is the inability to meet basic needs (food, housing, etc.)” (top cadre of GSEE)

“There are many examples of poverty: Pupils dropping out of private schools because their parents cannot afford to pay tuition fees; old-age Greeks going through the garbage; people begging for money on the street; closed commercial stores” (middle-ranking trade union militant).

“Examples of poor people are the working poor, the unemployed, and the low-income pensioners” (very high ranking cadre of GSEE)

“Poverty is everywhere. It is the result of the surrounding political and economic reality and is only slightly less grave than suffering because of war” (high ranking cadre of farmers' union PASEGES)

“Poverty is shown in the case of a highly indebted business enterprise which cannot service its debts” (high- ranking of the union of small and medium entrepreneurs GSEVE)

Perceptions of technocrats

“Typical cases of poverty are households forced to cut spending on very basic needs and also unemployed people who do not receive any unemployment or social assistance or other allowance” (High-ranking technocrat working for the labour union GSEE)

“Families which no one to turn to for help, lack any kind of social assistance and resort to municipal services to cover their basic needs. Poverty has dissolved the wider family or kin network” (policy expert and top ranking official of the Municipality of Athens)

“Poverty is the inability to cover basic needs, to secure basic living standards” (policy advisor at one of the social policy ministries of the Greek government)

“Poverty is related to the balance between revenues and expenses of a household. To give an example, if no one has a job in the family, then this family lives on pensions of the old-age family members or on available assets, such as landed property or cars, which the family then starts selling one by one. There is no future in this, since sooner or later unpaid bills and debts which are not serviced pile up” (economist working for the employers' association SEV)

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

“Poverty is not as extensive as one would have thought on the basis of the current economic recession and unemployment rates. The Greek family functions as an impediment to the spread of poverty. The same holds for homelessness” (economist working for a pro-business think tank).

PERCEIVED CAUSES OF POVERTY

Perceptions of politicians of ND:

“The crisis meant negative growth which caused poverty” (serving ND minister).

“The management of the crisis has created poverty and has also drained some non-poor strata of cash” (former minister of ND).

“Over the last years before the crisis economic prosperity in Greece was based on borrowed money (private and public debt). Once access to loans was closed off, poverty followed” (back bencher MP of ND).

Perceptions of politicians of PASOK:

“The recession which ensued from the crisis and the austerity measures hit the richest income groups and the poorest income groups, aggravating the poverty of the latter” (former PASOK minister).

“The crisis has led to the impoverishment of large segments of the population” (prominent MP of PASOK).

Perceptions of politicians of Syriza:

“The crisis has caused poverty evident in the fact that people cannot afford to pay for their food and their rent or pay back their housing loan” (prominent Syriza MP and public figure).

Perceptions of NGO staff members:

“The crisis resulted in the deprivation of the lower middle class and the middle class which was created and benefitted by the state spending, the bank loans etc in the mid-80s (NGO founding member) .

“Of course (the economic crisis has caused social exclusion) when you are excluded from labour market, especially the young people or the long term unemployed, the older people who cannot be re-integrated into the labour market. Unemployment is the most significant effect of the crisis. Beyond that there might exist other consequences” (NGO project manager).

Perceptions of representatives of trade unions and professional associations

“The larger the crisis, the larger the poverty (top cadre of GSEE)

“The crisis has given birth to poverty” (very high ranking cadre of farmers' union PASEGES)

“Some created the crisis and others suffer from the crisis (very high ranking of the union of small and medium entrepreneurs GSEVE)

Perceptions of technocrats

“The crisis has caused poverty through the intervening variables of rampant unemployment and government imposed wage and salary cuts” (High-ranking technocrat working for the labour union GSEE)

“Despite the rise of poverty in Greece, poor people are supported by their families. Real examples of poverty are those among the poor people who do not have a family to rely on. Other examples are families with many children and migrants without documents who are not in contact with communities of migrants” (policy advisor at one of the financial ministries of the Greek government)

“The crisis has increased pre-existing poverty but poor people have survived on the savings of their families. Poverty phenomena will be more visible in the future, as families run out of savings” (policy advisor at one of the social policy ministries of the Greek government)

“The economic crisis has wiped out the labour market and this resulted in causing poverty” (economist working for the employers’ association SEV)

“In Greece before the crisis and under the crisis there is accumulated wealth, but the crisis stopped the flow of income” (economist working for a pro-business think tank).

PERCEPTIONS OF WHAT IS SOCIAL EXCLUSION AND WHO IS SOCIALLY EXCLUDED

Perceptions of politicians of ND:

“Having fallen into long-term unemployment without prospects of entering the labour market” (serving minister of ND; also another former minister of ND and prominent MP).

“Having lost access to services of social welfare health care and education and also to the labour market, particularly in the case of women and the young” (prominent MP of ND; also former minister of ND and prominent MP).

“Being unable to afford to dine out, get married, to pay the cost of religious christening of my child at the church, to pay fees for children to enrol in a summer camp” (back bencher MP of ND).

“Formerly middle-class families have fallen into poverty which has led to their social exclusion” (backbencher MP of ND).

Perceptions of politicians of PASOK:

“Being unemployed and as in the past being a member of a minority group, e.g. the Roma.” (PASOK back bencher).

“Being private sector worker whose living standards are threatened by wage cuts and/or unemployment” (former PASOK minister).

The Double Mismatch: Anti-Poverty Policies and Discourses on Poverty and Social Exclusion in Greece under the Economic Crisis

“Being excluded from work, being excluded from one's own social circles” (prominent MP of PASOK).

“Being homeless, being undernourished” (PASOK member of the incumbent government).

Perceptions of politicians of Syriza:

“Young people who are unemployed became socially excluded” (Syriza back bencher MP).

“The crisis has provoked a fight among different social groups provoking what is called 'social exclusion'” (Syriza back bencher MP).

“Young people have lost their self-respect and dignity” (prominent Syriza MP and former trade unionist).

“The crisis has accentuated previously existing trends of social exclusion such as the social exclusion of homosexuals who were previously tolerated but now suffer from attacks” (prominent Syriza MP and public figure).

Perceptions of journalists:

“Economic exclusion, long-term unemployment, downward social mobility”

“Extensive unemployment”

“People who before the crisis already were on the brink of economic collapse, fell into social exclusion after the crisis erupted”

“Being excluded from the labour market”

“Worsening of the already existing social exclusion of the Roma, HIV carriers, people with disabilities, and foreign migrants; after the crisis the young people excluded from the labour market also faced social exclusion from access to health and education”.

“Poor strata of society which after the crisis became marginalized”.

“Social groups which already before the crisis found it difficult to become integrated into society now are completely destroyed”.

“The feeling of inferiority among parents who cannot afford to offer to their children what they used to offer”.

“Homeless people, people begging for money on the street, people going through the garbage to find useful stuff”.

“Exclusion from the labour market, health care and housing”.

“Some of the hard hit among the unemployed become socially excluded, particularly if they cannot rely on any kin network for help”.

Perceptions of NGO staff members:

“Of course (financial crisis has caused social exclusion) when you are excluded from labour market, especially the young people or the long term unemployed or the older people who cannot reintegrate. Unemployment is the most significant effect. Beyond that there might exist other consequences” (project manager of an NGO).

“People hit by the crisis have some money available. Money has somehow somewhere been accumulated in smaller or larger quantities and people rely on such sums of money. Otherwise, given the scale of the crisis, there would have been revolution. However, there is a grave risk for a large share of the population to become socially excluded” (NGO staff member).

“I have seen people suffering from cancer who pay the 5 euro entrance fee to use the services of public hospitals. This is terrible. The complete absence of the welfare state has excluded groups of people from access to basic public goods, such as health care” (NGO project manager).

“People suffering from serious diseases do not have access to public health care” (NGO staff member).

“When talking about poverty in Greece, we refer to structural poverty, which means that there is social exclusion too. Individuals who lost their job during the crisis are potential long-term unemployed. Being long-term unemployed; exhausting a stock of social and financial resources available; receiving assistance from family for 3-4 years automatically means that this individual passes to the poor category. If this individual is over 50 years old, this simultaneously means he is excluded from the labor market” (head of Education Division of an NGO).

Perceptions of representatives of trade unions and professional associations

“Women and the young and those who lost their jobs are socially excluded” (top cadre of GSEE)

“There is lack of access to housing, healthcare and education, because the state reduced its investments in welfare structures and services” (middle-ranking trade union militant)

“Unemployed people who belong to the middle-age or the old-age group. Approximately 75 per cent of all unemployed are over 45 years old” (very high ranking cadre of GSEE)

“Lack of access to electricity and to food supply” (very high ranking cadre of farmers' union PASEGES)

“About 40 per cent of the homeless people in Athens are small and medium entrepreneurs. There are 1 million small and medium entrepreneurs who have stopped paying contributions to their pension and health care fund and remain uninsured” (very high ranking of the union of small and medium entrepreneurs GSEVE).

Perceptions of technocrats

“Cases of social exclusion are the long-term unemployed, the young who cannot enter the labour market and the homeless” (High-ranking technocrat working for the labour union GSEE).

“Lack of access to basic goods, heating and healthcare because one or more adult members of the family have become unemployed” (policy expert and top ranking official of the Municipality of Athens)

“Exclusion from the labour market, but also exclusion from education and cultural

services, as well as exclusion from digital services. There is also the reverse of exclusion as, for instance, in the case of people who make an income in the black market, declare no income to tax authorities and thus are not taxed. They then apply for a welfare allowance which they receive as they included in the target group of a social assistance policy” (policy advisor at one of the financial ministries of the Greek government)

“An example of social exclusion is the case of a household in which both adults lose their jobs” (policy advisor at one of the social policy ministries of the Greek government)

“Social exclusion is step-by-step process of exclusion. First you become unemployed, then you become long-term unemployed, you become introverted, you are unable to pay your bills, you do not want to meet anyone outside the family, the others do not want to meet you and eventually there is a rift also within your family” (economist (economist working for the employers’ association SEV).

“Even though there has been a lot of public spending on public health care and public education, today there is exclusion from health care and education” (economist working for a pro-business think tank).



ΕΛΙΑΜΕΠ  **ELIAMEP**

ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΕΥΡΩΠΑΪΚΗΣ & ΕΞΩΤΕΡΙΚΗΣ ΠΟΛΙΤΙΚΗΣ
HELLENIC FOUNDATION FOR EUROPEAN & FOREIGN POLICY

49, Vas. Sofias Ave. 10676 Athens, Greece | Tel. +30 210 7257 110 | Fax +30 210 7257 114 | E-mail eliamep@eliamep.gr